

SUBJECT: Removing river authorities from Sunset review

COMMITTEE: Natural Resources — favorable, without amendment

VOTE: 9 ayes — Larson, Phelan, Ashby, Frank, Kacal, T. King, Lucio, Nevárez, Price

2 absent — Burns, Workman

WITNESSES: For — David Mauk, Bandera County River Authority and Groundwater District; Kevin Patteson, Guadalupe Blanco River Authority; Phil Wilson, Lower Colorado River Authority; Con Mims, Nueces River Authority; Jim Campbell, San Antonio River Authority; Dean Robbins, Texas Water Conservation Association.; (*Registered, but did not testify:* Gregory Ellis, Bandera County River Authority and Groundwater District; Kent Satterwhite, Canadian River Municipal Water Authority; Ed McCarthy, Fort Stockton Holdings L.P. & TAGOP; Justin Yancy, Texas Business Leadership Council; Stacey Steinbach, Texas Water Conservation Association)

Against — David Lindsay, Central Texas Water Coalition; Kelly Davis, Save Our Springs Alliance; (*Registered, but did not testify:* Tom Glass, League of Independent Voters)

On — Chris Ulmann, Texas Commission on Environmental Quality; (*Registered, but did not testify:* Sarah Kinkle, Sunset Advisory Commission; Todd Galiga, Texas Commission on Environmental Quality)

BACKGROUND: River authorities are "special law" districts governed by a board of directors that is either elected or appointed by the governor. In general, river authorities have been created to protect and develop the surface water resources of the state, but their duties vary. They may have responsibility for flood control, soil conservation, and protecting water quality.

In 2013, the 83rd Legislature enacted HB 2362 by Keffer to allow the

Legislative Budget Board to periodically review the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of a river authority. In 2015, the 84th Legislature enacted SB 523 by Birdwell to make 18 river authorities subject to Sunset review without the threat of abolishment, with the expense of the review paid by the river authorities.

DIGEST: HB 2802 would repeal the requirement that the following 18 river authorities be subject to review by the Sunset Advisory Commission:

- Angelina and Neches River Authority;
- Bandera County River Authority and Groundwater District;
- Brazos River Authority;
- Central Colorado River Authority;
- Guadalupe-Blanco River Authority;
- Lavaca-Navidad River Authority;
- Lower Colorado River Authority;
- Lower Neches Valley Authority;
- Nueces River Authority;
- Palo Duro River Authority;
- Red River Authority of Texas;
- Sabine River Authority of Texas;
- San Antonio River Authority;
- San Jacinto River Authority;
- Sulphur River Basin Authority;
- Trinity River Authority of Texas;
- Upper Colorado River Authority; and
- Upper Guadalupe River Authority.

SUPPORTERS SAY: HB 2802 would remove river authorities from being subject to an unnecessary and costly Sunset review process.

Duplicative review process. The bill would remove river authorities from being subject to a duplicative set of reviews by the Sunset Advisory Commission. River authorities already are subject to efficiency reviews by the Legislative Budget Board and annual financial audits from State

Auditor's Office, as well as continued supervision and five-year management reviews required by the Texas Commission on Environmental Quality. These sets of reviews adequately address the financial and management practices of river authorities. Furthermore, the Legislature already has the ability to place a river authority under Sunset review as deemed necessary.

Fiscal burden of Sunset review. The bill would relieve river authorities of the unfunded mandate of the Sunset review. The cost of undergoing Sunset review can pose significant financial and staffing burdens because many river authorities operate on modest budgets with five or fewer employees. For some smaller authorities, Sunset costs have amounted to nearly one-third of their budgets. These costs may end up being passed on to taxpayers and would be better invested in water projects. Additionally, river authorities do not receive general revenue, unlike most entities that are subject to Sunset review.

While responsible stewardship of the state's natural resources is a priority, imposing Sunset review on river authorities to achieve effective water resource management is somewhat arbitrary, as river authorities lack a statutory definition and have such varied responsibilities. Many government entities that are not "river authorities" also manage surface water resources, but these are not subject to Sunset review.

Transparency and public input. The bill would not unduly affect the ability of the public to have oversight over the operations of river authorities, as the authorities are government entities and are subject to numerous transparency requirements, such as open meetings, open records, and financial audits.

OPPONENTS
SAY:

Duplicative review process. HB 2802 would remove river authorities from the Sunset review process, which provides needed management oversight. While river authorities are subject to Legislative Budget Board and State Auditor's Office audits, these focus primarily on the financial operations of river authorities, rather than their management practices. Additionally, the reviews of river authorities required by the Texas

Commission on Environmental Quality are not as focused on management practices as those of the Sunset Advisory Commission. The Sunset reviews of river authorities that have been conducted have yielded valuable results, such as the finding that consolidation of certain authorities would lead to more efficient and mission-oriented operations. Other reviews did not and would not have provided these findings, as their scope and priorities are different from those of Sunset. In fact, one State Auditor's Office audit recommended that a river authority go through Sunset review to be more comprehensively evaluated.

Fiscal burden of Sunset review. The bill would eliminate Sunset review of river authorities rather than evaluate why the costs of Sunset reviews are so high. Because Texas is a water-stressed state, the value of natural resource security is high over the long run and the state should be focused on finding the best methods to manage its limited resources. Sunset review is a comprehensive management review that fulfills this need.

Transparency and public input. The bill would eliminate a venue for public input in the operations of river authorities, as Sunset reviews allow for public hearings. River authorities wield a great deal of power over the state's natural resources and should be held publicly accountable. Many authorities have appointed rather than elected boards and provide little citizen recourse for objection to management decisions.