

## **BILL ANALYSIS**

Senate Research Center  
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C.S.H.B. 3871  
By: Smith (Ellis)  
Intergovernmental Relations  
5/16/2013  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Gulf Coast Waste Disposal Authority (GCWDA) was created in 1969 to originally serve Chambers, Galveston, and Harris counties for the purpose of providing waste disposal systems and regulation of disposal of waste to enhance and protect the waters in Galveston Bay. GCWDA also provides waste water services for the City of Odessa and the local industries in that community under the provisions of the Regional Waste Disposal Act (Chapter 30, Vernon's Texas Water Code), as was authorized by a 1995 amendment to GCWDA's enabling legislation.

In recent years, as a result of the prolonged drought, several requests have been made to GCWDA to lend its expertise to providing treatment of other waters—e.g., brackish, reuse, non-potable surface, saline—which fall outside of “waste water treatment” industrial settings in order to meet the needs of its commercial and industrial customers.

C.S.H.B. 3871 amends current law relating to the powers and duties of the Gulf Coast Waste Disposal Authority.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Equality, as the successor agency to TNRCC.]

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1.01, Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, as follows:

Sec. 1.01. PURPOSE. Provides that the purpose of this Act is to establish an instrumentality for developing and effectuating for Chambers, Galveston, and Harris Counties a regional water quality management program including provision of waste disposal and water systems and regulation of disposal of wastes.

SECTION 2. Amends Section 1.03(a), Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, by adding Subdivision (23) to define "water system."

SECTION 3. Amends Section 3.01(e), Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, as follows:

(e) Empowers the Gulf Coast Waste Disposal Authority (authority), subject only to the authority vested by general law, and particularly Chapters 11 (Water Rights), 13 (Water Rates and Services), and 26 (Water Quality Control), Water Code, rather than particularly Chapter 26, Water Code, in the Texas Natural Resource Conservation Commission, to provide water systems and to control water pollution and waste disposal within the district.

SECTION 4. Amends the heading to Section 3.14, Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, to read as follows:

Sec. 3.14. ACQUISITION, CONSTRUCTION, AND OPERATION OF WATER OR DISPOSAL SYSTEMS.

SECTION 5. Amends Section 3.14, Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Authorizes the authority to:

- (1) acquire and provide by purchase, gift or lease any water or disposal systems within or outside the district;
- (2) construct and provide water or disposal systems within or outside the district;
- (3) operate and sell any water or disposal systems that it constructs or acquires;
- (4) contract with any person to operate and maintain, within or outside the district, any water or disposal system belonging to the person; and
- (5) contract with any person to train or supervise employees of a water or disposal system within or outside the district.

(c) Requires the authority, in taking an action under this section, to comply with the requirements of Section 3.16A.

SECTION 6. Amends Section 3.16, Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, as follows:

Sec. 3.16. SALE OF WATER AND BY-PRODUCTS. Authorizes the authority to store and sell water that it collects under Section 3.14 or 3.15 of this Act, and to furnish water of a specified quality.

SECTION 7. Amends Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, by adding Section 3.16A, as follows:

Sec. 3.16A. LIMITATION ON SERVICE AREA. Requires the authority to obtain the consent of the director of public works of the City of Houston for the acquisition, construction, or operation of a water system that distributes raw or treated water within Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, or Waller County, other than a water system that distributes effluent, reclaimed water, reuse water, or treated wastewater produced from a waste treatment facility.

SECTION 8. Amends Section 3.23(l), Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, as follows:

(l) Provides that subject to Section 3.16A:

- (i) the authority and all persons are authorized to enter into contracts with respect to any waste and any waste disposal or treatment facilities, water system facilities, and any other facilities described in this Subsection (l) or any other part of this Act, and the authority is authorized to execute all appropriate documents and instruments in connection therewith; and the authority is authorized to issue bonds with respect to any of its powers, including those powers granted in this Subsection (l), and also for the purpose of providing or funding any debt service reserve fund or other special reserve, contingency, or other fund in connection with bonds, and/or also for the purpose of providing funds to operate any facilities for a period not to exceed three years after completion and to maintain any

facilities, and/or to provide funds to pay interest on bonds during such period as is determined by the authority; and

(ii) the authority is authorized to exercise the powers, duties, and authority defined in the Regional Waste Disposal Act (Chapter 30, Vernon's Texas Water Code), and all of the provisions of the Regional Waste Disposal Act, as it now exists and as it hereafter may be amended, are applicable to the authority, except to the extent of any conflict with this Act, in which case this Act shall prevail over the provisions of the Regional Waste Disposal Act; and the authority is authorized to exercise the same rights, powers, and authority with respect to the control, storage, preservation, transmission, treatment, and disposition of water and water systems that it is authorized to exercise under this section with regard to waste, waste disposal systems, and treatment facilities; and

(iii)-(vi) Makes no change to these subparagraphs.

SECTION 9. Effective date: upon passage or September 1, 2013.