

## **BILL ANALYSIS**

Senate Research Center

S.B. 814  
By: Hinojosa  
Intergovernmental Relations  
6/29/2017  
Enrolled

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

S.B. 814 relates to the board of directors and governing structure of the Agua Special Utility District (SUD) in the Rio Grande Valley. Changes are needed to the composition of the board of directors as well as safeguards to protect taxpayers against conflicts of interest.

The Agua SUD board of directors currently consists of seven elected directors—one from the City of Mission, one from the City of Palmview, one from the City of Penitas, and one from the City of Sullivan; as well as three at-large directors.

S.B. 814 changes the composition of the Agua SUD board by removing one at-large member and replacing it with one director from the City of La Joya, also located within the district. This will ensure better representation from all cities within the SUD.

S.B. 814 increases transparency and curbs conflicts of interests within the Agua SUD board. The public loses confidence in the integrity of a governmental entity if it perceives that the governing board is influenced by personal interests. Public servants must avoid creating even the appearance of impropriety.

S.B. 814 states that if an Agua SUD director is an employee of another taxing entity within the district, the board may not hire an elected official of the largest public employer in the service area to work within the utility district. The prohibition includes a person related to that elected official within the third degree of consanguinity, as well as an employee who is a consultant or employed on a contract basis.

S.B. 814 also adds a grandfather clause so that current elected officials of the largest public employer may serve out their term as employees of Agua SUD.

When taxpayer money is involved, elected officials must provide efficient processes, proper oversight, and transparency to the public. S.B. 814 is necessary to achieve these goals for the Agua Special Utility District. (Original Author's / Sponsor's Statement of Intent)

S.B. 814 amends current law relating to the board of directors of the Agua Special Utility District.

### **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 7201.052, Special District Local Laws Code, by amending Subsections (a), (b), (c), and (l) and adding Subsection (m), as follows:

(a) Requires that the Agua Special Utility District (district), except as provided by Subsection (1), be governed by a board of seven directors (board), elected as follows:

(1) through (3) makes no changes to these subdivisions;

(4) makes a nonsubstantive change;

(5) one director elected by the voters of the part of the City of La Joya within the district to represent that part of the city; and

(6) two, rather than three, directors elected at-large to numbered positions on the board by the district voters who do not reside in any of the municipalities listed in Subdivisions (1) through (5), rather than Subdivisions (1) through (4), to represent the part of the district that is not included in those municipalities, unless the number of at-large directors is increased under Subsection (1). Creates this subdivision from existing text.

(b) Replaces a reference to Subsections (a)(1) through (4) with Subsections (a)(1) through (5).

(c) Includes Subsection (a)(5) as one of the subsections under which a municipality represented by a candidate for one of the director positions is listed.

(l) Includes Subsection (a)(5) under which a municipality represented by a director applies. Amends this subsection to conform to redesignations of Subsection (a).

(m) Prohibits the board, if a director is an employee of another taxing entity within the district, from employing certain individuals as an employee, as a consultant, or on a contract basis.

SECTION 2. (a) Provides that the position of director of the district elected at-large for a term that expires in 2018 becomes the position for the director elected from the City of La Joya on the election date in 2018 when the district elects new directors. Requires that the director of the district elected at-large to a term that expires in 2018 serve until a director elected from the City of La Joya has qualified following the director's election held in 2018.

(b) Provides that this section expires September 1, 2020.

SECTION 3. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. Effective date: September 1, 2017.