

## **BILL ANALYSIS**

Senate Research Center

S.B. 626  
By: Birdwell et al.  
Water & Rural Affairs  
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Enrolled

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

The legislature created the Guadalupe-Blanco River Authority (authority) in 1933 to develop, conserve, and protect the water of the Guadalupe and Blanco Rivers. The authority receives no state appropriations and operated on a budget of about \$56 million in fiscal year 2017, 65 percent of which came from water and wastewater sales to wholesale and retail customers.

The Texas Sunset Advisory Commission (Sunset) found that the authority's new management team has identified several internal issues for the authority to improve or fix; however, a growing population coupled with aging infrastructure necessitates that the authority strategize for the future. Although Sunset has recommended several management actions, it found limited statutory changes were needed. The provisions in this bill primarily focus on opportunities for the authority to apply basic good government standards to their governing laws.

S.B. 626 updates the date of the authority's next Sunset review to 2031, the standard 12-year period.

S.B. 626 applies basic good government standards to the authority's governing laws to promote accountability, transparency, and best practices.

- These standards are applied to all entities under Sunset review as “across-the-board recommendations” unless a good reason exists not to apply the standard.
- Provides for gubernatorial designation of the presiding officer, requires board member training, separates duties of staff from the board, requires public testimony be included in each board meeting agenda, requires maintenance of complaint information, and promotes alternative dispute resolution. (Original Author's/Sponsor's Statement of Intent)

S.B. 626 amends current law relating to the Guadalupe-Blanco River Authority; following the recommendations of the Sunset Advisory Commission.

### **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 1A(a), Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, as follows:

- (a) Requires the review of the Guadalupe-Blanco River Authority (District) under chapter 325, Government Code (Texas Sunset Act) to be conducted under Section 325.025 (River Authorities Subject to Review), Government Code, as if the District were a state agency scheduled to be abolished September 1, 2031, rather than September 1, 2019, and every 12th year after that year.

SECTION 2. Amends Section 2, Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, as follows:

Sec. 2. Requires the District, without limitation of the generality of the foregoing, to have and authorizes the District to exercise the following powers, rights, privileges, and functions:

(a)-(x) makes no changes to these subsections;

(y) Requires that nothing herein be construed as conferring any water rights on the District, or as fixing any priority of rights, but provides that said District is required to obtain its water rights by application to and permit from the Texas Commission on Environmental Quality, rather than the Texas Water Rights Commission, as provided by General Statute; and provides that nothing herein shall be construed as authorizing the District to make any regulation of the withdrawal of underground waters. Provides that the rights, powers, privileges, authority, and functions granted to the District under this Act, and the District itself, are expressly subject to Chapters 5 (Texas Commission on Environmental Quality), 7 (Enforcement), 11 (Water Rights), 12 (Provisions Generally Applicable to Water Rights), 17 (Public Funding), 26 (Water Quality Control), and 30 (Regional Waste Disposal), Water Code, and Chapter 366 (On-Site Sewage Disposal Systems), Health and Safety Code, rather than that the rights, powers, privileges, authority, and functions granted to the District under this Act, and the District itself, are expressly subject to Chapters 5, 6 (Texas Water Development Board), and 21, Water Code.

SECTION 3. Amends Section 4, Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, as follows:

(a) Creates this subsection from existing text, deletes existing text relating to requiring each director to receive Twenty-five Dollars (\$25) per day, or such amount as may hereafter be prescribed by general law, for each day spent in attending meetings of the Board of Directors of the District (Board), and any other business of the District that the Board thinks necessary, plus actual traveling and other expenses and makes a conforming change.

(b) Requires five (5) directors to constitute a quorum at any meeting and authorizes, except as otherwise provided, in this Act or in the by-laws, all action to be taken by the affirmative vote of a majority of the directors present at any such meeting, except that no contracts which involve any amount greater than \$100,000, rather than Ten Thousand Dollars (\$10,000), or which is to run for a period longer than a year, and no bonds, notes or other evidence of indebtedness and no amendment of the by-laws shall be valid unless authorized or ratified by the affirmative vote of at least five (5) directors.

SECTION 4. Amends Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, by adding Section 4A, as follows:

Sec. 4A. (a) Prohibits a person who is appointed to and qualifies for office as a director from voting, deliberating, or being counted as a director in attendance at a Board meeting until the person completes a training program that complies with this section.

(b) Requires the training program to provide the person with information regarding the law governing District operations, the programs, functions, rules, and budget of the District, the results of the most recent formal audit of the District, the requirements of laws relating to open meetings, public information, administrative procedure, and disclosure of conflicts of interest and other laws applicable to members of the governing body of a river authority in performing their duties, and any applicable ethics policies adopted by the District or the Texas Ethics Commission.

(c) Entitles a person appointed to the Board of directors of the Board to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) Requires the general manager of the District (general manager) to create a training manual that includes the information required by Subsection (b) of this section. Requires the general manager to distribute a copy of the training manual annually to each director. Requires each director to sign and submit to the general manager a statement acknowledging that the director has received and reviewed the training manual.

SECTION 5. Amends Section 5, Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, to require the Governor to designate a member of the Board as the presiding officer of the Board to serve in that capacity at the pleasure of the Governor.

SECTION 6. Amends Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, by adding Section 5A, to require the Board to develop and implement policies that clearly separate the policymaking responsibilities of the Board and the management responsibilities of the general manager and the staff of the District.

SECTION 7. Amends Section 11, Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, to make nonsubstantive changes.

SECTION 8. Amends Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, by adding Sections 23, 24, 25, and 26, as follows:

Sec. 23. (a) Requires the Board to develop a policy to encourage the use of appropriate alternative dispute resolution procedures under Chapter 2009 (Alternative Dispute Resolution For Use By Governmental Bodies), Government Code, to assist in the resolution of internal and external disputes under the District's jurisdiction.

(b) Requires the District's procedures relating to alternative dispute resolution to conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) Requires the District to coordinate the implementation of the policy adopted under Subsection (a) of this section, provide training as needed to implement the procedures for alternative dispute resolution, and collect data concerning the effectiveness of those procedures.

Sec. 24. (a) Requires the Board to develop and implement policies that provide the public with a reasonable opportunity to appear before the Board and to speak on any issue under the jurisdiction of the District.

(b) Requires the Board, at each regular meeting of the Board, to include public testimony as a meeting agenda item and allow members of the public to comment on other agenda items and other matters under the jurisdiction of the District. Prohibits the Board from deliberating on or deciding a matter not included in the meeting agenda, except that the Board is authorized to discuss including the matter on the agenda for a subsequent meeting.

Sec. 25. (a) Requires the District to maintain a system to promptly and efficiently act on complaints filed with the District. Requires the District to maintain information about the parties to and subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and the disposition of the complaint.

(b) Requires the District to make information available describing its procedures for complaint investigation and resolution.

(c) Requires the District to periodically notify the complaint parties of the status of the complaint until final disposition.

Sec. 26. (a) Defines "system" for purposes of this section.

(b) Requires the District to adopt an asset management plan by:

(1) preparing an asset inventory that identifies the assets of each system and the condition of the assets;

(2) developing criteria to prioritize assets for repair or replacement, including:

(A) the date by which the asset will need to be repaired or replaced;

(B) the importance of the asset in providing safe drinking water and complying with regulatory standards;

(C) the importance of the asset to the effective operation of the system; and

(D) other criteria as determined by the District;

(3) estimating asset repair and replacement costs;

(4) identifying and evaluating potential financing options; and

(5) prioritizing systems that are not in compliance with federal or state regulatory standards, including water quality standards.

(c) Requires the District to review and revise the asset management plan annually to account for regulatory changes and other developments.

(d) Requires the Board to approve the asset management plan annually as part of its budgeting process.

(e) Requires the findings of the asset management plan to be posted on the District's publicly accessible Internet website.

SECTION 9. Repealer: Section 8, Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933.

SECTION 10. (a) Provides that the term of the president of the Board serving on the effective date of this Act expires September 1, 2019. Authorizes the director serving as president on the effective date of this Act to continue to serve on the Board until the expiration of that director's term.

(b) Requires the governor, not later than September 2, 2019, to designate a director as president of the Board as required by Section 5, Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, as amended by this Act.

SECTION 11. (a) Authorizes a person serving on the Board, notwithstanding Section 4A(a), Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, as added by this Act, to vote, deliberate, and be counted as a director in attendance at a meeting of the Board until December 1, 2019.

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

SECTION 12. Provides that the repeal by this Act of Section 8, Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, does not apply to an offense committed before the effective date of this Act. Provides that an offense committed before the effective date of this Act is governed by the law as it existed on the date the offense was committed, and the former law is continued in effect for that purpose. Provides that, for purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 13. Provides that all requirements of the constitution and 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 14. Effective date: September 1, 2019.