



## The Agencies that Regulate and Influence MUD's Class of 2022

Thursday, February 3, 2022

10:45 – 11:00 AM	<b>Welcome</b>
11:00 – 11:45 AM	<b>Class Project Overview</b> <i>Auggie Campbell (Executive Director - AWBD)</i>
11:45 – 12:30 PM	<b>Lunch</b>
12:30 – 1:15 PM	<b>Federal Overview</b> Guest Speaker: Nathan Vassar (Principal, Lloyd Gosselink)
1:15 – 2:15 PM	<b>State Regulation of Districts: Water Supply, Planning, and Funding</b> Guest Speakers: Earl Lott (TCEQ); Justin Taack (TCEQ) Moderator: Ken Heroy (Jones & Heroy)
2:15 – 2:30 PM	<b>Break</b>
2:30 – 3:15 PM	<b>Regional Planning &amp; Regulations</b> <i>Guest Speakers: Mike Turco (General Manager, Harris-Galveston Subsidence District &amp; Fort Bend Subsidence District)</i> <i>Jace Houston (San Jacinto River Authority)</i>
3:15 – 4:00 PM	<b>County Planning &amp; Regulation</b> <i>Guest Speakers: Alisa Max (Asst. Harris County Engineer) and Stacy Slawinski (Fort Bend County Engineer)</i>
4:00 – 4:45 PM	<b>Municipality Planning &amp; Regulation</b> <i>Guest Speakers: Patti Knudson Joiner (President, Knudson LP) and Joe Zimmerman (Mayor, City of Sugar Land)</i>
4:45 – 5:00 PM	<b>Break</b>

5:00 – 5:30 PM

**Class Project: Committee Meetings**

5:30 – 6:00 PM

**Pints & Pontification (BYOB)**

**Facilitator Cell Phones:**

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Auggie Campbell	281-222-4484
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**USEPA and Federal Laws: Drinking Water and Water Pollution** A century ago, cholera killed thousands. Decades ago, rivers caught fire. A few years ago, lead poisoning made headlines in Flint, Michigan. Federal regulations come from these experiences. From wetlands and lead and copper rules to water quality and consumer confidence reports—federal laws and rules create frameworks that guide districts’ creation and operations. While water districts rarely interact directly with federal agencies, water districts have many reasons to pay attention to federal rules and actions.

**State Drinking Water and Wastewater Regulation: Texas Commission on Environmental Quality** Many federal regulatory programs are delegated to the States to implement and enforce. In Texas, the TCEQ is responsible for drinking water and wastewater treatment regulations. The TCEQ requires all water and wastewater system operators to adhere to requirements of Title 30 of the Texas Administrative Code, which include versions of federal rules and rules required by state statute. Design criteria for water and wastewater treatment plants are an example from plant design and permitting to licensing system conversion, the TCEQ oversees every aspect of MUDs’ water system creation and operation.

**State Water Planning and Finance: Texas Water Development Board** To build water and wastewater systems takes billions of dollars; planning water and wastewater systems takes decades. Texas is recognized as a world leader at water planning and water project implementation. The Texas Water Development Board is what gives Texas its advantage in water planning and water project financing. In 2019, the Texas Legislature gave TWBD responsibility for overseeing state efforts for planning and funding flood management infrastructure.

**State Water District Creation and Finance Regulation: Texas Commission on Environmental Quality, Attorney General, and Public Utility Commission** MUDs and similar water districts are among the most regulated entities in the United States. Most MUD are created through the TCEQ. All MUD bond applications are reviewed and approved by the District’s Section, which confirms that the applications meet financial feasibility rules. Lastly, the TCEQ requires and reviews districts’ annual audits. The Texas Attorney General must also review all MUD bond applications, which protects the integrity of MUD bond financing. The Texas Public Utility Commission may review district water and sewer rates ensuring that these rates are fair to customers. These entities keep MUDs funded and functioning so both public and private interests are well served.

**Regional Agencies: Specific to Region's Needs: River Authorities, Groundwater/Subsidence Authorities, Regional Water Supply Authorities** As populations and water regulations increase, maintaining a dependable water supply becomes increasingly difficult. The Texas Legislature has created many regional agencies to address complicated issues, like managing river basins or regional water supply issues. Until the end of the 20th century, groundwater in Texas was virtually unregulated—anyone who could capture it could use it. Harris and Galveston Counties became notable exceptions in the 1970s when they created their subsidence district. Groundwater is increasingly regulated, and many MUDs are converting to surface water. No matter how MUDs get their water, regional water authorities and river authorities play a critical role in major metropolitan areas across Texas.

**County Regulation** Outside of cities, counties regulate floodplains, roads, and other infrastructure and permitting issues that can affect MUDs. While counties and MUDs may have differences on a few issues, counties often partner with MUDs on infrastructure projects and other initiatives. Creating cooperative relationships between counties and MUDs can ensure that public infrastructure and public safety are well maintained.

**Municipality Regulation** Texas cities, especially home rule cities, have broad powers to regulate districts within their extraterritorial jurisdiction (ETJ) and even broader powers to regulate districts within their city limits. For example, cities have the power to deny or delay MUD creation, often have water rights that are superior to MUDs water rights, as well as the same basic powers as counties. Like counties, cities often partner with MUDs—notably through strategic partnership agreements. While cities have recently lost some of their annexation power, they retain many powers that MUDs should recognize.