



City Council Agenda Item Report

April 16th, 2013

Agenda Item ____

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SUBJECT: STAFF REPORT: LEGISLATIVE UPDATE ON 83RD LEGISLATURE

1. BACKGROUND/HISTORY

This staff report is an ongoing effort to provide updates on city-related bills as well as tracking the City of Buda's sponsored bills on sales tax split between ESDs and cities (HB 3159) and on black hydrants (HB1797 and SB1086) .

2. FINDINGS/CURRENT ACTIVITY

HB1797 & SB1086 (requiring minimum fire flow for residential and industrial areas in Buda & Kyle):

We always knew Monarch would be working behind closed doors, and Jim has indicated Monarch with the assistance of their lobbying team has been able to get amendments to HB1797 & SB1086. The amendments ultimately "water-down" the efficacy of the bill to where no liability is on Monarch and making it onerous for Buda and Kyle to compel Monarch to maintain minimum fire flow. Jim Boyle has countered with revisions to Monarch's proposal but knows that concessions will have to be accepted in order to get something through otherwise the bills will be "killed". Mr. Williams and I held a conference call with Jim on Tuesday, April 30th to go over Jim's counter proposal and felt Jim's revisions still met our original intent in requiring minimum fire flow in our industrial area. Jim's changes were the following:

1. Took away any ability for the TCEQ to set standards. The standards are set out in the amendment.
2. Struck out all relating to any standards that will apply to any new or retrofitted fire hydrants as well as existing hydrants.
3. Revised to require the utility has limited liability, like a city, but not absolute immunity as is contained in HB 1973.
4. There is a requirement for a memo of understanding for the testing of fire hydrants and the use of water during testing, but eliminated the totally open ended language on "other relevant issues pertaining to the use of the water and maintenance of fire hydrants"

Revisions were forwarded over to Monarch, but countered again. However, Sen. Campbell requested a meeting with Monarch, Jim, representatives from Kyle and Buda and a representative from Rep. Isaac's office to come to a resolution on the bill. The meeting was held on May 1st at the Capitol with Jim; Lanny Lambert, City Kyle City Manager; and I representing the cities. Sen. Campbell stood firm on her position to eliminate "black hydrants" and to re-commission into a red hydrant which will meet minimum fire flow of 250 gallons per minute for 2 hours and 20lbs per square inch of pressure. Although, we had to work within the parameters of the Rep. Lucio bill, HB1973, at the end of the day, the bill will require red hydrants, but Monarch will keep their immunity if a hydrant is not operable during an emergency. According to Jim, if all parties are in agreement, the House bill will get on Local and Consent and, hopefully, approved and forwarded over to the Senate wherein the new revised language will be added. Thereafter, the revised bill will be put on Senate Local and Consent, and, if approved, forwarded over to the House for concurrence on the new bill language. Once concurred, the bill is forwarded to the Governor.

HB 3857 (allowing for an automatic rate increase of 5% for infrastructure projects for investor-owned utilities):

Jim Boyle has asked cities to send in letters of opposition to house legislators on this bill. The Mayor sent a letter in to Rep. Isaac on opposition of such. Attached is the letter for review.

HB 3159 (Sales tax allocation between cities and ESDs):

Myself along with Buda Fire Chief, Clay Huckaby; Hector Forester, City Manager for the City of Willis; Bill Longley, TML Attorney; and John Carlton, Attorney for Texas State Association of Fire and Emergency Districts (SAFE-D) attended the House Ways & Means Committee hearing on Monday, April 22. The meeting was very long with 40 agenda items to attend to along with the House entering into session in the middle of the day. Our bill was addressed around 8:30pm, and everyone aforementioned provided testimony for the bill and no one testifying against it. Furthermore, no fiscal impact was determined by the Comptroller. Everyone thanked Rep. Jason Isaac for his support and sponsorship for the bill. Furthermore, the bill was voted out of committee and recommended for Local 7 Consent calendar. Even though there is not a lot of time left in the session (May 27th), it is a good sign nonetheless. I will be staying in touch with Rep. Isaac's office on the status.

2. FINANCIAL IMPACT

N/A

4. ACTION OPTIONS/RECOMMENDATION

5. ATTACHMENTS

1. Preliminary revisions to HB1086
2. Letter from Mayor and HB3857
3. Final revision of HB 3159 approved out of committee