

TO: Board of Directors, Texas Water Resources Finance Authority

THROUGH: Kevin Patteson, Executive Administrator
Les Trobman, General Counsel

FROM: Alexis Lorick, Assistant General Counsel

DATE: October 8, 2015

SUBJECT: Selection of the Officers of the Texas Water Resources Finance Authority

ACTION REQUESTED

Meet as the Texas Water Resources Finance Authority (TWRFA) in accordance with the provisions detailed in Chapter 20 of the Texas Water Code (TWC) and appoint an appropriate slate of officers in accordance with TWC § 20.014.

BACKGROUND

TWRFA’s mission is to assist the Texas Water Development Board (TWDB) with financing existing mechanisms designed to conserve and develop the state’s water resources. The members of TWDB govern TWRFA as its Board of Directors.¹ TWRFA’s Board of Directors is required by statute to hold regular meetings “at least” once per “calendar year,”² and to select a Chairman, Vice-Chairman, Secretary, and Treasurer, “at the first meeting of the board following January 31 of each odd-numbered year.”³ TWRFA has not yet met for the calendar year of 2015 and the officer positions should be revisited in light of a recent vacancy.

KEY ISSUES

TWRFA last convened for a meeting on September 18, 2014. At that time, it selected a new slate of officers following significant restructuring that occurred with the membership of the Board for the TWDB. TWRFA has not yet convened in 2015 and the position of Chairman sits vacant. Therefore, it is appropriate for TWRFA to convene at this time to select officers for the upcoming year. It should also act on business as reflected on its agenda, pursuant to Tex. Water Code § 20.016.

¹ See, Tex. Water Code Ann. § 20.012 (West 2012).

² Tex. Water Code Ann. § 20.015(a) (West 2012); See also, §20.016 (“The [Authority] may adopt rules that are necessary to carry out this chapter and may take official action by adoption of a resolution of order.”).

³ Tex. Water Code Ann. § 20.014(e) (West 2012).

As stated previously, the Board of Directors of TWRFA is composed of the Board of the TWDB. Currently, the TWDB also has a vacancy in one of its Director positions. However, the vacancy on the TWDB Board does not prohibit TWRFA from convening to select officers and conduct any business that may be before TWRFA. TWRFA's organizational structure is mandated by statute, requiring four roles: a Chairman, Vice-Chairman, Secretary, and Treasurer. The positions of Secretary and Treasurer may be held by the same person.⁴ Further, TWRFA's Secretary and Treasurer do not have to be held by a "director," who is defined in TWC Chapter 20 as a director of the "board," of TWRFA. Therefore, the positions of Secretary and Treasurer may be filled by non-directors of TWRFA, aka non-directors of the TWDB Board.

RECOMMENDATION

The Executive Administrator recommends that TWRFA appoint a Chairman, Vice-Chairman, Secretary, and Treasurer for its Board of Directors and take up any other business as may be required by its Board of Directors.

Attachment(s):
None.

⁴ Tex. Water Code Ann. § 20.014(c) (West 2012).