

By: Guillen

H.B. No. 2602

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation, administration, powers, duties,
3 operation, and financing of the Starr County Groundwater
4 Conservation District.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. DEFINITIONS. In this Act:

7 (1) "Board" means the board of directors of the
8 district.

9 (2) "District" means the Starr County Groundwater
10 Conservation District.

11 SECTION 2. CREATION. A groundwater conservation district,
12 to be known as the Starr County Groundwater Conservation District,
13 is created in Starr County, subject to approval at a confirmation
14 election under Section 7 of this Act.

15 SECTION 3. FINDINGS OF BENEFIT. (a) The district is
16 created to serve a public use and benefit.

17 (b) The district is created under and is essential to
18 accomplish the purposes of Section 59, Article XVI, Texas
19 Constitution.

20 (c) All of the land and other property included within the
21 boundaries of the district will be benefited by the works and
22 projects that are to be accomplished by the district under powers
23 conferred by Section 59, Article XVI, Texas Constitution.

24 SECTION 4. CONTINUING PROVISIONS OF DISTRICT. Subtitle H,

1 Title 6, Special District Local Laws Code, is amended by adding
2 Chapter 8803 to read as follows:

3 CHAPTER 8803. STARR COUNTY GROUNDWATER CONSERVATION DISTRICT

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 8803.001. DEFINITIONS. In this chapter:

6 (1) "Board" means the board of directors of the
7 district.

8 (2) "District" means the Starr County Groundwater
9 Conservation District.

10 (3) "Municipally owned utility" has the meaning
11 assigned by Section 13.002, Water Code.

12 (4) "Regional water authority" means the Rio Grande
13 Regional Water Authority.

14 (5) "Water supply or sewer service corporation" has
15 the meaning assigned by Section 13.002, Water Code.

16 Sec. 8803.002. NATURE OF DISTRICT. The district is:

17 (1) a conservation and reclamation district in Starr
18 County created under Section 59, Article XVI, Texas Constitution;
19 and

20 (2) a groundwater conservation district.

21 Sec. 8803.003. DISTRICT BOUNDARIES. The boundaries of the
22 district are coextensive with the boundaries of Starr County.

23 [Sections 8803.004-8803.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8803.051. BOARD. The board consists of five
26 directors.

27 Sec. 8803.052. TERMS. Directors serve staggered four-year

1 terms.

2 Sec. 8803.053. METHOD OF ELECTING DIRECTORS: COMMISSIONERS
3 PRECINCTS. (a) The directors of the district shall be elected
4 according to the commissioners precinct method as provided by this
5 section.

6 (b) One director shall be elected by the voters of the
7 entire district, and one director shall be elected from each county
8 commissioners precinct by the voters of that precinct.

9 (c) Except as provided by Subsection (e), to be eligible to
10 be a candidate for or to serve as director at large, a person must be
11 a registered voter in the district. To be eligible to be a
12 candidate for or to serve as director from a county commissioners
13 precinct, a person must be a registered voter of that precinct.

14 (d) A person shall indicate on the application for a place
15 on the ballot:

16 (1) the precinct that the person seeks to represent;

17 or

18 (2) that the person seeks to represent the district at
19 large.

20 (e) When the boundaries of the county commissioners
21 precincts are redrawn after each federal decennial census to
22 reflect population changes, a director in office on the effective
23 date of the change, or a director elected or appointed before the
24 effective date of the change whose term of office begins on or after
25 the effective date of the change, shall serve in the precinct to
26 which elected or appointed even though the change in boundaries
27 places the person's residence outside the precinct for which the

1 person was elected or appointed.

2 Sec. 8803.054. ELECTION DATE FOR DIRECTORS. The district
3 shall hold an election to elect the appropriate number of directors
4 on the uniform election date prescribed by Section 41.001, Election
5 Code, in May of each even-numbered year.

6 [Sections 8803.055-8803.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 8803.101. GENERAL POWERS AND DUTIES. The district has
9 all the rights, powers, privileges, authority, functions, and
10 duties provided by the general law of this state, including Chapter
11 36, Water Code, applicable to groundwater conservation districts
12 created under Section 59, Article XVI, Texas Constitution.

13 Sec. 8803.102. COURT-APPOINTED RECEIVER. The district may
14 serve as the court-appointed receiver in a matter determined by a
15 court concerning the disposition of assets of any other district
16 authorized by Section 52(b)(1) or (2), Article III, or Section 59,
17 Article XVI, Texas Constitution, a municipally owned utility, or a
18 water supply or sewer service corporation.

19 Sec. 8803.103. POWER TO CONTRACT WITH MUNICIPALITIES. The
20 district may enter into a contract with a municipality to assume the
21 functions of the municipality's municipally owned utility. A
22 contract under this section may include provisions for the
23 district's:

24 (1) assumption of the debts, liabilities, and
25 obligations of the municipally owned utility;

26 (2) ownership or use of the assets and facilities of
27 the municipally owned utility; and

1 (3) performance of the functions and services
2 previously provided by the municipally owned utility.

3 Sec. 8803.104. RELATION TO OTHER WATER-RELATED ENTITIES.

4 (a) To the extent that a rule of the district conflicts with a rule
5 of the regional water authority, the rule of the authority
6 controls.

7 (b) To the extent that a rule of the district conflicts with
8 an action of a municipally owned utility or water supply or sewer
9 service corporation whose certificated area is located wholly or
10 partly in the district's territory, the action of the utility or
11 corporation controls.

12 (c) Notwithstanding Subsections (a) and (b), to the extent
13 that a rule of the district concerning groundwater conflicts with a
14 rule of the regional water authority or with an action of a
15 municipally owned utility or water supply or sewer service
16 corporation whose certificated area is located wholly or partly in
17 the district's territory, the rule of the district controls.

18 [Sections 8803.105-8803.150 reserved for expansion]

19 SUBCHAPTER D. MERGER WITH WATER SUPPLY OR SEWER SERVICE CORPORATION

20 Sec. 8803.151. DEFINITIONS. In this subchapter:

21 (1) "Commission" means the Texas Commission on
22 Environmental Quality.

23 (2) "Directors" means the board of directors of a
24 water supply or sewer service corporation.

25 Sec. 8803.152. AUTHORITY FOR AGREEMENT FOR MERGER;
26 PROVISIONS. (a) Subject to Sections 8803.153, 8803.154, and
27 8803.155, the district may enter into a merger agreement with a

1 water supply or sewer service corporation.

2 (b) The merger agreement must include provisions for:

3 (1) the district's assumption of the debts,
4 liabilities, and obligations of the water supply or sewer service
5 corporation;

6 (2) the district's assumption of the ownership of the
7 corporation's assets and facilities;

8 (3) the assignment to the district of the certificate
9 of public convenience and necessity obtained by the corporation
10 under Subchapter G, Chapter 13, Water Code, and any right obtained
11 under the certificate;

12 (4) the district's performance of the functions and
13 services previously provided by the corporation; and

14 (5) the dissolution of the corporation.

15 Sec. 8803.153. BOARD, DIRECTORS, AND MEMBERS APPROVAL OF
16 MERGER AGREEMENT. Before an election to confirm a proposed merger
17 agreement described by Section 8803.152 may be held, the board, the
18 directors, and, if the water supply or sewer service corporation
19 has members with voting rights, the members of the corporation must
20 each approve the proposed merger agreement in accordance with the
21 laws, rules, charter, bylaws, and procedures applicable to the
22 district and the corporation.

23 Sec. 8803.154. COMMISSION DETERMINATION OF DISTRICT
24 CAPABILITY FOR SERVICE. Before an election to confirm a proposed
25 merger agreement described by Section 8803.152 may be held, the
26 commission must determine that the district is capable of rendering
27 adequate and continuous service as required by Section 13.251,

1 Water Code.

2 Sec. 8803.155. ELECTION TO CONFIRM MERGER AGREEMENT. (a)
3 Before a proposed merger agreement described by Section 8803.152
4 may take effect, the board shall hold an election to confirm the
5 agreement.

6 (b) The election must be held on the first authorized
7 uniform election date after the board, the directors, and, if
8 required, the members of the water supply or sewer service
9 corporation approve the proposed merger agreement that allows
10 sufficient time for the board to comply with all applicable
11 provisions of the Election Code.

12 Sec. 8803.156. BALLOTS FOR ELECTION. The ballot for an
13 election under Section 8803.155 shall read as follows:

14 "By voting YES on this ballot, you are voting in favor of the
15 proposed merger agreement between the (name of water supply or
16 sewer service corporation) and the Starr County Groundwater
17 Conservation District under which the corporation's debts,
18 liabilities, obligations, assets, and facilities are to be
19 transferred to the district, the district is to perform the
20 functions and services previously provided by the corporation, and
21 the corporation is to be dissolved. By voting NO on this ballot,
22 you are voting against the proposed merger agreement."

23 Sec. 8803.157. ELECTION RESULTS FOR MERGER WITH WATER
24 SUPPLY OR SEWER SERVICE CORPORATION. (a) If a majority of the voters
25 voting in an election under Section 8803.155 both in the
26 certificated area of the water supply or sewer service corporation
27 and in the territory of the district outside the certificated area

1 vote in favor of the ballot proposition, the proposed merger
2 agreement takes effect.

3 (b) If a majority of the voters voting in an election under
4 Section 8803.155 either in the certificated area of the water
5 supply or sewer service corporation or in the territory of the
6 district outside the certificated area do not vote in favor of the
7 ballot proposition:

8 (1) the proposed merger agreement does not take
9 effect; and

10 (2) the board may not hold a subsequent election to
11 confirm a proposed merger agreement between the same water supply
12 or sewer service corporation and the district before the first
13 anniversary of the election date.

14 Sec. 8803.158. FILING REQUIREMENT. If a proposed merger
15 agreement is confirmed at an election under Section 8803.155, not
16 later than the 15th day after the date of the election the board
17 shall file with the commission and in the deed records of Starr
18 County a copy of:

19 (1) the merger agreement;

20 (2) the resolutions or other actions taken by the
21 board, the directors, and, if required, the members of the water
22 supply or sewer service corporation approving the merger agreement
23 under Section 8803.153; and

24 (3) the election results.

25 SECTION 5. APPOINTMENT OF TEMPORARY DIRECTORS. (a) Not
26 later than the 45th day after the effective date of this Act:

27 (1) the Starr County Commissioners Court shall appoint

1 one temporary director from each of the four commissioners
2 precincts in the county to represent the precinct in which the
3 temporary director resides; and

4 (2) the county judge of Starr County shall appoint one
5 temporary director who resides in the district to represent the
6 district at large.

7 (b) If there is a vacancy on the temporary board of
8 directors of the district, the remaining temporary directors shall
9 appoint a person to fill the vacancy in a manner that meets the
10 representational requirements of this section.

11 (c) Temporary directors serve until temporary directors
12 become initial directors as provided by Section 8 of this Act or
13 this Act expires under Section 11, whichever occurs earlier.

14 SECTION 6. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS.
15 As soon as practicable after all the temporary directors have
16 qualified under Section 36.055, Water Code, a majority of the
17 temporary directors shall convene the organizational meeting of the
18 district at a location within the district agreeable to a majority
19 of the directors. If no location can be agreed upon, the
20 organizational meeting shall be at the Starr County Courthouse.

21 SECTION 7. CONFIRMATION ELECTION. (a) The temporary
22 directors shall hold an election to confirm the creation of the
23 district.

24 (b) Section 41.001(a), Election Code, does not apply to a
25 confirmation election held as provided by this section.

26 (c) Except as provided by this section, a confirmation
27 election must be conducted as provided by Sections 36.017(b)-(i),

1 Water Code, and the Election Code.

2 (d) If the establishment of the district is not confirmed at
3 an election held under this section before September 1, 2007, the
4 district is dissolved, except that:

5 (1) any debts incurred shall be paid;

6 (2) any assets that remain after the payment of debts
7 shall be transferred to Starr County; and

8 (3) the organization of the district shall be
9 maintained until all debts are paid and remaining assets are
10 transferred.

11 SECTION 8. INITIAL DIRECTORS. If creation of the district
12 is confirmed at an election held under Section 7 of this Act, the
13 temporary directors of the district become the initial directors of
14 the district and serve on the board of directors until permanent
15 directors are elected under Section 9 of this Act.

16 SECTION 9. ELECTION OF PERMANENT DIRECTORS. (a) The
17 initial directors for county precincts 2 and 3 serve until the first
18 regularly scheduled election of directors under Subsection (b) of
19 this section, and the initial directors for county precincts 1 and 4
20 and the initial director representing the district at large serve
21 until the second regularly scheduled election of directors.

22 (b) On the uniform election date prescribed by Section
23 41.001, Election Code, in May of the first even-numbered year after
24 the year in which the district is authorized to be created at a
25 confirmation election, an election shall be held in the district
26 for the election of two directors to replace the initial directors
27 for county precincts 2 and 3.

SECTION 10. FINDINGS RELATED TO PROCEDURAL REQUIREMENTS.

(a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) 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 11. CONTINGENT EXPIRATION DATE; DEBTS. (a) If the creation of the district is not confirmed at a confirmation election held under Section 7 of this Act before September 1, 2007, this Act expires on that date.

(b) The expiration of this Act does not affect the liability of the district to pay any debt incurred or the transfer of any assets remaining to Starr County as required by Section 7(d) of this Act.

SECTION 12. EFFECTIVE DATE. This Act takes effect immediately if it receives a vote of two-thirds of all the members

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1 elected to each house, as provided by Section 39, Article III, Texas
2 Constitution. If this Act does not receive the vote necessary for
3 immediate effect, this Act takes effect September 1, 2005.