

1-1 By: Shapleigh S.B. No. 1810
1-2 (In the Senate - Filed March 22, 2005; March 30, 2005, read
1-3 first time and referred to Committee on Natural Resources;
1-4 May 2, 2005, reported favorably by the following vote: Yeas 9,
1-5 Nays 0; May 2, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the dissolution of the Homestead Municipal Utility
1-9 District, the provision of water supply services to the residents
1-10 of the district's service area after dissolution, and the rates
1-11 charged for water service by the City of El Paso; validating certain
1-12 actions of the district's board of directors.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. DEFINITIONS. In this Act:

1-15 (1) "City" means the City of El Paso.

1-16 (2) "District" means the Homestead Municipal Utility
1-17 District.

1-18 (3) "District board" means the board of directors of
1-19 the Homestead Municipal Utility District.

1-20 (4) "Executive director" means the executive director
1-21 of the Texas Commission on Environmental Quality.

1-22 SECTION 2. TRANSFER OF ASSETS AND LIABILITIES; REQUEST FOR
1-23 DISSOLUTION ORDER. (a) The district board may transfer to the
1-24 City of El Paso the district's assets and liabilities in accordance
1-25 with the district's written request for El Paso Water Utilities to
1-26 take over the management of its water supply system.

1-27 (b) On favorable action of the El Paso Water Utilities
1-28 Public Service Board, the district board shall notify the executive
1-29 director and request an order of dissolution.

1-30 (c) The district board shall provide the executive director
1-31 with any information or documentation the executive director
1-32 requests to monitor the district's progress toward the complete
1-33 transfer of its assets and liabilities to the city.

1-34 SECTION 3. ORDER OF DISSOLUTION; TRANSFER OF ASSETS AND
1-35 LIABILITIES. (a) On receipt of the notice and request from the
1-36 city, the executive director shall investigate to verify whether
1-37 the parties have met all the necessary conditions for the transfer.

1-38 (b) After investigation, the executive director shall issue
1-39 an order of dissolution if the executive director determines:

1-40 (1) the district is ready to be dissolved;

1-41 (2) all of the district's assets and liabilities are
1-42 ready to be transferred to the city for incorporation into the
1-43 city's water system;

1-44 (3) the city and the El Paso Water Utilities Public
1-45 Service Board are prepared to accept the transfer; and

1-46 (4) the city council has adopted a resolution
1-47 accepting the transfer.

1-48 (c) In issuing an order of dissolution under Subsection (b)
1-49 of this section, the executive director shall:

1-50 (1) direct the district board to provide the city, the
1-51 El Paso Water Utilities Public Service Board, and the secretary of
1-52 state all transfer documents, including all deeds, easements, and
1-53 bills of sale in the possession of the board, and any other
1-54 information necessary or appropriate to transfer all district
1-55 assets and liabilities to the city;

1-56 (2) order the district dissolved; and

1-57 (3) order that all assets and liabilities of the
1-58 district be transferred to the city for incorporation into the
1-59 city's water system.

1-60 (d) The consideration and adoption of an order of
1-61 dissolution under this section is not a contested case under
1-62 Chapter 2001, Government Code.

1-63 (e) The order of dissolution issued under this section is
1-64 wholly sufficient and effective to accomplish the dissolution of

2-1 the district and the transfer of its assets and liabilities to the
2-2 city.

2-3 (f) The executive director shall file with the secretary of
2-4 state and in the deed records of El Paso County a certified copy of
2-5 the order of dissolution issued under this section together with a
2-6 certified copy of the resolution of the city council accepting the
2-7 transfer.

2-8 SECTION 4. COLLECTION OF MONEY OWED THE DISTRICT. On or
2-9 after the date the dissolution order is issued under Section 3 of
2-10 this Act, the city, through the El Paso Water Utilities Public
2-11 Service Board, may collect all money owed the district on the date
2-12 the order is issued including:

2-13 (1) taxes, fees, or charges imposed by the district
2-14 that were due and owing on the date of the dissolution order issued
2-15 under Section 3 of this Act; and

2-16 (2) the district's accounts receivable.

2-17 SECTION 5. RATES FOR SERVICE. (a) The city, through the El
2-18 Paso Water Utilities Public Service Board, may charge residents of
2-19 El Paso County living in the service area formerly served by the
2-20 district water supply rates that exceed the rates paid by water
2-21 supply customers who are residents of the city if the higher rates
2-22 are necessary or appropriate to fully cover the cost of service to
2-23 the area, as determined by the El Paso Water Utilities Public
2-24 Service Board.

2-25 (b) The water supply rates the city, through the El Paso
2-26 Water Utilities Public Service Board, charges residents of El Paso
2-27 County living in the service area formerly served by the district
2-28 may include:

2-29 (1) an amount necessary to recover:

2-30 (A) the costs of operation and maintenance of the
2-31 water supply or improvements serving the area; and

2-32 (B) debt service, including the cost of loans
2-33 accepted to improve the water supply system serving the area; and

2-34 (2) a monthly water supply fee, if the district does
2-35 not have surface water rights or potable water wells.

2-36 (c) Section 16.349, Water Code, does not affect the amount
2-37 of the fee charged under this section.

2-38 SECTION 6. VALIDATION. (a) All acts, resolutions, orders,
2-39 instruments, obligations, and proceedings of the body serving as
2-40 the district board before the effective date of this Act are in all
2-41 respects validated, ratified, approved, and confirmed as of the
2-42 date they were taken, adopted, authorized, issued, entered into, or
2-43 delivered and shall be treated as though they had originally been
2-44 authorized and accomplished in accordance with law.

2-45 (b) An act, resolution, order, instrument, obligation, or
2-46 proceeding may be held invalid if the body serving as the district
2-47 board acted with knowledge that the action was illegal.

2-48 (c) This section does not apply to any matter that on the
2-49 effective date of this Act:

2-50 (1) is involved in litigation if in the course of the
2-51 litigation the matter is held invalid by a final judgment of a court
2-52 of competent jurisdiction; or

2-53 (2) has been held invalid by a final judgment of a
2-54 court of competent jurisdiction.

2-55 SECTION 7. EFFECTIVE DATE. This Act takes effect
2-56 immediately if it receives a vote of two-thirds of all the members
2-57 elected to each house, as provided by Section 39, Article III, Texas
2-58 Constitution. If this Act does not receive the vote necessary for
2-59 immediate effect, this Act takes effect September 1, 2005.

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