

Amend SB 3 on third reading by adding the following appropriately numbered article and sections to the bill and renumbering subsequent articles and sections accordingly:

ARTICLE ____ . LA JOYA SPECIAL UTILITY DISTRICT

SECTION ____ .01. Section 7201.001, Special District Local Laws Code, is amended by adding Subdivision (2-a) to read as follows:

(2-a) "Director" means a member of the board.

SECTION ____ .02. Section 7201.002(c), Special District Local Laws Code, is amended to read as follows:

(c) The [~~On the effective date of the Act enacting this chapter, the~~] corporation shall be dissolved and succeeded without interruption by the district as provided by Subchapter A1.

SECTION ____ .03. Section 7201.021, Special District Local Laws Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (f) to read as follows:

(a) After the temporary directors listed under Section 7201.051 have qualified for office under Section 49.055, Water Code, the receiver for the corporation [~~On the effective date of the Act enacting this chapter, the corporation~~] shall transfer the assets, debts, and contractual rights and obligations of the corporation to the district and provide notices and make recordings of the transfer required by the Water Code and general law.

(b) In accordance with the orders of the receivership court and not [~~Not~~] later than the 30th day after the date of the transfer under Subsection (a), the receiver for [~~board of directors of~~] the corporation shall commence dissolution proceedings of the corporation.

(d) The receiver for [~~board of directors of~~] the corporation shall notify the Texas Commission on Environmental Quality of the dissolution of the corporation and its succession in interest by [~~the creation of~~] the district in order [~~to replace it~~] to effect the transfer of Certificates of Convenience and Necessity Nos. 10559 and 20785 to the district.

(f) After the Texas Commission on Environmental Quality takes the action required by Subsection (e), the court shall terminate the receivership.

SECTION ____ .04. Section 7201.022, Special District Local Laws Code, is amended to read as follows:

Sec. 7201.022. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2010 [~~2008~~].

SECTION ____ .05. Sections 7201.051(a) and (b), Special District Local Laws Code, are amended to read as follows:

(a) The temporary board consists of seven [~~The directors of the corporation who hold office on the effective date of the Act enacting this chapter shall serve as the temporary~~] directors who shall serve [~~of the district~~] until successor directors are elected and qualify for office.

(b) The temporary directors of the district consist of the following persons, who are assigned position numbers as follows:

- (1) Position 1, Janie G. Ramirez [~~Jose Luis Trigo~~];
- (2) Position 2, Ricardo Perez [~~Jose Guadalupe Reyna~~];
- (3) Position 3, Efren Garza [~~George Barreiro~~];
- (4) Position 4, Jerry Bell [~~Frolian Ramirez~~];
- (5) Position 5, Alton Moore [~~Russell Wicker~~];
- (6) Position 6, Marilou Prudencio [~~Benito Salinas~~];

and

(7) Position 7, Everado Torres [~~Manuel Ricardo Garcia,~~]

[~~(8) Position 8, Valente Alaniz, Jr.; and~~

[~~(9) Position 9, Juan Lino Garza~~].

SECTION ____ .06. Subchapter B, Chapter 7201, Special District Local Laws Code, is amended by adding Sections 7201.0512 and 7201.0513 to read as follows:

Sec. 7201.0512. TEMPORARY BOARD TRAINING. (a) Before December 31, 2007, each temporary director shall complete at least 12 hours of training on district management and compliance with laws applicable to the district as determined by the receiver for the corporation.

(b) The district shall reimburse a temporary director for the reasonable expenses incurred by the director in attending the training.

Sec. 7201.0513. EDUCATION PROGRAM. (a) Before the first election of directors, the temporary board shall establish a

program of education for directors that includes information on:

(1) the history of the district;

(2) the district's enabling legislation;

(3) Chapters 49 and 65, Water Code, and other laws that apply to the district, including the requirements of the:

(A) open meetings law, Chapter 551, Government Code; and

(B) public information law, Chapter 552, Government Code;

(4) relevant legal developments related to water district governance;

(5) the legal duties and responsibilities of the board;

(6) the requirements of conflict of interest laws and other laws relating to public officials; and

(7) any applicable ethics policies adopted by the Texas Commission on Environmental Quality or the Texas Ethics Commission.

(b) The district shall pay any costs associated with the development of the education program from district revenue.

(c) The education program may include training provided by an organization offering courses that have been approved by the Texas Commission on Environmental Quality.

(d) The board may adopt bylaws modifying the education program as necessary to meet district needs.

SECTION ____ .07. Section 7201.052, Special District Local Laws Code, is amended by amending Subsections (a), (f), (g), and (h) and adding Subsections (i), (j), and (k) to read as follows:

(a) The district shall be governed by a board of seven [~~not fewer than nine and not more than 11~~] directors [~~, elected in accordance with Section 49.103, Water Code, notwithstanding Subsection (f)(2) of that section~~].

(f) On the uniform election date in May 2008, or in May 2009, if the election is postponed under Subsection (i) [2006], and on that uniform election date every third year after that date, the district shall hold an election to elect two [~~three~~] directors to serve in positions 1 [~~4~~] and 2 [~~7~~].

(g) On the uniform election date in May 2009, or in May 2010, if the election is postponed under Subsection (i) [2007], and on that uniform election date every third year after that date, the district shall hold an election to elect two [three] directors to serve in positions [2,] 3[7] and 4 [5].

(h) On the uniform election date in May 2010, or in May 2011, if the election is postponed under Subsection (i) [2008], and on that uniform election date every third year after that date, the district shall hold an election to elect three directors to serve in positions 5, 6, [87] and 7 [9].

(i) The temporary board by order may postpone until the uniform election date in May of the following year the first election for directors under each of Subsections (f), (g), and (h) if the temporary board determines that there is not sufficient time to comply with the requirements of law and to order the first election of directors to be held on the first uniform date specified by Subsection (f).

(j) A director may not serve consecutive terms.

(k) A person who has served as a member of the board of directors of the corporation is not eligible to serve as a district director.

SECTION _____.08. Subchapter B, Chapter 7201, Special District Local Laws Code, is amended by adding Sections 7201.053 and 7201.054 to read as follows:

Sec. 7201.053. DISTRICT TREASURER. (a) The board shall elect from among its members one director to serve as district treasurer.

(b) The district treasurer shall comply with the training requirements provided by Section 49.1571, Water Code, for an investment officer of a district.

Sec. 7201.054. EDUCATION FOR DIRECTORS. (a) Each elected director shall complete the education program established under Section 7201.0513 before the first anniversary of the date on which the director was elected.

(b) The district shall reimburse a director for the reasonable expenses incurred by the director in attending the education program.

(c) A director who is elected to serve a subsequent term shall fulfill the education requirements specified by district bylaws.

SECTION _____.09. (a) Except as otherwise provided by Chapter 7201, Special District Local Laws Code, as amended by this article, the La Joya Special Utility District is subject to:

(1) any judicial or administrative order imposing an injunction against the La Joya Water Supply Corporation that is in effect on the date of the transfer under Section 7201.021, Special District Local Laws Code, as amended by this article; or

(2) any judicial or administrative order imposing liability for monetary damages or a civil or administrative penalty against the La Joya Water Supply Corporation that is unsatisfied on the date of the transfer under Section 7201.021, Special District Local Laws Code, as amended by this article.

(b) This section does not relieve a person who served on the board of directors of the La Joya Water Supply Corporation of any individual or joint and several liability imposed by a court of this state for actions taken by that person on behalf of the corporation or prevent the La Joya Special Utility District from filing a claim for damages against that person.

(c) If the La Joya Special Utility District pays a claim of a person against the La Joya Water Supply Corporation, the district is subrogated to any rights of that person against the corporation to the extent of the amount paid to that person.

SECTION 10. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article 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 article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article 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 article are fulfilled and accomplished.

SECTION 11. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2007.