

By: Hinojosa

S.B. No. 842

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the La Joya Special Utility District and its board of
3 directors as successor in interest to the La Joya Water Supply
4 Corporation.

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

6 SECTION 1. The La Joya Special Utility District, created by
7 Article 2, Chapter 1057, Acts of the 79th Legislature, Regular
8 Session, 2005 (enacting Chapter 7201, Special District Local Laws
9 Code), was enjoined by order of the District Court of Hidalgo
10 County, Texas, 398th Judicial District, Cause No. C-848-05-I, dated
11 October 3, 2005, from acting as the successor in interest to the La
12 Joya Water Supply Corporation until the receivership of the
13 corporation ordered by the court is terminated or the court
14 otherwise modifies its order. This Act amends Chapter 7201,
15 Special District Local Laws Code, in recognition of the court's
16 order. The legislature anticipates that the court will find that
17 the affairs of the corporation have been stabilized under the
18 receiver so that the district may succeed the corporation in
19 accordance with the court's orders, this Act, and the intent of the
20 79th Legislature.

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

23 (2-a) "Director" means a member of the board.

24 SECTION 3. Section 7201.002(c), Special District Local Laws

1 Code, is amended to read as follows:

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

5 SECTION 4. Sections 7201.005(a) and (b), Special District
6 Local Laws Code, are amended to read as follows:

7 (a) The [~~boundaries of the corporation and initial~~
8 ~~boundaries of the~~] district is composed of the territory described
9 by Section 12 of the Act enacted by the 80th Legislature, Regular
10 Session, 2007, amending this subsection [~~are coextensive with the~~
11 ~~service areas covered by Certificates of Convenience and Necessity~~
12 ~~Nos. 10559 and 20785, as recorded on the Texas Commission on~~
13 ~~Environmental Quality maps associated with those certificates.~~
14 ~~Those maps are incorporated in this section by reference~~].

15 (b) The boundaries and field notes contained in Section 12
16 of the Act enacted by the 80th Legislature, Regular Session, 2007,
17 amending this subsection form a closure. A mistake made in the field
18 notes or in copying the field notes in the legislative process
19 [~~preparation, copying, or filing of the maps described by~~
20 ~~Subsection (a) and on file with the Texas Commission on~~
21 ~~Environmental Quality~~] does not affect:

22 (1) the organization, existence, or validity of the
23 district;

24 (2) the right of the district to issue bonds; or

25 (3) the legality or operation of the district.

26 SECTION 5. Section 7201.021, Special District Local Laws
27 Code, is amended by amending Subsections (a), (b), and (d) and

1 adding Subsection (f) to read as follows:

2 (a) After the temporary directors appointed and approved
3 under Section 7201.051 have completed the training required under
4 Section 7201.0512, the receiver for the corporation [~~On the~~
5 ~~effective date of the Act enacting this chapter, the corporation~~]
6 shall transfer the assets, debts, and contractual rights and
7 obligations of the corporation to the district and provide notices
8 and make recordings of the transfer required by the Water Code and
9 general law.

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

15 (d) The receiver for [~~board of directors of~~] the corporation
16 shall notify the Texas Commission on Environmental Quality of the
17 dissolution of the corporation and its succession in interest by
18 [~~the creation of~~] the district in order [~~to replace it~~] to effect
19 the transfer of Certificates of Convenience and Necessity Nos.
20 10559 and 20785 to the district.

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

24 SECTION 6. Section 7201.022, Special District Local Laws
25 Code, is amended to read as follows:

26 Sec. 7201.022. EXPIRATION OF SUBCHAPTER. This subchapter
27 expires September 1, 2012 [~~2008~~].

1 SECTION 7. Section 7201.051, Special District Local Laws
2 Code, is amended by amending Subsections (a) and (b) and adding
3 Subsection (a-1) to read as follows:

4 (a) The receiver for the corporation shall appoint seven
5 temporary [~~The directors of the corporation who hold office on the~~
6 ~~effective date of the Act enacting this chapter shall serve as the~~
7 ~~temporary~~] directors of the district who shall take office on or
8 before September 30, 2009, and shall serve until successor
9 directors are elected and qualify for office.

10 (a-1) Before taking office as a temporary director, a person
11 named by the receiver must be approved by the receivership court.

12 (b) The temporary directors of the district shall be
13 appointed [~~are assigned position numbers~~] as follows:

14 (1) one director must represent the part of the city of
15 Mission inside the district [~~Position 1, Jose Luis Trigo~~];

16 (2) one director must represent the city of Palmview
17 [~~Position 2, Jose Guadalupe Reyna~~];

18 (3) one director must represent the city of Penitas
19 [~~Position 3, George Barreiro~~];

20 (4) one director must represent the city of Sullivan
21 City [~~Position 4, Frolian Ramirez~~]; and

22 (5) three directors must represent the part of the
23 district not included in any of the municipalities listed in
24 Subdivisions (1)-(4) [~~Position 5, Russell Wicker,~~

25 [~~(6) Position 6, Benito Salinas,~~

26 [~~(7) Position 7, Manuel Ricardo Garcia,~~

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

1 ~~[(9) Position 9, Juan Lino Carza].~~

2 SECTION 8. Subchapter B, Chapter 7201, Special District
3 Local Laws Code, is amended by adding Sections 7201.0512 and
4 7201.0513 to read as follows:

5 Sec. 7201.0512. TEMPORARY BOARD TRAINING. (a) Before
6 December 31, 2009, each temporary director shall complete at least
7 12 hours of training on district management and compliance with
8 laws applicable to the district as determined by the receiver for
9 the corporation.

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

13 Sec. 7201.0513. EDUCATION PROGRAM. (a) Before the first
14 election of directors, the temporary board shall establish a
15 program of education for directors that includes information on:

16 (1) the history of the district;

17 (2) the district's enabling legislation;

18 (3) other laws that apply to the district, including
19 the requirements of the:

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

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

24 (4) the duties and responsibilities of the board;

25 (5) the requirements of conflict of interest laws and
26 other laws relating to public officials; and

27 (6) any applicable ethics policies adopted by the

1 Texas Commission on Environmental Quality or the Texas Ethics
2 Commission.

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

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

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

10 SECTION 9. Section 7201.052, Special District Local Laws
11 Code, is amended to read as follows:

12 Sec. 7201.052. BOARD OF DIRECTORS. (a) The district shall
13 be governed by a board of seven [~~not fewer than nine and not more~~
14 ~~than 11~~] directors, elected as follows:

15 (1) one director elected by the voters of the part of
16 the city of Mission inside the district to represent that part of
17 the city;

18 (2) one director elected by the voters of the city of
19 Palmview to represent that city;

20 (3) one director elected by the voters of the city of
21 Penitas to represent that city;

22 (4) one director elected by the voters of the city of
23 Sullivan City to represent that city; and

24 (5) three directors elected at-large to numbered
25 positions on the board by the district voters who do not reside in
26 any of the municipalities listed in Subdivisions (1)-(4) to
27 represent the part of the district that is not included in those

1 municipalities [~~in accordance with Section 49.103, Water Code,~~
2 ~~notwithstanding Subsection (f)(2) of that section~~].

3 (b) A [~~Except for a temporary director under Section~~
4 ~~7201.051, a~~] candidate for one of the numbered [~~a position as~~
5 director positions:

6 (1) [~~is elected at large to represent the entire~~
7 ~~service area of the district,~~

8 [~~(2)~~] must reside in the part of the service area of
9 the district that is not included in any of the municipalities
10 listed in Subsections (a)(1)-(4); and

11 (2) [~~(3)~~] must be eligible to hold office under
12 Section 141.001, Election Code.

13 (c) A candidate for one of the director positions
14 representing a municipality listed in Subsection (a)(1), (2), (3),
15 or (4):

16 (1) must reside in the municipality the candidate
17 seeks to represent; and

18 (2) must be eligible to hold office under Section
19 141.001, Election Code.

20 (d) It is the policy of the district that the directors
21 shall represent and reside in as broad a cross-section of the
22 geographic area of the district as possible.

23 (e) [~~(d)~~] The district shall fill a vacancy on the board in
24 accordance with Section 49.105, Water Code.

25 (f) [~~(e)~~] Except for the temporary directors appointed
26 [~~listed~~] under Section 7201.051, directors serve staggered terms
27 of three years.

1 (g) [~~(f)~~] On the uniform election date in May 2010 [~~2006~~],
2 and on that uniform election date every third year after that date,
3 the district shall hold an election to elect one director to
4 represent the part of the city of Mission that is inside the
5 district and one director [~~three directors~~] to serve in at-large
6 position [~~positions~~] 1 [~~, 4, and 7~~].

7 (h) [~~(g)~~] On the uniform election date in May 2011 [~~2007~~],
8 and on that uniform election date every third year after that date,
9 the district shall hold an election to elect one director to
10 represent the city of Palmview and one director [~~three directors~~]
11 to serve in at-large position [~~positions~~] 2 [~~, 3, and 5~~].

12 (i) [~~(h)~~] On the uniform election date in May 2012 [~~2008~~],
13 and on that uniform election date every third year after that date,
14 the district shall hold an election to elect:

15 (1) one director to represent the city of Penitas;
16 (2) one director to represent the city of Sullivan
17 City; and

18 (3) one director [~~three directors~~] to serve in
19 at-large position 3 [~~positions 6, 8, and 9~~].

20 SECTION 10. Subchapter B, Chapter 7201, Special District
21 Local Laws Code, is amended by adding Section 7201.053 to read as
22 follows:

23 Sec. 7201.053. EDUCATION FOR DIRECTORS. (a) Each elected
24 director shall complete the education program established under
25 Section 7201.0513 before the first anniversary of the date on which
26 the director was elected.

27 (b) The district shall reimburse a director for the

1 reasonable expenses incurred by the director in attending the
2 education program.

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

6 SECTION 11. Section 7201.206, Special District Local Laws
7 Code, is amended to read as follows:

8 Sec. 7201.206. RATES AND FEES FOR SERVICE. (a) The
9 district, in connection with water or sewer retail public utility
10 services, shall establish lifeline, senior citizen, or minimum
11 consumption level rates for services. The rate impact of such
12 services shall be allocated on the basis of costs of services to
13 achieve conservation principles, while securing necessary reserves
14 for the payment of operating expenses, sinking funds, principal,
15 interest, and debt coverage factors, and any other objective
16 established by the district's annual budget.

17 (b) Chapter 395, Local Government Code, does not apply to
18 any fee, charge, or assessment that, before the corporation's
19 dissolution and conversion to a district, is adopted by the
20 receiver for the purpose of generating revenue to fund or recoup the
21 costs of capital improvements or facility expansions necessitated
22 by and attributable to new developments.

23 (c) Notwithstanding Subsection (b), beginning on December
24 31, 2011, the district may not impose any fee, charge, or assessment
25 that, before the corporation's dissolution and conversion to a
26 district, is adopted by the receiver for the purpose of generating
27 revenue to fund or recoup the costs of capital improvements or

1 facility expansions necessitated by and attributable to new
2 developments unless the district readopts the fee, charge, or
3 assessment or adopts a new fee, charge, or assessment in accordance
4 with Chapter 395, Local Government Code. This subsection does not
5 apply to a retail water or sewer rate adopted by the receiver or the
6 district.

7 SECTION 12. (a) Except for the areas excluded under
8 Subsection (b) of this section, the boundaries of the La Joya
9 Special Utility District are as follows:

10 Beginning at a point in the centerline of FM 495 (Mile 1 Road)
11 a distance of approximately .18 miles west of the intersection of FM
12 495 and Inspiration Road.

13 Thence due north approximately 1.0 miles to a point
14 approximately 166 feet south of the centerline of Mile 2 Road and
15 approximately .18 miles west of the intersection of Mile 2 Road and
16 Inspiration Road

17 Thence follow west along a straight westerly line
18 approximately 180 feet south of Mile 2 Road approximately .51 miles
19 to a point in the centerline of Schubach Road.

20 Following westerly in a straight line approximately .78 miles
21 to the centerline of Bentsen Palm Drive.

22 From the point at the centerline of Bentsen Palm Road
23 continue westerly approximately .78 miles to a point at 26 15 00
24 latitude and -98 22 10 longitude.

25 Turn right and due north and follow approximately 7.0 miles
26 in a northerly direction .10 miles west and parallel to Bentsen Palm
27 Drive to a point at 226 21 04 latitude and -98 21 06 longitude.

1 Turn left and follow westerly along a straight line a
2 distance of approximately 1.66 miles to the intersection of Abram
3 Road and 9 Mile Road.

4 Follow along the centerline of 9 Mile Road westerly
5 approximately 1.65 miles to its intersection with Iowa Avenue.
6 (Latitude: 26 21 31, Longitude: -98 24 16)

7 Continue westerly along a straight line from latitude 26 21
8 31, longitude -98 24 16 approximately 3.79 miles to the center line
9 of FM 2221 (Jara Chinas Road)

10 Thence due south along FM 2221 (Jara Chinas Road)
11 approximate distance of 8.02 Miles to a point approximately .75
12 miles north of the Intersection of Expressway 83 and FM 2221(Jara
13 Chinas Road)

14 Thence at a distance of approximately .75 miles north of the
15 centerline of Expressway 83 due west to northwest approximately 4
16 miles following along the same contour as Expressway 83 to the
17 centerline of El Faro Road from a point .62 miles east of the
18 intersection of El Faro Road and Expressway 83.

19 Turn right and follow due north down the centerline of El Faro
20 Road until its end and continue northerly for a total of
21 approximately 2.79 miles to a point at latitude 26 19 13 and
22 longitude -98 32 40.

23 Turn left and follow northwesterly in a straight line along
24 the east side of 16 Mile Road (Starr County) approximately 1.87
25 miles to a point located at 26 19 30 latitude and -98 34 27
26 longitude.

27 Turn right and follow northeasterly in a straight line

1 approximately 1.02 miles to a point located at 26 20 22 latitude and
2 -98 34 17 longitude.

3 Turn right and follow southeasterly in a straight line
4 approximately 1.26 miles to a point located at 26 20 22 latitude and
5 -98 33 05 longitude.

6 Turn right and follow northeasterly in a straight line along
7 the west side of County Line Road (Starr County) approximately .61
8 miles to a point located at 26 20 43 latitude and -98 32 60
9 longitude.

10 Turn left and follow northwesterly in a straight line
11 approximately 1.26 miles to a point located at 26 20 53 latitude and
12 -98 34 12 longitude.

13 Turn right and follow northeasterly in a straight line along
14 the east side of 16 Mile Road (Starr County) approximately 1.32
15 miles to a point located at 26 22 02 latitude and -98 33 59
16 longitude.

17 Turn left and follow northwesterly in a straight line
18 approximately .55 miles to a point located at 26 22 07 latitude and
19 -98 34 30 longitude.

20 Turn left and follow southwesterly in a straight line
21 approximately 6.17 miles to a point located at 26 16 48 latitude and
22 -98 35 29 longitude.

23 Turn left and follow southeasterly in a straight line
24 approximately .91 miles to a point located at 26 16 30 latitude and
25 -98 34 40 longitude, near the Hidalgo-Starr County line.

26 Turn right and follow southwesterly along the Hidalgo-Starr
27 County line approximately 1.28 miles to its intersection with the

1 Rio Grande River (U.S. side).

2 Thence due south approximately 7.77 miles to the northern
3 winding banks (U.S. side) of the Rio Grande River

4 Thence east along the northern winding banks (US side) of
5 the Rio Grande River approximately 22 miles to a point
6 approximately 1.16 miles south of Greene Road

7 Thence from that center line on Bentsen Park Road
8 approximately .82 miles east northeast to the centerline of
9 Breyfogle/Shuerbach Road

10 Turn left and follow westerly in a straight line
11 approximately .56 miles to a point located 26 11 20 latitude and -98
12 22 30 longitude.

13 Turn left and follow southerly in a straight line
14 approximately .50 miles to the centerline of Military Road.

15 Turn right and follow northerly and then northwesterly along
16 the north side of Military Road approximately .36 miles to its
17 intersection with Farm-to-Market Road 2062.

18 Turn left and follow southerly along Farm-to-Market Road 2062
19 approximately .16 miles to a point located at 26 11 02 latitude and
20 -98 22 46 longitude.

21 Turn right and follow northerly, westerly, southerly,
22 southwesterly, northerly, westerly and then southwesterly for
23 approximately 1.27 miles to a point located at 26 11 11 latitude and
24 -98 23 38 longitude running just north of Park Road 43.

25 Turn right and follow northeasterly along a straight line for
26 approximately .71 miles to the north side of Military Road.

27 Turn left and follow along westerly approximately .44 miles

1 along the north side of Military Road to its intersection with
2 Goodwin Road.

3 Turn right and follow northerly along the centerline of
4 Goodwin Road approximately .33 miles to a point located at 26 12 07
5 latitude and -98 23 53 longitude.

6 Turn right and follow easterly, northerly, easterly and then
7 southeasterly approximately .78 miles to the intersection with
8 Green Road.

9 Turn left and follow northerly along the centerline of Green
10 Road approximately .32 miles.

11 Turn right and follow easterly and then southwesterly
12 approximately 1.16 miles to the north side of Military Road at
13 points 26 11 42 latitude and -98 23 16 longitude.

14 Turn left and follow southeasterly along the north side of
15 Military Road approximately 0.07 miles to a point located at 26 11
16 40 latitude and -98 23 13 longitude.

17 Turn left and follow northeasterly, northerly,
18 northeasterly, northerly, northeasterly, easterly, southerly and
19 then easterly approximately 2.04 miles to the centerline of
20 Shuebach Road/Airfield Road

21 Turn left and follow northeasterly along the centerline of
22 Airfield Road approximately 1.48 miles to its intersection with
23 U.S. Highway 83 Business.

24 Turn right and follow easterly along the centerline of U.S.
25 Highway 83 Business approximately .27 miles to its intersection
26 with Moorefield Road.

27 Turn left and follow northerly along the centerline of

1 Moorefield Road approximately .32 miles to a point located at 26 13
2 23 latitude and -98 21 21 longitude.

3 Make a slight right and follow northeasterly and then
4 northerly along the west banks of the Edinburg Main Canal
5 approximately .66 miles to that point on the centerline of FM 495
6 the beginning (Mile 1 Road) a distance of approximately .18 miles
7 west of the intersection of FM 495 and Inspiration Road to Close.

8 (b) The territory of the La Joya Special Utility District
9 does not include the area within the city limits of La Joya, Texas,
10 as it existed on January 1, 1991; the area within the Certificate of
11 Convenience and Necessity of Hidalgo County Municipal Utility
12 District No. 1 as reflected on the records of the Texas Commission
13 on Environmental Quality as of January 1, 2007; and the area within
14 the following boundary lines, which lie wholly within the district:

15 Beginning at a point located at 26 14 57 Latitude and -98 25
16 55 Longitude follow in a northwesterly direction along an unnamed
17 creek approximately .23 Miles to a point located at 26 15 03
18 Latitude and -98 26 05 Longitude.

19 From the point located at 26 15 03 Latitude and -98 26 05
20 Longitude follow in a westerly direction along an unnamed creek
21 approximately .24 Miles to a point located at 26 15 04 Latitude and
22 -98 26 19 Longitude.

23 From the point located at 26 15 04 Latitude and -98 26 19
24 Longitude turn right and follow in a straight line northeasterly
25 approximately .97 Miles to a point located at 26 15 54 Latitude and
26 -98 26 09 Longitude.

27 From the point located at 26 15 54 Latitude and -98 26 09

1 Longitude turn right and follow in a straight line
2 easterly-southeasterly approximately .43 Miles to a point located
3 at 26 15 50 Latitude and -98 25 45 Longitude.

4 From a point located at 26 15 50 Latitude and -98 25 45
5 Longitude turn right and follow in a straight line southwesterly
6 approximately 1.03 Miles to a point located at 26 14 57 Latitude and
7 -98 25 55 Longitude and Place of Beginning.

8 SECTION 13. (a) Temporary directors of the board of the La
9 Joya Special Utility District who represent the city of Mission or
10 serve in at-large position 1 serve terms that expire when directors
11 are elected under Section 7201.052(g), Special District Local Laws
12 Code, as amended by this Act, and qualify under Section 49.055,
13 Water Code.

14 (b) Temporary directors who represent the city of Palmview
15 or serve in at-large position 2 serve terms that expire when
16 directors are elected under Section 7201.052(h), Special District
17 Local Laws Code, as amended by this Act, and qualify under Section
18 49.055, Water Code.

19 (c) Temporary directors who represent the city of Penitas or
20 the city of Sullivan City or serve in at-large position 3 serve
21 terms that expire when directors are elected under Section
22 7201.052(i), Special District Local Laws Code, as added by this
23 Act, and qualify under Section 49.055, Water Code.

24 SECTION 14. Except as otherwise provided by Chapter 7201,
25 Special District Local Laws Code, as amended by this Act, the La
26 Joya Special Utility District is subject to:

27 (1) any judicial or administrative order imposing an

1 injunction against the La Joya Water Supply Corporation that is in
2 effect on the date of the transfer under Section 7201.021, Special
3 District Local Laws Code, as amended by this Act; or

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

9 SECTION 15. (a) The legal notice of the intention to
10 introduce this Act, setting forth the general substance of this
11 Act, has been published as provided by law, and the notice and a
12 copy of this Act have been furnished to all persons, agencies,
13 officials, or entities to which they are required to be furnished
14 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
15 Government Code.

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

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

22 (d) All requirements of the constitution and laws of this
23 state and the rules and procedures of the legislature with respect
24 to the notice, introduction, and passage of this Act are fulfilled
25 and accomplished.

26 SECTION 16. This Act takes effect September 1, 2009.