

SENATE AMENDMENTS

2nd Printing

By: Puente

H.B. No. 1565

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the governing body, boundaries, and functions of the
3 Bexar Metropolitan Water District.

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

5 SECTION 1. Section 3, Chapter 306, Acts of the 49th
6 Legislature, Regular Session, 1945, is amended to read as follows:

7 Sec. 3. In addition to the powers vested by the Constitution
8 and general laws in such public agency for the greatest practicable
9 measure of the conservation, preservation, and beneficial
10 utilization of its public waters, the power to control and utilize
11 its public waters and to regulate the disposal and the disposal of
12 sewage, waste, and refuse, the District shall have the following
13 general powers:

14 (a) Through every practical and legal means to
15 develop, transport, deliver, distribute, store, and treat water for
16 use within the District, including the storm and flood waters
17 within the District, including the power to cooperate with the
18 United States Government or any agency thereof, or any
19 municipality, public, quasi-public or private agency and to
20 contract, negotiate, and enter into agreements with any one or more
21 of such agencies in effecting such purposes;

22 (b) ~~[to store, control, and conserve storm and flood~~
23 ~~waters of its rivers and streams and to prevent the escape of any~~
24 ~~such waters without first obtaining therefrom a maximum of public~~

1 ~~service, to prevent devastation of property from overflow and to~~
2 ~~protect life and property from uncontrolled flood and storm waters,~~

3 ~~[(e)]~~ to conserve and distribute waters essential for
4 domestic and other uses by the inhabitants of the District,
5 including necessary water supply for cities and towns situated
6 within the District;

7 (c) ~~[(d)] to provide for the development of drainage~~
8 ~~systems to control, regulate, and dispose of all storm and flood~~
9 ~~waters of the District so as to protect effectively lives and~~
10 ~~property, and to utilize such waters for each and every purpose for~~
11 ~~which flood and storm waters when controlled, conserved, or~~
12 ~~regulated may be utilized as contemplated by the Constitution and~~
13 ~~the public policy therein declared,~~

14 ~~[(e)]~~ to provide by purchase, construction, lease,
15 gift, or in any other manner and to operate any and all facilities
16 deemed by the District essential for preserving the purity of all
17 the surface and underground waters of the District for the
18 protection of the health of its inhabitants, and to formulate plans
19 to make and enforce rules and regulations for the effective
20 disposal of any and all sewage wastes, refuse, or residuum, however
21 accumulated; which otherwise would contaminate, pollute, or render
22 unsafe and insanitary the surface and underground waters of the
23 District and which might threaten or impair the health of its
24 inhabitants or which might adversely affect the health of the
25 inhabitants downstream below the District;

26 (d) ~~[(f)]~~ to acquire by purchase, construction,
27 lease, gift, or in any other manner (otherwise than by

1 condemnation) and to maintain, use, and operate any and all
2 property of any kind, real, personal, or mixed, or any interest
3 therein within or without the boundaries of the District deemed by
4 its Board of Directors necessary or convenient to the exercise of
5 the powers, rights, privileges, and functions conferred upon it by
6 this Act;

7 (e) [~~(g)~~] to acquire by condemnation any and all
8 property of any kind, real, personal, or mixed, or any interest
9 therein, within the boundaries of the county of Bexar [~~or outside of~~
10 ~~the boundaries of the District~~], necessary to the exercise of the
11 powers, rights, privileges, and functions conferred by this Act, in
12 the manner provided by General Law relative to condemnation, or at
13 the option of the District, in the manner provided by law with
14 respect to condemnation by agencies organized pursuant to Section
15 59, Article 16 of the Constitution of the State of Texas; provided
16 that the District shall not have the right or power to so condemn
17 any such property that may be owned by any other political
18 subdivision, city, or town located within the District;

19 (f) [~~(h)~~] to cooperate, contract, and enter into
20 agreements with towns, cities, districts, or political
21 subdivisions located in or outside of the District and with Bexar
22 County, in the construction, purchase, lease, maintenance,
23 improvement, use, and operation of any and all facilities, works,
24 and plants necessary or convenient to the accomplishment of the
25 purposes for which the District was created;

26 (g) [~~(i)~~] to make contracts with any person, private
27 corporation, municipal corporation, political subdivision, or the

1 Board of Trustees thereof, operating water distribution facilities
2 for the benefit of a city or town within the District, under which
3 the District may perform services for such parties or such parties
4 may perform services for the District, or under which either may
5 operate all or any part of the facilities of the other, having due
6 regard for the duties and obligations of such parties in the
7 instrument prescribing their or its duties;

8 (h) [~~(j)~~] to construct, extend, improve, maintain,
9 and reconstruct, to cause to be constructed, extended, improved,
10 maintained, or reconstructed and to use and operate any and all
11 facilities of any kind necessary or convenient to the exercise of
12 the powers, rights, privileges, and functions conferred by this
13 Act;

14 (i) [~~(k)~~] to sue and be sued in its corporate name;

15 (j) [~~(l)~~] to make by-laws for the management and
16 regulation of its affairs conformably to the powers and purposes
17 herein conferred and consistent with the Constitution of this
18 State;

19 (k) [~~(m)~~] to make rules and regulations and to
20 prescribe penalties for the breach of any rule or regulation of the
21 District, which penalties shall not exceed fines of more than Two
22 Hundred Dollars (\$200), or imprisonment for more than thirty (30)
23 days, or may provide both such fine and such imprisonment. The
24 penalties hereby authorized shall be in addition to any other
25 penalties provided by the laws of Texas and may be enforced by
26 complaints filed in the appropriate court of jurisdiction in the
27 county in which the district's principal office is located;

1 provided, however, that no rule or regulation which provides a
2 penalty for the violation thereof shall be in effect, as to
3 enforcement of the penalty, until five days next after the district
4 may have caused a substantive statement of the particular rule or
5 regulation and the penalty for the violation thereof to be
6 published, once a week for two consecutive weeks, in one or more
7 newspapers affording general circulation in the area in which the
8 property of the district is situated; and, the substantive
9 statement so to be published shall be as condensed as is possible to
10 afford an intelligent direction of the mind to the object sought to
11 be accomplished or the act forbidden by the rule or regulation; one
12 notice may embrace any number of regulations; there must be
13 embraced in the notice advice that breach of the particular
14 regulation, or regulations, will subject the violator to the
15 infliction of a penalty and there also shall be included in the
16 notice advice that the full text of the regulation sought to be
17 enforced is on file in the principal office of the District, where
18 the same may be read by any interested person. Five (5) days after
19 the second publication of the notice hereby required, the
20 advertised regulation shall be in effect, and ignorance of any such
21 regulation shall not constitute a defense to a prosecution for the
22 enforcement of a penalty; and, the rules and regulations authorized
23 hereby, after the required publication, shall judicially be known
24 to the courts and shall be considered of a nature like unto that of
25 valid penal ordinances of a city of the State;

26 (l) [~~(n)~~] to adopt, use, and alter a corporate seal;

27 (m) [~~(o)~~] to appoint agents and employees; prescribe

1 their duties and fix their compensation;

2 (n) [~~(p)~~] to make contracts and execute instruments
3 necessary or convenient to the exercise of the powers, rights,
4 privileges, and functions herein conferred;

5 (o) [~~(q)~~] to borrow money for its authorized purposes,
6 to accept grants or loans or allotments from the United States
7 Government or any of its agencies, or others, and in connection with
8 any such grants, loans, or allotments to enter into such agreements
9 as may be required to make them effective, and for the purpose of
10 obtaining funds to issue its negotiable tax bonds and its
11 negotiable revenue bonds in the manner and to the extent
12 hereinafter provided;

13 (p) [~~(r)~~] to operate and maintain with consent of the
14 governing body of any city, town, or political subdivision located
15 in the District any works, plants, or facilities deemed necessary
16 or convenient to the accomplishment of the purposes for which the
17 District is created;

18 (q) [~~(s)~~] to enter into planning agreements with the
19 Texas Water Development Board under Subchapter C, Chapter 16, Water
20 Code, for the purpose of conducting studies necessary to maintain
21 retail water supply services to customers within the boundaries of
22 the District; and

23 (r) [~~(t)~~] to cooperate with and support local fire
24 departments and economic development activities sponsored by local
25 entities within the District that use water and water resources
26 provided, or to be provided, by the District.

27 SECTION 2. Section 5A, Chapter 306, Acts of the 49th

1 Legislature, Regular Session, 1945, is amended by adding Subsection
2 (c) to read as follows:

3 (c) The District's boundaries for the purpose of conducting
4 an election are coextensive with the boundaries of Bexar County.

5 SECTION 3. Chapter 306, Acts of the 49th Legislature,
6 Regular Session, 1945, is amended by adding Section 7A and amending
7 Section 9 to read as follows:

8 Sec. 7A. The District is governed by a board of nine
9 directors, composed of:

10 (1) the members of the Commissioners Court of Bexar
11 County;

12 (2) the county judge of Atascosa County, if the
13 District provides services to customers in Atascosa County;

14 (3) the county judge of Comal County, if the District
15 provides services to customers in Comal County;

16 (4) the county judge of Medina County, if the District
17 provides services to customers in Medina County; and

18 (5) the mayor of San Antonio.

19 Sec. 9. The Board of Directors from time to time shall be
20 authorized to make or cause to be made surveys and engineering
21 investigations for the information of the District to facilitate
22 the accomplishment of the purposes for which the District is
23 created, as expressed in the provisions of this Act; and may employ
24 engineers, attorneys and all other technical and non-technical
25 employees or assistants and fix and provide the amount and manner of
26 their compensation, and may provide for payment of expenditures
27 deemed essential to the proper maintenance and administration of

1 the District. Notwithstanding Section 49.060, Water Code, a member
2 ~~[The members]~~ of the Board of Directors is not entitled to receive
3 fees of office ~~[shall receive a per diem of not more than Ten~~
4 ~~Dollars (\$10) per day, for the time actually expended on business of~~
5 ~~the District, together with traveling and other necessary expenses,~~
6 ~~provided that such per diem fee shall not be paid to a Director for~~
7 ~~more than one hundred (100) days in any one year].~~

8 SECTION 4. Chapter 306, Acts of the 49th Legislature,
9 Regular Session, 1945, is amended by adding Section 8A to read as
10 follows:

11 Sec. 8A. (a) The Board of Directors is subject to review
12 under Chapter 325, Government Code (Texas Sunset Act), but may not
13 be abolished under that chapter. The review shall be conducted as
14 if the Board of Directors were scheduled to be abolished September
15 1, 2010.

16 (b) If the legislature does not continue the members of the
17 Board of Directors in office:

18 (1) the Commissioners Court of Bexar County shall hold
19 an election to elect new board members, in accordance with Section
20 5A, on the uniform election date in November 2010; and

21 (2) the terms of the board members expire on the date
22 the election returns are canvassed.

23 SECTION 5. Chapter 306, Acts of the 49th Legislature,
24 Regular Session, 1945, is amended by adding Section 23A to read as
25 follows:

26 Sec. 23A. (a) The District may not charge a customer who
27 receives water services from the District on and after September 1,

1 2007, a residential or commercial water rate that is greater than
2 the rate charged by the District on September 1, 2007. This
3 subsection expires September 1, 2012.

4 (b) If, on or after September 1, 2007, the District
5 contracts with a person to provide water services to District
6 customers and the person with whom the District contracts has water
7 rates lower than the District's, a customer who receives water
8 services from the District on September 1, 2007, and when the
9 contract is in effect is entitled to the water rate charged by the
10 person with whom the District contracts.

11 SECTION 6. Chapter 306, Acts of the 49th Legislature,
12 Regular Session, 1945, is amended by adding Section 27A to read as
13 follows:

14 Sec. 27A. The District may not provide a service to a
15 customer located outside Bexar County unless the customer received
16 services from the District on or before April 4, 2007.

17 SECTION 7. Chapter 306, Acts of the 49th Legislature,
18 Regular Session, 1945, is amended by adding Section 27C to read as
19 follows:

20 Sec. 27C. (a) The District may not terminate without cause
21 an employee who, on May 1, 2007:

22 (1) is vested in the District's retirement plan; and

23 (2) earns an annual salary of \$50,000 or less.

24 (b) An employee described by Subsection (a) of this section
25 who is terminated by the District for cause is entitled to the
26 grievance process available to an employee of Bexar County who is
27 not classified as a civil service employee.

1 SECTION 8. Chapter 306, Acts of the 49th Legislature,
2 Regular Session, 1945, is amended by adding Section 27D to read as
3 follows:

4 Sec. 27D. (a) The District may not employ fewer than 90
5 percent of the number of employees employed by the District on May
6 1, 2007, who earned an annual salary of \$50,000 or less.

7 (b) The District may reduce the number of employees employed
8 by the District who earn an annual salary of \$50,000 or less only
9 through:

10 (1) retirement;

11 (2) voluntary resignation; or

12 (3) termination for cause.

13 (c) An employee terminated by the District for cause is
14 entitled to the grievance process available to an employee of Bexar
15 County who is not classified as a civil service employee.

16 (d) This section expires September 1, 2012.

17 SECTION 9. Chapter 306, Acts of the 49th Legislature,
18 Regular Session, 1945, is amended by adding Section 27E to read as
19 follows:

20 Sec. 27E. (a) The District may not charge a higher water
21 rate than the rate charged by the San Antonio Water System for
22 comparable services.

23 (b) Not later than August 1, 2007, the District shall lower
24 the water rate to the rate charged by the San Antonio Water System
25 for a customer who:

26 (1) received services from the District on or after
27 May 1, 2007; and

1 (2) on or after May 1, 2007, paid a higher rate than
2 the rate paid by a customer of the San Antonio Water System for
3 comparable services.

4 (c) The District may not raise the water rate for a customer
5 to whom Subsection (b) applies.

6 (d) This subsection and Subsections (b) and (c) expire
7 December 1, 2012.

8 SECTION 10. Chapter 306, Acts of the 49th Legislature,
9 Regular Session, 1945, is amended by adding Section 27F to read as
10 follows:

11 Sec. 27F. (a) Bexar County or the District may not
12 transfer, sell, or lease to a public utility the management or
13 assets, including certificates of convenience and necessity and
14 water rights, of the District.

15 (b) This section does not apply to a certificate of
16 convenience and necessity or a non-water rights asset of the
17 District outside of Bexar County.

18 SECTION 11. Chapter 306, Acts of the 49th Legislature,
19 Regular Session, 1945, is amended by adding Section 32 to read as
20 follows:

21 Sec. 32. (a) The District shall permit a customer to pay a
22 bill at one or more retail locations in the District.

23 (b) The District may not close a customer service branch
24 that is in operation on May 1, 2007. This subsection expires May 1,
25 2017.

26 SECTION 12. Section 8, Chapter 306, Acts of the 49th
27 Legislature, Regular Session, 1945, is repealed.

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

8 (b) The governor, one of the required recipients, has
9 submitted the notice and Act to the Texas Commission on
10 Environmental Quality.

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

15 (d) All requirements of the constitution and laws of this
16 state and the rules and procedures of the legislature with respect
17 to the notice, introduction, and passage of this Act are fulfilled
18 and accomplished.

19 SECTION 14. This Act takes effect immediately if it
20 receives a vote of two-thirds of all the members elected to each
21 house, as provided by Section 39, Article III, Texas Constitution.
22 If this Act does not receive the vote necessary for immediate
23 effect, this Act takes effect September 1, 2007.

ADOPTED

MAY 23 2007

Leta Starn
Secretary of the Senate

P. J. Nease

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14
15

By: Puente

H.B. No. 1565

Substitute the following for H.B. 1565:

By: Uresti

C.S.H.B. No. 1565

A BILL TO BE ENTITLED

AN ACT

relating to the governing body, boundaries, and functions of the Bexar Metropolitan Water District.

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

ARTICLE I

SECTION 1.1. Section 3, Chapter 306, Acts of the 49th Legislature, Regular Session, 1945, is amended to read as follows:

Sec. 3. In addition to the powers vested by the Constitution and general laws in such public agency for the greatest practicable measure of the conservation, preservation, and beneficial utilization of its public waters, the power to control and utilize its public waters and to regulate the disposal and the disposal of sewage, waste, and refuse, the District shall have the following general powers:

(a) Through every practical and legal means to develop, transport, deliver, distribute, store, and treat water for use within the District, including the storm and flood waters within the District, including the power to cooperate with the United States Government or any agency thereof, or any municipality, public, quasi-public or private agency and to contract, negotiate,

7 and enter into agreements with any one or more of such agencies in
8 effecting such purposes;

9 (b) ~~[to store, control, and conserve storm and flood~~
10 ~~waters of its rivers and streams and to prevent the escape of any~~
11 ~~such waters without first obtaining therefrom a maximum of public~~
12 ~~service; to prevent devastation of property from overflow and to~~
13 ~~protect life and property from uncontrolled flood and storm waters;~~

14 [(e)] to conserve and distribute waters essential for
15 domestic and other uses by the inhabitants of the District,
16 including necessary water supply for cities and towns situated
17 within the District;

18 (c) ~~[(d) to provide for the development of drainage~~
19 ~~systems to control, regulate, and dispose of all storm and flood~~
20 ~~waters of the District so as to protect effectively lives and~~
21 ~~property, and to utilize such waters for each and every purpose for~~
22 ~~which flood and storm waters when controlled, conserved, or~~
23 ~~regulated may be utilized as contemplated by the Constitution and~~
24 ~~the public policy therein declared;~~

25 [(e)] to provide by purchase, construction, lease, gift,
26 or in any other manner and to operate any and all facilities deemed
27 by the District essential for preserving the purity of all the
28 surface and underground waters of the District for the protection
29 of the health of its inhabitants, and to formulate plans to make
30 and enforce rules and regulations for the effective disposal of any
31 and all sewage wastes, refuse, or residuum, however accumulated;

5-9-07 10:00 pm

7 which otherwise would contaminate, pollute, or render unsafe and
8 insanitary the surface and underground waters of the District and
9 which might threaten or impair the health of its inhabitants or
10 which might adversely affect the health of the inhabitants
11 downstream below the District;

12 (d) [~~f~~] to acquire by purchase, construction, lease,
13 gift, or in any other manner (otherwise than by condemnation) and
14 to maintain, use, and operate any and all property of any kind,
15 real, personal, or mixed, or any interest therein within or without
16 the boundaries of the District deemed by its Board of Directors
17 necessary or convenient to the exercise of the powers, rights,
18 privileges, and functions conferred upon it by this Act;

19 (e) [~~g~~] to acquire by condemnation any and all
20 property of any kind, real, personal, or mixed, or any interest
21 therein, within the boundaries of the county of Bexar [~~or outside~~
22 ~~of the boundaries of the District~~], necessary to the exercise of
23 the powers, rights, privileges, and functions conferred by this
24 Act, in the manner provided by General Law relative to
25 condemnation, or at the option of the District, in the manner
26 provided by law with respect to condemnation by agencies organized
27 pursuant to Section 59, Article 16 of the Constitution of the State
28 of Texas; provided that the District shall not have the right or
29 power to so condemn any such property that may be owned by any
30 other political subdivision, city, or town located within the
31 District;

5-9-07 10:00 pm

7 (f) [~~(h)~~] to cooperate, contract, and enter into
8 agreements with towns, cities, districts, or political subdivisions
9 located in or outside of the District and with Bexar County, in the
10 construction, purchase, lease, maintenance, improvement, use, and
11 operation of any and all facilities, works, and plants necessary or
12 convenient to the accomplishment of the purposes for which the
13 District was created;

14 (g) [~~(i)~~] to make contracts with any person, private
15 corporation, municipal corporation, political subdivision, or the
16 Board of Trustees thereof, operating water distribution facilities
17 for the benefit of a city or town within the District, under which
18 the District may perform services for such parties or such parties
19 may perform services for the District, or under which either may
20 operate all or any part of the facilities of the other, having due
21 regard for the duties and obligations of such parties in the
22 instrument prescribing their or its duties;

23 (h) [~~(j)~~] to construct, extend, improve, maintain, and
24 reconstruct, to cause to be constructed, extended, improved,
25 maintained, or reconstructed and to use and operate any and all
26 facilities of any kind necessary or convenient to the exercise of
27 the powers, rights, privileges, and functions conferred by this
28 Act;

29 (i) [~~(k)~~] to sue and be sued in its corporate name;

30 (j) [~~(l)~~] to make by-laws for the management and
31 regulation of its affairs conformably to the powers and purposes

5-9-07 10:00 pm

7 herein conferred and consistent with the Constitution of this
8 State;

9 (k) [~~m~~] to make rules and regulations and to prescribe
10 penalties for the breach of any rule or regulation of the District,
11 which penalties shall not exceed fines of more than Two Hundred
12 Dollars (\$200), or imprisonment for more than thirty (30) days, or
13 may provide both such fine and such imprisonment. The penalties
14 hereby authorized shall be in addition to any other penalties
15 provided by the laws of Texas and may be enforced by complaints
16 filed in the appropriate court of jurisdiction in the county in
17 which the district's principal office is located; provided,
18 however, that no rule or regulation which provides a penalty for
19 the violation thereof shall be in effect, as to enforcement of the
20 penalty, until five days next after the district may have caused a
21 substantive statement of the particular rule or regulation and the
22 penalty for the violation thereof to be published, once a week for
23 two consecutive weeks, in one or more newspapers affording general
24 circulation in the area in which the property of the district is
25 situated; and, the substantive statement so to be published shall
26 be as condensed as is possible to afford an intelligent direction
27 of the mind to the object sought to be accomplished or the act
28 forbidden by the rule or regulation; one notice may embrace any
29 number of regulations; there must be embraced in the notice advice
30 that breach of the particular regulation, or regulations, will
31 subject the violator to the infliction of a penalty and there also

5-9-07 10:00 pm

7 shall be included in the notice advice that the full text of the
8 regulation sought to be enforced is on file in the principal office
9 of the District, where the same may be read by any interested
10 person. Five (5) days after the second publication of the notice
11 hereby required, the advertised regulation shall be in effect, and
12 ignorance of any such regulation shall not constitute a defense to
13 a prosecution for the enforcement of a penalty; and, the rules and
14 regulations authorized hereby, after the required publication,
15 shall judicially be known to the courts and shall be considered of
16 a nature like unto that of valid penal ordinances of a city of the
17 State;

18 (l) [~~(n)~~] to adopt, use, and alter a corporate seal;

19 (m) [~~(o)~~] to appoint agents and employees; prescribe
20 their duties and fix their compensation;

21 (n) [~~(p)~~] to make contracts and execute instruments
22 necessary or convenient to the exercise of the powers, rights,
23 privileges, and functions herein conferred;

24 (o) [~~(q)~~] to borrow money for its authorized purposes,
25 to accept grants or loans or allotments from the United States
26 Government or any of its agencies, or others, and in connection
27 with any such grants, loans, or allotments to enter into such
28 agreements as may be required to make them effective, and for the
29 purpose of obtaining funds to issue its negotiable tax bonds and
30 its negotiable revenue bonds in the manner and to the extent
31 hereinafter provided;

5-9-07 10:00 pm

7 (p) [~~(r)~~] to operate and maintain with consent of the
8 governing body of any city, town, or political subdivision located
9 in the District any works, plants, or facilities deemed necessary
10 or convenient to the accomplishment of the purposes for which the
11 District is created;

12 (q) [~~(s)~~] to enter into planning agreements with the
13 Texas Water Development Board under Subchapter C, Chapter 16, Water
14 Code, for the purpose of conducting studies necessary to maintain
15 retail water supply services to customers within the boundaries of
16 the District; and

17 (r) [~~(t)~~] to cooperate with and support local fire
18 departments and economic development activities sponsored by local
19 entities within the District that use water and water resources
20 provided, or to be provided, by the District.

21 SECTION 1.2. Section 5A, Chapter 306, Acts of the 49th
22 Legislature, Regular Session, 1945, is amended by adding Subsection
23 (c) to read as follows:

24 (c) The District's boundaries for the purpose of conducting
25 an election are coextensive with the boundaries of Bexar County.

26 SECTION 1.3. Chapter 306, Acts of the 49th Legislature,
27 Regular Session, 1945, is amended by adding Section 7A and amending
28 Section 9 to read as follows:

29 Sec. 7A. The District is governed by the Commissioners
30 Court of Bexar County serving ex officio as the board of directors
31 of the district.

5-9-07 10:00 pm

7 Sec. 9. The Board of Directors from time to time shall be
8 authorized to make or cause to be made surveys and engineering
9 investigations for the information of the District to facilitate
10 the accomplishment of the purposes for which the District is
11 created, as expressed in the provisions of this Act; and may employ
12 engineers, attorneys and all other technical and non-technical
13 employees or assistants and fix and provide the amount and manner
14 of their compensation, and may provide for payment of expenditures
15 deemed essential to the proper maintenance and administration of
16 the District. Notwithstanding Section 49.060, Water Code, a member
17 [The members] of the Board of Directors is not entitled to receive
18 fees of office [shall receive a per diem of not more than Ten
19 Dollars (\$10) per day, for the time actually expended on business
20 of the District, together with traveling and other necessary
21 expenses, provided that such per diem fee shall not be paid to a
22 Director for more than one hundred (100) days in any one year].

23 SECTION 1.4. Chapter 306, Acts of the 49th Legislature,
24 Regular Session, 1945, is amended by adding Section 23A to read as
25 follows:

26 Sec. 23A. The District may not provide a service to a
27 customer located outside Bexar County unless the customer received
28 services from the District on or before June 1, 2007, or the
29 District agreed to provide services to the development of a new or
30 existing customer located outside Bexar County prior to June 1,
31 2007.

5-9-07 10:00 pm

7 SECTION 1.5. Chapter 306, Acts of the 49th Legislature,
8 Regular Session, 1945, is amended by adding Section 27A to read as
9 follows:

10 Sec. 27A. (a) The District may not terminate without cause
11 an employee who, on June 1, 2007:

12 (1) is vested in the District's retirement plan; and

13 (2) earns an annual salary of \$50,000 or less.

14 (b) An employee described by Subsection (a) of this section
15 who is terminated by the District for cause is entitled to a
16 reasonable grievance process.

17 SECTION 1.6. Chapter 306, Acts of the 49th Legislature,
18 Regular Session, 1945, is amended by adding Section 27C to read as
19 follows:

20 Sec. 27C. (a) The District may not employ fewer than one
21 employee per 300 utility connections;

22 (b) The District may reduce the number of employees employed
23 by the District who earn an annual salary of \$50,000 or less only
24 through:

25 (1) retirement;

26 (2) voluntary resignation; or

27 (3) termination for cause.

28 (c) An employee terminated by the District for cause is
29 entitled to a reasonable grievance process.

30 (d) This section 27C expires September 1, 2012.

31 SECTION 1.7. Chapter 306, Acts of the 49th Legislature,

7 Regular Session, 1945, is amended by adding Section 27D to read as
8 follows:

9 Sec 27D. (a) No later than 120 days after the first meeting
10 of the Board of Directors of the District composed of the Bexar
11 County Commissioners serving ex officio, the District shall:

12 (1) produce a report of an assessment of the operations
13 and maintenance condition of the District;

14 (2) produce a status report of infrastructure
15 improvements under construction;

16 (3) produce a report certifying any rate structure
17 changes approved by the District and documenting a schedule for
18 future changes to rate structure anticipated by the District; and

19 (4) deliver these reports to the legislative oversight
20 committee.

21 (b) No later than 180 days after the first meeting of the
22 Board of Directors of the District composed of the Bexar County
23 Commissioners serving ex officio, the District shall produce an
24 assessment of the District's financial condition and present it to
25 the legislative oversight committee.

26 (c) No later than 240 days after the first meeting of the
27 Board of Directors of the District composed of the Bexar County
28 Commissioners serving ex officio, the District shall:

29 (1) produce a report of necessary improvements to the
30 system and a schedule for the implementation of those improvements;

31 (2) produce a report on the sustainability and adequacy

5-9-07 10:00 pm

7 of the water resources of the District and a plan for obtaining
8 additional water resources if deficiencies exist; and

9 (3) deliver these reports to the legislative oversight
10 committee.

11 (d) No later than one year after the first meeting of the
12 Board of Directors of the District composed of the Bexar County
13 Commissioners serving ex officio, the District shall:

14 (1) produce a report on service delivery improvements
15 that have been completed and that are in progress;

16 (2) produce a report identifying all service
17 improvements necessary for the system and a schedule for the
18 completion of those improvements; and

19 (3) deliver these reports to the legislative oversight
20 committee.

21 (e) No later than three years after the first meeting of the
22 Board of Directors of the District composed of the Bexar County
23 Commissioners serving ex officio, the District shall have a uniform
24 rate structure that contains rates that are equal to or lower than
25 the rates of other large retail water providers in the region;
26 provided that the District's rates shall be sufficient to meet debt
27 service obligations and debt coverage requirements.

28 SECTION 1.8. Chapter 306, Acts of the 49th Legislature,
29 Regular Session, 1945, is amended by adding Section 27E to read as
30 follows:

31 Sec. 27E. (a) The District may not transfer, sell, or lease

7 to a retail public utility the management or more than 40 percent
8 of the assets, including certificates of convenience and necessity
9 and water rights, of the District.

10 (b) This section does not apply to the transfer, sale, or
11 lease of assets located outside the boundaries of the County of
12 Bexar.

13 SECTION 1.9. Chapter 306, Acts of the 49th Legislature,
14 Regular Session, 1945, is amended by adding Section 32 to read as
15 follows:

16 Sec. 32. (a) The District shall permit a customer to pay a
17 bill at one or more retail locations in the District.

18 (b) The District may not close a customer service branch that
19 is in operation on June 1, 2007 unless a comparable customer
20 service branch is opened. This subsection expires September 1,
21 2012.

22 SECTION 1.10. For purposes of service on the Canyon Regional
23 Water Authority Board of Directors, a representative from the
24 district shall be selected from the Board of Directors of the
25 District.

26 SECTION 1.11. Section 8, Chapter 306, Acts of the 49th
27 Legislature, Regular Session, 1945, is repealed.

28 ARTICLE II

29 SECTION 2.1. Section 3, Chapter 306, Acts of the 49th
30 Legislature, Regular Session, 1945, is amended to read as follows:

31 Sec. 3. In addition to the powers vested by the Constitution

7 and general laws in such public agency for the greatest practicable
8 measure of the conservation, preservation, and beneficial
9 utilization of its public waters, the power to control and utilize
10 its public waters and to regulate the disposal and the disposal of
11 sewage, waste, and refuse, the District shall have the following
12 general powers:

13 (a) Through every practical and legal means to develop,
14 transport, deliver, distribute, store, and treat water for use
15 within the District, including the storm and flood waters within
16 the District, including the power to cooperate with the United
17 States Government or any agency thereof, or any municipality,
18 public, quasi-public or private agency and to contract, negotiate,
19 and enter into agreements with any one or more of such agencies in
20 effecting such purposes;

21 (b) ~~[to store, control, and conserve storm and flood~~
22 ~~waters of its rivers and streams and to prevent the escape of any~~
23 ~~such waters without first obtaining therefrom a maximum of public~~
24 ~~service; to prevent devastation of property from overflow and to~~
25 ~~protect life and property from uncontrolled flood and storm waters;~~

26 [(e)] to conserve and distribute waters essential for
27 domestic and other uses by the inhabitants of the District,
28 including necessary water supply for cities and towns situated
29 within the District;

30 (c) ~~[(d) to provide for the development of drainage~~
31 ~~systems to control, regulate, and dispose of all storm and flood~~

7 ~~waters of the District so as to protect effectively lives and~~
8 ~~property, and to utilize such waters for each and every purpose for~~
9 ~~which flood and storm waters when controlled, conserved, or~~
10 ~~regulated may be utilized as contemplated by the Constitution and~~
11 ~~the public policy therein declared;~~

12 [~~e~~] to provide by purchase, construction, lease, gift,
13 or in any other manner and to operate any and all facilities deemed
14 by the District essential for preserving the purity of all the
15 surface and underground waters of the District for the protection
16 of the health of its inhabitants, and to formulate plans to make
17 and enforce rules and regulations for the effective disposal of any
18 and all sewage wastes, refuse, or residuum, however accumulated;
19 which otherwise would contaminate, pollute, or render unsafe and
20 insanitary the surface and underground waters of the District and
21 which might threaten or impair the health of its inhabitants or
22 which might adversely affect the health of the inhabitants
23 downstream below the District;

24 (d) [~~f~~] to acquire by purchase, construction, lease,
25 gift, or in any other manner (otherwise than by condemnation) and
26 to maintain, use, and operate any and all property of any kind,
27 real, personal, or mixed, or any interest therein within or without
28 the boundaries of the District deemed by its Board of Directors
29 necessary or convenient to the exercise of the powers, rights,
30 privileges, and functions conferred upon it by this Act;

31 (e) [~~g~~] to acquire by condemnation any and all

5-9-07 10:00 pm

7 property of any kind, real, personal, or mixed, or any interest
8 therein, within the boundaries of the county of Bexar [~~or outside~~
9 ~~of the boundaries of the District~~], necessary to the exercise of
10 the powers, rights, privileges, and functions conferred by this
11 Act, in the manner provided by General Law relative to
12 condemnation, or at the option of the District, in the manner
13 provided by law with respect to condemnation by agencies organized
14 pursuant to Section 59, Article 16 of the Constitution of the State
15 of Texas; provided that the District shall not have the right or
16 power to so condemn any such property that may be owned by any
17 other political subdivision, city, or town located within the
18 District;

19 (f) [~~(h)~~] to cooperate, contract, and enter into
20 agreements with towns, cities, districts, or political subdivisions
21 located in or outside of the District and with Bexar County, in the
22 construction, purchase, lease, maintenance, improvement, use, and
23 operation of any and all facilities, works, and plants necessary or
24 convenient to the accomplishment of the purposes for which the
25 District was created;

26 (g) [~~(i)~~] to make contracts with any person, private
27 corporation, municipal corporation, political subdivision, or the
28 Board of Trustees thereof, operating water distribution facilities
29 for the benefit of a city or town within the District, under which
30 the District may perform services for such parties or such parties
31 may perform services for the District, or under which either may

5-9-07 10:00 pm

7 operate all or any part of the facilities of the other, having due
8 regard for the duties and obligations of such parties in the
9 instrument prescribing their or its duties;

10 (h) [~~(j)~~] to construct, extend, improve, maintain, and
11 reconstruct, to cause to be constructed, extended, improved,
12 maintained, or reconstructed and to use and operate any and all
13 facilities of any kind necessary or convenient to the exercise of
14 the powers, rights, privileges, and functions conferred by this
15 Act;

16 (i) [~~(k)~~] to sue and be sued in its corporate name;

17 (j) [~~(l)~~] to make by-laws for the management and
18 regulation of its affairs conformably to the powers and purposes
19 herein conferred and consistent with the Constitution of this
20 State;

21 (k) [~~(m)~~] to make rules and regulations and to prescribe
22 penalties for the breach of any rule or regulation of the District,
23 which penalties shall not exceed fines of more than Two Hundred
24 Dollars (\$200), or imprisonment for more than thirty (30) days, or
25 may provide both such fine and such imprisonment. The penalties
26 hereby authorized shall be in addition to any other penalties
27 provided by the laws of Texas and may be enforced by complaints
28 filed in the appropriate court of jurisdiction in the county in
29 which the district's principal office is located; provided,
30 however, that no rule or regulation which provides a penalty for
31 the violation thereof shall be in effect, as to enforcement of the

5-9-07 10:00 pm

7 penalty, until five days next after the district may have caused a
8 substantive statement of the particular rule or regulation and the
9 penalty for the violation thereof to be published, once a week for
10 two consecutive weeks, in one or more newspapers affording general
11 circulation in the area in which the property of the district is
12 situated; and, the substantive statement so to be published shall
13 be as condensed as is possible to afford an intelligent direction
14 of the mind to the object sought to be accomplished or the act
15 forbidden by the rule or regulation; one notice may embrace any
16 number of regulations; there must be embraced in the notice advice
17 that breach of the particular regulation, or regulations, will
18 subject the violator to the infliction of a penalty and there also
19 shall be included in the notice advice that the full text of the
20 regulation sought to be enforced is on file in the principal office
21 of the District, where the same may be read by any interested
22 person. Five (5) days after the second publication of the notice
23 hereby required, the advertised regulation shall be in effect, and
24 ignorance of any such regulation shall not constitute a defense to
25 a prosecution for the enforcement of a penalty; and, the rules and
26 regulations authorized hereby, after the required publication,
27 shall judicially be known to the courts and shall be considered of
28 a nature like unto that of valid penal ordinances of a city of the
29 State;

30 (l) [~~(n)~~] to adopt, use, and alter a corporate seal;

31 (m) [~~(o)~~] to appoint agents and employees; prescribe

5-9-07 10:00 pm

7 their duties and fix their compensation;

8 (n) [~~(p)~~] to make contracts and execute instruments
9 necessary or convenient to the exercise of the powers, rights,
10 privileges, and functions herein conferred;

11 (o) [~~(q)~~] to borrow money for its authorized purposes,
12 to accept grants or loans or allotments from the United States
13 Government or any of its agencies, or others, and in connection
14 with any such grants, loans, or allotments to enter into such
15 agreements as may be required to make them effective, and for the
16 purpose of obtaining funds to issue its negotiable tax bonds and
17 its negotiable revenue bonds in the manner and to the extent
18 hereinafter provided;

19 (p) [~~(r)~~] to operate and maintain with consent of the
20 governing body of any city, town, or political subdivision located
21 in the District any works, plants, or facilities deemed necessary
22 or convenient to the accomplishment of the purposes for which the
23 District is created;

24 (q) [~~(s)~~] to enter into planning agreements with the
25 Texas Water Development Board under Subchapter C, Chapter 16, Water
26 Code, for the purpose of conducting studies necessary to maintain
27 retail water supply services to customers within the boundaries of
28 the District; and

29 (r) [~~(t)~~] to cooperate with and support local fire
30 departments and economic development activities sponsored by local
31 entities within the District that use water and water resources

5-9-07 10:00 pm

7 provided, or to be provided, by the District.

8 SECTION 2.2. Chapter 306, Acts of the 49th Legislature,
9 Regular Session, 1945, is amended by adding Section 23A to read as
10 follows:

11 Sec. 23A. The District may not provide a service to a
12 customer located outside Bexar County unless the customer received
13 services from the District on or before June 1, 2007, or the
14 District agreed to provide services to the development or a new or
15 existing customer located outside Bexar County prior to June 1,
16 2007.

17 SECTION 2.3. Chapter 306, Acts of the 49th Legislature,
18 Regular Session, 1945, is amended by adding Section 27D to read as
19 follows:

20 Sec 27D. (a) No later than 120 days after the text of this
21 section becomes effective, the District shall:

22 (1) produce a report of an assessment of the operations
23 and maintenance condition of the District;

24 (2) produce a status report of infrastructure
25 improvements under construction;

26 (3) produce a report certifying any rate structure
27 changes approved by the District and documenting a schedule for
28 future changes to rate structure anticipated by the District; and

29 (4) deliver these reports to the legislative oversight
30 committee.

31 (b) No later than 180 days after the text of this section

7 becomes effective, the District shall produce an assessment of the
8 District's financial condition and present it to the legislative
9 oversight committee.

10 (c) No later than 240 days after the text of this section
11 becomes effective, the District shall:

12 (1) produce a report of necessary improvements to the
13 system and a schedule for the implementation of those improvements;

14 (2) produce a report on the sustainability and adequacy
15 of the water resources of the District and a plan for obtaining
16 additional water resources if deficiencies exist; and

17 (3) deliver these reports to the legislative oversight
18 committee.

19 (d) No later than one year after the text of this section
20 becomes effective, the District shall:

21 (4) produce a report on service delivery improvements
22 that have been completed and that are in progress;

23 (5) produce a report identifying all service
24 improvements necessary for the system and a schedule for the
25 completion of those improvements; and

26 (5) deliver these reports to the legislative oversight
27 committee.

28 (e) No later than eighteen months after the text of this
29 section becomes effective, the District will have a uniform rate
30 structure that contains rates that are equal to or lower than the
31 rates of other large retail water providers in the region.

5-9-07 10:00 pm

7 SECTION 2.4. Chapter 306, Acts of the 49th Legislature,
8 Regular Session, 1945, is amended by adding Section 32 to read as
9 follows:

10 Sec. 32. (a) The District shall permit a customer to pay a
11 bill at one or more retail locations in the District.

12 (b) The District may not close a customer service branch that
13 is in operation on June 1, 2007 unless a comparable customer
14 service branch is opened. This subsection expires September 1,
15 2012.

16 SECTION 2.5. Chapter 306, Acts of the 49th Legislature,
17 Regular Session, 1945, is amended to add a new Section 27A, as
18 follows:

19 Sec. 27A. The District shall submit to the Legislative
20 Oversight Committee the following:

21 (a) a schedule for achieving the objectives set out in
22 Section 27D within six months of the date the text of this
23 Section becomes effective;

24 (b) evidence that the District has completed its three-year
25 plan of improvements as adopted by the board of directors of the
26 District prior to the effective date of this Act within one and one
27 half years from the date the text of this Section becomes
28 effective;

29 (c) audited annual financial statements indicating the
30 financial condition of the district within six months of the date
31 the text of this Section becomes effective;

5-9-07 10:00 pm

7 (d) a written projection of all rate and fee increases for
8 three years following the effective date of this Act within six
9 months of the date the text of this Section becomes effective;

10 (e) any documentation or materials used in conducting a
11 standard managerial and financial audit; and

12 (f) any other information the legislative oversight committee
13 requests.

14 SECTION 2.6. Chapter 306, Acts of the 49th Legislature, Regular
15 Session, 1945, is amended to add a new Section 27C, as follows:

16 Sec. 27C. The District shall implement a rate structure that
17 promotes and encourages conservation of water and provides for
18 lower rates for customers using lower quantities of water.

19 SECTION 2.7. Chapter 306, Acts of the 49th Legislature, Regular
20 Session, 1945, is amended to add a new Section 27(E), as follows:

21 Sec. 27E. The District shall implement an appeal and grievance
22 process for employees of the District.

23 ARTICLE III

24 SECTION 3.1. Chapter 306, Acts of the 49 Legislature, Regular
25 Session, 1945, is amended by adding Section 33A as follows:

26 Sec. 33A. LEGISLATIVE OVERSIGHT COMMITTEE. (a) In recognition
27 of the important goal of the state in providing safe and efficient
28 water supply services to the customers of the District and the
29 necessity for state oversight and regulation of the District to
30 ensure the achievement of this goal there is created the Bexar
31 Metropolitan Water District Legislative Oversight Committee.

5-9-07 10:00 pm

7 (b) The legislative oversight committee shall monitor the
8 progress of the district in implementing a rate structure that
9 conserves water, provides adequate service to low-income customers,
10 and assists in creating uniform rates among water utility providers
11 in the region; the legislative oversight committee also shall
12 monitor the quality of service provided by the district; monitor
13 the plans by the district to provide for sustainability of water
14 resources and plan for infrastructure needs; identify regulatory
15 and statutory barriers to achievement of the district's goals, and
16 make recommendations to the Legislature, if necessary; and perform
17 any other oversight function deemed appropriate by the legislative
18 oversight committee.

19 (c) The legislative oversight committee is comprised of 3
20 members appointed to represent the following members:

21 (1) the Senator sponsor of this Act, or, in the event this
22 Senator cannot serve, a Senator appointed by the Lieutenant
23 Governor;

24 (2) the House author of this Act, in the event this
25 Representative cannot serve, a Representative appointed by the
26 Speaker of the Texas House of Representatives; and

27 (3) one member with special expertise in the operation of
28 public water utilities appointed by the Governor.

29 (d) A member of the legislative oversight committee is not
30 entitled to receive compensation for service on the legislative
31 oversight committee but is entitled to reimbursement of the travel

7 expenses incurred by the member while conducting the business of
8 the legislative oversight committee, as provided by the General
9 Appropriations Act.

10 (e) The District shall provide staff support for the
11 legislative oversight committee.

12 (f) If the text of Article I of this Act becomes effective,
13 this section expires on September 1, 2012, and the legislative
14 oversight committee is abolished.

15 SECTION 3.2. STATE AUDIT. Subject to approval by the
16 Legislative Audit Committee for inclusion in the annual audit plan,
17 the State Auditor shall conduct a financial and managerial audit of
18 the District upon passage of this Act and submit the findings from
19 the audit in a written report to the members of the Legislative
20 Oversight Committee, the Board of Directors of the District, the
21 Texas Legislature, and the Bexar County Commissioners. The District
22 shall cooperate and provide assistance and access to all necessary
23 records, confidential or unconfidential, to the state auditor in
24 conducting the audit pursuant to this Section. The District shall
25 reimburse the state auditor for the cost of performing the audit.

26 SECTION 3.3. TRANSITION PERIOD. (a) The period on or after
27 the effective date of the Act and before the implementation of the
28 text of Article I or the text of Article II of this Act is the
29 transition period.

30 (b) During the term of the transition period, the district
31 shall not:

5-9-07 10:00 pm

7 (1) destroy or falsify any record of the District,
8 including, but not limited to, written correspondence,
9 electronic mail, and tape recordings;

10 (2) modify in any manner the compensation, benefits,
11 bonus plan, or any matter related to compensation of all
12 employees, including management, of the district;

13 (3) enter into any contract or agreement that cannot be
14 terminated with 45 days notice and no penalty for termination;

15 (4) enter into any contract or agreement to privatize
16 operation of any part of the district system; or

17 (5) sell, lease, transfer, or convert any assets of the
18 District.

19 SECTION 3.4. (a) The legal notice of the intention to
20 introduce this Act, setting forth the general substance of this
21 Act, has been published as provided by law, and the notice and a
22 copy of this Act have been furnished to all persons, agencies,
23 officials, or entities to which they are required to be furnished
24 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
25 Government Code.

26 (b) The governor, one of the required recipients, has
27 submitted the notice and Act to the Texas Commission on
28 Environmental Quality.

29 (c) The Texas Commission on Environmental Quality has filed
30 its recommendations relating to this Act with the governor, the
31 lieutenant governor, and the speaker of the house of

5-9-07 10:00 pm

7 representatives within the required time.

8 (d) All requirements of the constitution and laws of this
9 state and the rules and procedures of the legislature with respect
10 to the notice, introduction, and passage of this Act are fulfilled
11 and accomplished.

12 SECTION 3.5. (a) The text of Article I and III is effective
13 upon the effective date of this Act.

14 (b) In the event that the United States Department of Justice
15 issues a letter pursuant to Section 5 of the Voting Rights Act
16 interposing an objection to the implementation of any portion of
17 this Act, the Texas Secretary of State shall publish notice of such
18 objection in the Texas Register. The notice shall contain a copy
19 of the letter referenced in this Section. Only upon the publication
20 of such notice shall the text of Article II be effective and the
21 text of Article I be no longer effective.

22 SECTION 3.6. This Act takes effect September 1, 2007.

23

ADOPTED

Wentworth
Christi
Zaffirini

FLOOR AMENDMENT NO. 1

MAY 23 2007

Satay Spaul
Secretary of the Senate

BY:

1 Amend H.B. 1565, beginning on page 1, line 19, by striking
2 all below the relating clause and substituting the following:

3 ARTICLE I

4 SECTION 1.1. Section 3, Chapter 306, Acts of the 49th
5 Legislature, Regular Session, 1945, is amended to read as
6 follows:

7 Sec. 3. In addition to the powers vested by the
8 Constitution and general laws in such public agency for the
9 greatest practicable measure of the conservation, preservation,
10 and beneficial utilization of its public waters, the power to
11 control and utilize its public waters and to regulate the
12 disposal and the disposal of sewage, waste, and refuse, the
13 District shall have the following general powers:

14 (a) Through every practical and legal means to
15 develop, transport, deliver, distribute, store, and treat water
16 for use within the District, including the storm and flood
17 waters within the District, including the power to cooperate
18 with the United States Government or any agency thereof, or any
19 municipality, public, quasi-public or private agency and to
20 contract, negotiate, and enter into agreements with any one or
21 more of such agencies in effecting such purposes;

22 (b) ~~[to store, control, and conserve storm and flood~~
23 ~~waters of its rivers and streams and to prevent the escape of~~
24 ~~any such waters without first obtaining therefrom a maximum of~~
25 ~~public service; to prevent devastation of property from overflow~~
26 ~~and to protect life and property from uncontrolled flood and~~
27 ~~storm waters;~~

28 [+e] to conserve and distribute waters essential for
29 domestic and other uses by the inhabitants of the District,

1 including necessary water supply for cities and towns situated
2 within the District;

3 (c) [~~(d)~~] ~~to provide for the development of drainage~~
4 ~~systems to control, regulate, and dispose of all storm and flood~~
5 ~~waters of the District so as to protect effectively lives and~~
6 ~~property, and to utilize such waters for each and every purpose~~
7 ~~for which flood and storm waters when controlled, conserved, or~~
8 ~~regulated may be utilized as contemplated by the Constitution~~
9 ~~and the public policy therein declared;~~

10 [~~(e)~~] to provide by purchase, construction, lease,
11 gift, or in any other manner and to operate any and all
12 facilities deemed by the District essential for preserving the
13 purity of all the surface and underground waters of the District
14 for the protection of the health of its inhabitants, and to
15 formulate plans to make and enforce rules and regulations for
16 the effective disposal of any and all sewage wastes, refuse, or
17 residuum, however accumulated; which otherwise would
18 contaminate, pollute, or render unsafe and insanitary the
19 surface and underground waters of the District and which might
20 threaten or impair the health of its inhabitants or which might
21 adversely affect the health of the inhabitants downstream below
22 the District;

23 (d) [~~(f)~~] to acquire by purchase, construction,
24 lease, gift, or in any other manner (otherwise than by
25 condemnation) and to maintain, use, and operate any and all
26 property of any kind, real, personal, or mixed, or any interest
27 therein within or without the boundaries of the District deemed
28 by its Board of Directors necessary or convenient to the
29 exercise of the powers, rights, privileges, and functions
30 conferred upon it by this Act;

31 (e) [~~(g)~~] to acquire by condemnation any and all

1 property of any kind, real, personal, or mixed, or any interest
2 therein, within or outside of the boundaries of the District,
3 necessary to the exercise of the powers, rights, privileges, and
4 functions conferred by this Act, in the manner provided by
5 General Law relative to condemnation, or at the option of the
6 District, in the manner provided by law with respect to
7 condemnation by agencies organized pursuant to Section 59,
8 Article 16 of the Constitution of the State of Texas; provided
9 that the District shall not have the right or power to so
10 condemn any such property that may be owned by any other
11 political subdivision, city, or town located within the
12 District;

13 (f) [~~(h)~~] to cooperate, contract, and enter into
14 agreements with towns, cities, districts, or political
15 subdivisions located in or outside of the District and with
16 Bexar County, in the construction, purchase, lease, maintenance,
17 improvement, use, and operation of any and all facilities,
18 works, and plants necessary or convenient to the accomplishment
19 of the purposes for which the District was created;

20 (g) [~~(i)~~] to make contracts with any person, private
21 corporation, municipal corporation, political subdivision, or
22 the Board of Trustees thereof, operating water distribution
23 facilities for the benefit of a city or town within the
24 District, under which the District may perform services for such
25 parties or such parties may perform services for the District,
26 or under which either may operate all or any part of the
27 facilities of the other, having due regard for the duties and
28 obligations of such parties in the instrument prescribing their
29 or its duties;

30 (h) [~~(j)~~] to construct, extend, improve, maintain,
31 and reconstruct, to cause to be constructed, extended, improved,

1 maintained, or reconstructed and to use and operate any and all
2 facilities of any kind necessary or convenient to the exercise
3 of the powers, rights, privileges, and functions conferred by
4 this Act;

5 (i) [~~(k)~~] to sue and be sued in its corporate name;

6 (j) [~~(l)~~] to make by-laws for the management and
7 regulation of its affairs conformably to the powers and purposes
8 herein conferred and consistent with the Constitution of this
9 State;

10 (k) [~~(m)~~] to make rules and regulations and to
11 prescribe penalties for the breach of any rule or regulation of
12 the District, which penalties shall not exceed fines of more
13 than Two Hundred Dollars (\$200), or imprisonment for more than
14 thirty (30) days, or may provide both such fine and such
15 imprisonment. The penalties hereby authorized shall be in
16 addition to any other penalties provided by the laws of Texas
17 and may be enforced by complaints filed in the appropriate court
18 of jurisdiction in the county in which the district's principal
19 office is located; provided, however, that no rule or regulation
20 which provides a penalty for the violation thereof shall be in
21 effect, as to enforcement of the penalty, until five days next
22 after the district may have caused a substantive statement of
23 the particular rule or regulation and the penalty for the
24 violation thereof to be published, once a week for two
25 consecutive weeks, in one or more newspapers affording general
26 circulation in the area in which the property of the district is
27 situated; and, the substantive statement so to be published
28 shall be as condensed as is possible to afford an intelligent
29 direction of the mind to the object sought to be accomplished or
30 the act forbidden by the rule or regulation; one notice may
31 embrace any number of regulations; there must be embraced in the

4/2

1 notice advice that breach of the particular regulation, or
2 regulations, will subject the violator to the infliction of a
3 penalty and there also shall be included in the notice advice
4 that the full text of the regulation sought to be enforced is on
5 file in the principal office of the District, where the same may
6 be read by any interested person. Five (5) days after the
7 second publication of the notice hereby required, the advertised
8 regulation shall be in effect, and ignorance of any such
9 regulation shall not constitute a defense to a prosecution for
10 the enforcement of a penalty; and, the rules and regulations
11 authorized hereby, after the required publication, shall
12 judicially be known to the courts and shall be considered of a
13 nature like unto that of valid penal ordinances of a city of the
14 State;

15 (l) [~~(n)~~] to adopt, use, and alter a corporate seal;

16 (m) [~~(o)~~] to appoint agents and employees; prescribe
17 their duties and fix their compensation;

18 (n) [~~(p)~~] to make contracts and execute instruments
19 necessary or convenient to the exercise of the powers, rights,
20 privileges, and functions herein conferred;

21 (o) [~~(q)~~] to borrow money for its authorized
22 purposes, to accept grants or loans or allotments from the
23 United States Government or any of its agencies, or others, and
24 in connection with any such grants, loans, or allotments to
25 enter into such agreements as may be required to make them
26 effective, and for the purpose of obtaining funds to issue its
27 negotiable tax bonds and its negotiable revenue bonds in the
28 manner and to the extent hereinafter provided;

29 (p) [~~(r)~~] to operate and maintain with consent of the
30 governing body of any city, town, or political subdivision
31 located in the District any works, plants, or facilities deemed

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413

1 necessary or convenient to the accomplishment of the purposes
2 for which the District is created;

3 (g) [~~(s)~~] to enter into planning agreements with the
4 Texas Water Development Board under Subchapter C, Chapter 16,
5 Water Code, for the purpose of conducting studies necessary to
6 maintain retail water supply services to customers within the
7 boundaries of the District; and

8 (r) [~~(t)~~] to cooperate with and support local fire
9 departments and economic development activities sponsored by
10 local entities within the District that use water and water
11 resources provided, or to be provided, by the District.

12 SECTION 1.2. Chapter 306, Acts of the 49th Legislature,
13 Regular Session, 1945, is amended by adding Section 27D to read
14 as follows:

15 Sec 27D. (a) No later than 120 days after the text of this
16 section becomes effective, the District shall:

17 (1) produce a report of an assessment of the
18 operations and maintenance condition of the District;

19 (2) produce a status report of infrastructure
20 improvements under construction;

21 (3) produce a report addressing the District's
22 provision of water meeting Texas Commission on Environmental
23 Quality ("TCEQ") pressure and quality standards.

24 (4) provide a report on customer service response
25 time.

26 (5) produce a report certifying any rate structure
27 changes approved by the District and documenting a schedule for
28 future changes to rate structure anticipated by the District;
29 and

30 (6) deliver these reports to the Utilities and
31 District's section of the "TCEQ" and the legislative oversight

1 committee.

2 (b) No later than 180 days after the text of this section
3 becomes effective, the District shall produce an assessment of
4 the District's financial condition and present it to the
5 Utilities and District's section of the "TCEQ" and the
6 legislative oversight committee.

7 (c) No later than 240 days after the text of this section
8 becomes effective, the District shall:

9 (1) produce a report of necessary improvements to the
10 system and a schedule for the implementation of those
11 improvements to ensure all service area improvements are
12 included in the Capital Improvement Plan ("CIP") and all service
13 areas have defined Operating and Management ("O&M") projects
14 programmed to repair or replace existing aged infrastructure;

15 (2) produce a report on the sustainability and
16 adequacy of the water resources of the District and a plan for
17 obtaining additional water resources if deficiencies exist; and

18 (3) deliver these reports to the Utilities and
19 District's section of the "TCEQ" and the legislative oversight
20 committee.

21 (d) No later than one year after the text of this section
22 becomes effective, the District shall:

23 (1) produce a report on service delivery improvements
24 that have been completed and that are in progress;

25 (2) produce a report identifying all service
26 improvements necessary for the system and a schedule for the
27 completion of those improvements; and

28 (3) deliver these reports to the Utilities and
29 District's section of the "TCEQ" and the legislative oversight
30 committee.

31 SECTION 1.3. Chapter 306, Acts of the 49th Legislature,

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415

1 Regular Session, 1945, is amended by adding Section 32 to read
2 as follows:

3 Sec. 32. (a) The District shall permit a customer to pay
4 a bill at one or more retail locations in the District.

5 (b) The District may not close a customer service branch
6 that is in operation on June 1, 2007 unless a comparable
7 customer service branch is opened. This subsection expires
8 September 1, 2012.

9 SECTION 1.4. Chapter 306, Acts of the 49th Legislature,
10 Regular Session, 1945, is amended to add a new Section 27A, as
11 follows:

12 Sec. 27A. The District shall submit to the Legislative
13 Oversight Committee the following:

14 (a) a schedule for achieving the objectives set out in
15 Section 27D within six months of the date the text of this
16 Section becomes effective;

17 (b) evidence that the District has completed its three-
18 year plan of improvements as adopted by the board of directors
19 of the District prior to the effective date of this Act within
20 one and one half years from the date the text of this Section
21 becomes effective;

22 (c) current year audited annual financial statements
23 indicating the financial condition of the district within thirty
24 (30) days of completion;

25 (d) a written projection of all rate and fee increases for
26 three years following the effective date of this Act within six
27 months of the date the text of this Section becomes effective;

28 (e) a report summarizing the District's efforts to
29 facilitate transition of service areas outside of Bexar and
30 Atascosa County to other qualified local water utility service
31 providers;

8/10

1 committee also shall monitor the quality of service provided by
2 the district; monitor the plans by the district to provide for
3 sustainability of water resources and plan for infrastructure
4 needs; identify regulatory and statutory barriers to achievement
5 of the district's goals, and make recommendations to the
6 Legislature, if necessary; and perform any other oversight
7 function deemed appropriate by the legislative oversight
8 committee.

9 (c) The legislative oversight committee is comprised of 3
10 members appointed to represent the following members:

11 (1) the Senator sponsor of this Act, or, in the event
12 this Senator cannot serve, a Senator appointed by the
13 Lieutenant Governor;

14 (2) the House author of this Act, or, in the event
15 this Representative cannot serve, a Representative
16 appointed by the Speaker of the Texas House of
17 Representatives; and

18 (3) one member with special expertise in the
19 operation of public water utilities appointed by the
20 Governor.

21 (d) A member of the legislative oversight committee is not
22 entitled to receive compensation for service on the legislative
23 oversight committee but is entitled to reimbursement of the
24 travel expenses incurred by the member while conducting the
25 business of the legislative oversight committee, as provided by
26 the General Appropriations Act.

27 (e) The Legislative Oversight Committee shall prepare a
28 comprehensive report to the House and Senate Natural Resources
29 Committee on its findings and recommendations concerning the
30 District's ability to meet service and financial standards and
31 any legislative changes needed in the District's authority or

1 governance.

2 (f) The District shall provide staff support for the
3 legislative oversight committee.

4 SECTION 2.2. STATE AUDIT. Subject to approval by the
5 Legislative Audit Committee for inclusion in the annual audit
6 plan, the State Auditor shall conduct a financial and managerial
7 audit of the District upon passage of this Act and submit the
8 findings from the audit in a written report to the members of
9 the Legislative Oversight Committee, the Board of Directors of
10 the District, and the Texas Legislature. The District shall
11 cooperate and provide assistance and access to all necessary
12 records, confidential or unconfidential, to the state auditor in
13 conducting the audit pursuant to this Section. The District
14 shall reimburse the state auditor for the cost of performing the
15 audit.

16 SECTION 2.3. (a) The legal notice of the intention to
17 introduce this Act, setting forth the general substance of this
18 Act, has been published as provided by law, and the notice and a
19 copy of this Act have been furnished to all persons, agencies,
20 officials, or entities to which they are required to be
21 furnished under Section 59, Article XVI, Texas Constitution, and
22 Chapter 313, Government Code.

23 (b) The governor, one of the required recipients, has
24 submitted the notice and Act to the Texas Commission on
25 Environmental Quality.

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

30 (d) All requirements of the constitution and laws of this
31 state and the rules and procedures of the legislature with

1 respect to the notice, introduction, and passage of this Act are
2 fulfilled and accomplished.

3 SECTION 2.4. Notwithstanding any other provision of this
4 act, nothing herein shall impair any Canyon Regional Water
5 Authority project contract, project financing obligation issued
6 or to be issued wherein the Bexar Metropolitan Water District is
7 a CRWA member entity project participant.

8 SECTION 2.5. This Act takes effect September 1, 2007.
9

FLOOR AMENDMENT NO. 2
F.A. No. 1 (Unst) to

BY: *P. J. Bush*

1 Amend C.S.H.B. No. 1565 as follows:

2 (1) On page ~~10~~¹², line ~~32~~³, strike "September 1, 2007" and insert "January 1,
3 2008"

ADOPTED

MAY 23 2007

Leta Spaw
Secretary of the Senate

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 18, 2007

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1565 by Puente (Relating to the governing body, boundaries, and functions of the Bexar Metropolitan Water District.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend statute relating to the Bexar Metropolitan Water District.

The bill would create the Bexar Metropolitan Water District Legislative Oversight Committee to provide state oversight and regulation of the Bexar Metropolitan Water District. The district would be required to provide staff support to the committee. The committee would be abolished on September 1, 2012, if provisions of Article I of the bill become effective.

Subject to approval by the Legislative Audit Committee for inclusion in the annual audit report, the state auditor shall conduct a financial and managerial audit of the district upon passage of the bill. The district would be required to reimburse the state auditor for the cost of performing the audit.

If the U.S. Department of Justice issues a letter interposing an objection to any portion of the bill, the Secretary of State would be required to publish a copy of the letter.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, WK, DB

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

Revision 1

May 9, 2007

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1565 by Puente (Relating to the governing body, boundaries, and functions of the Bexar Metropolitan Water District.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require the Sunset Commission to review the Board of Directors of the Bexar Metropolitan Water District, but does not subject the entity to abolishment. The review shall be conducted as if the Board of Directors were scheduled to be abolished September 1, 2010. The bill would take effect immediately if it receives a vote of two-thirds of all members of each house. Otherwise, it would take effect September 1, 2007.

The Sunset Advisory Commission estimates the fiscal year 2010 costs associated with conducting the review would be \$60,032 for staff and travel expenses.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 116 Sunset Advisory Commission

LBB Staff: JOB, SD, WK, DB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 22, 2007

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB1565** by Puente (Relating to the governing body and the boundaries of the Bexar Metropolitan Water District.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, WK, DB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 11, 2007

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB1565** by Puente (Relating to the board of directors of the Bexar Metropolitan Water District.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, WK, DB

