

House Bill 3335
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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CONFERENCE

No equivalent provision.

ARTICLE 1. GENERAL LAW PROVISIONS

No equivalent provision.

SECTION 1.01. Section 35.012, Water Code, is amended by amending Subsections (b) and (c) and adding Subsections (d) through (f) to read as follows:

(b) Except as provided under Section 35.013, within ~~Within~~ two years, but no sooner than 120 days, from the date on which the commission issues an order under Section 35.008 designating a priority groundwater management area, for those areas that are not within a district, the commission shall:

~~[(1)]~~ create one or more new districts under Section 36.0151;

~~[(2)]~~ recommend that the areas, or a portion of the areas, be added to an existing district under Section 35.013; or

~~[(3)]~~ take any combination of the actions under Subdivisions (1) and (2).

(c) Except as provided by Subsection (d), a district created under Section 36.0151 must be composed of territory within two or more contiguous counties, unless the commission determines that a district composed of territory within noncontiguous counties will result in more effective or efficient groundwater management than other legal options available to the commission.

(d) A district created under Section 36.0151 may be composed of territory that exists within the boundaries of a single county only if:

(1) the territory within the single county is the only area

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within the designated priority groundwater management area that is not within a district; or

(2) there are other areas within the designated priority groundwater management area, but:

(A) the other areas are not contiguous to the territory; and

(B) the commission determines that creating a single district composed of two or more of the noncontiguous areas, including the territory, would result in less effective or less efficient management of groundwater resources in the territory than creating a district composed of the territory within the single county.

(e) For purposes of this section, the commission may consider territory in two separately designated priority groundwater management areas to be within the same designated priority groundwater management area if:

(1) the priority groundwater management areas share a common boundary and one or more common aquifers; and

(2) the commission determines that a district composed of territory within the two areas will result in more effective or efficient groundwater management than other legal options available to the commission.

(f) Following the issuance of a commission order under Section 35.008, the Texas Agricultural Extension Service shall begin an educational program within such areas with the assistance and cooperation of the Texas Water Development Board, the commission, the Department of Agriculture, other state agencies, and existing districts to

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inform the residents of the status of the area's water resources and management options including possible formation of a district. The county commissioners court of each county in the priority groundwater management area shall form a steering committee to provide assistance to the Texas Agricultural Extension Service in accomplishing the goals of the education program within the area.

No equivalent provision.

SECTION 1.02. Subsections (b), (c), (h), and (i), Section 35.013, Water Code, are amended to read as follows:

(b) The commission shall submit a copy of the order to the board of the district to which it is recommending the priority groundwater management area be added. The board shall vote not later than the 120th day after receiving the copy of the order from the commission on the addition of the priority groundwater management area to the district and shall advise the commission of the outcome.

(c) If the board votes to accept the addition of the priority groundwater management area to the district, the board:

(1) may request the Texas Agricultural Extension Service, the commission, and the Texas Water Development Board, with the cooperation and assistance of the Department of Agriculture and other state agencies, to administer an educational program to inform

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the residents of the status of the area's water resources and management options including possible annexation into a district;

(2) shall call an election to be held not later than the 270th day after the date of the board's vote under Subsection (b) within the priority groundwater management area, or portion of the priority groundwater management area, as delineated by the commission to determine whether [if] the priority groundwater management area will be added to the district; and

(3) shall designate election precincts and polling places for the elections in the order calling an election under this subsection.

(h) If the proposition is defeated, or if the board of the existing district votes not to accept the addition of the area to the district, then the commission shall, except as provided under Subsection (i), create under Section 36.0151 one or more districts covering the priority groundwater management area not later than the later of:

(1) the second anniversary of the date on which the commission issued its order under Section 35.008 designating a priority groundwater management area; or

(2) the 180th day after the date described under Subdivision (1) if the legislature is in session on the date described under Subdivision (1) and a bill has been filed and is pending before the legislature to create a district in all or part of the area or to add all or part of the area to an existing district ~~[the first anniversary of the date on which the proposition is defeated or the board votes not~~

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~~to accept the area].~~

(i) In creating a district under Section 36.0151, the commission may modify the recommendation issued in its order for district creation under Section 35.008 to reflect the failure of an area to be added to an existing district or to account for the creation of any new districts or the addition of any other territory in the priority groundwater management area to an existing district during the intervening period, provided, however, that such modification does not affect the deadlines for district creation under Section 35.012 or this section. For an area that is not feasible for the creation of one or more districts as determined in the commission's findings under Section 35.008, the commission shall include in its report under Section 35.018 recommendations for the future management of the priority groundwater management area.

SECTION 1. Section 49.101, Water Code, is amended to read as follows:

Sec. 49.101. GENERAL. (a) All elections shall be generally conducted in accordance with the Election Code except as otherwise provided for by this code.

(b) Write-in candidacies for any district office shall be governed by Subchapter C, Chapter 146, Election Code.

(c) The board may contract with a person to serve as the district's agent in the same manner as another officer or

SECTION 1.03. Same as House version.

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employee of the district under Section 31.123, Election Code.

(d) Sections 32.009 and 42.002, Election Code, do not apply to an election held by a district.

(e) Notwithstanding the requirements of Section 32.051, Election Code, to serve as an election judge in an election held by a district, a person must be a registered voter of the county in which the district is located.

(f) Notwithstanding Sections 61.012 and 61.013, Election Code, a district is exempt from the acquisition, lease, or use of an electronic voting system for an election if:

(1) the election is a confirmation election or an election held jointly with a confirmation election on the same date and in conjunction with the confirmation election, except for an election in which a federal office appears on the ballot;

(2) the most recently scheduled district directors election was not held, as provided by Section 2.053(b), Election Code; or

(3) fewer than 250 voters voted at the most recently held district directors election.

(g) A district eligible for the exemption under Subsection (f) must publish notice in a periodical of general circulation in an area that includes the district and mail notice to each voter in the district regarding the district's intention to hold an election without providing a voting station that meets the requirements for accessibility under 42 U.S.C. Section 15481(a)(3) on

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election day and during the period for early voting by personal appearance. The notice must provide that any voter in the district may request the use of a voting station that meets those requirements to accommodate voting by a person with a disability and provide information on how to submit such a request. On receiving such a request, the district shall comply with the request.

SECTION 2. Subchapter D, Chapter 49, Water Code, is amended by adding Section 49.1045 to read as follows:

Sec. 49.1045. JOINT ELECTIONS WITH COUNTIES.

(a) This section applies only to a district with 10 or fewer registered voters.

(b) A district that holds an election jointly with a county in which the district is wholly or partly located may provide for a certification of the voting results if the election results indicate that there were more votes cast in the election than the number of registered voters in the district. To certify the district votes, the district may have each person whose signature is on the sign-in sheet for the joint election certify the manner in which the person voted in the election and that the person was a qualified voter on the day of the election, and the certified votes shall be used as the official election results.

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SECTION 1.04. Same as House version.

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SECTION 3. Section 49.107, Water Code, is amended by adding Subsection (i) to read as follows:

(i) Section 375.161, Local Government Code, does not apply to an impact fee, tax, or other requirement for payment for water, sewer, drainage, reclamation, flood control, road, or park and recreational services or improvements of a district that provides, or proposes to provide, those services or improvements.

SECTION 4. Section 49.108, Water Code, is amended by adding Subsections (g), (h), (i), and (j) to read as follows:

(g) Not later than the 10th day before the date an election is held to authorize a contract, a substantially final form of the contract must be filed in the office of the district and must be open to inspection by the public. The contract is not required to be attached as an exhibit to the order calling the election to authorize the contract.

(h) A single contract may contain multiple purposes or facilities authorized by one or more constitutional provisions. A contract described by this subsection may be submitted for approval in a single proposition at an election.

(i) A contract between districts for the provision of facilities or services is not required to specify the maximum amount of bonds or expenditures authorized under the contract if the contract provides that the service area cannot be enlarged without the consent of at least

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SECTION 1.05. Same as House version.

SECTION 1.06. Same as House version.

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two-thirds of the districts that are included in the service area or served by the facilities or services provided for in the contract.

(j) A contract may generally describe the facilities to be acquired or financed by the district without reference to specific constitutional provisions.

SECTION 5. Section 49.151(c), Water Code, is amended to read as follows:

(c) The board may allow disbursements of district money to be transferred by federal reserve wire system or by electronic means. The board by resolution may allow the wire or electronic transfers to accounts in the name of the district or accounts not in the name of the district.

SECTION 6. Section 49.194, Water Code, is amended by amending Subsections (a) and (b) and adding Subsection (h) to read as follows:

(a) Except as provided by Subsection (h), after [~~After~~] the board has approved the audit, it shall submit a copy of the report to the executive director for filing within 135 days after the close of the district's fiscal year.

(b) Except as provided by Subsection (h), if [~~If~~] the board refuses to approve the annual audit report, the board shall submit a copy of the report to the executive director for filing within 135 days after the close of the

SECTION 1.07. Same as House version.

SECTION 1.08. Same as House version.

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district's fiscal year, accompanied by a statement from the board explaining the reasons for its failure to approve the report.

(h) A special water authority shall submit a copy of the report to the executive director for filing within 160 days after the close of the special water authority's fiscal year.

SECTION 7. Section 49.213, Water Code, is amended by adding Subsection (d) to read as follows:

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SECTION 1.09. Section 49.213, Water Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) A district may enter into contracts, which may be of unlimited duration, with persons or any public or private entities on the terms and conditions the board may consider desirable, fair, and advantageous for:

- (1) the purchase or sale of water;
- (2) the collection, transportation, treatment, and disposal of its domestic, industrial, and communal wastes or the collection, transportation, treatment, and disposal of domestic, industrial, and communal wastes of other persons;
- (3) the gathering, diverting, and control of local storm water, or other local harmful excesses of water;
- (4) the continuing and orderly development of the land and property within the district through the purchase, construction, or installation of works, improvements, facilities, plants, equipment, and appliances that the district may otherwise be empowered and authorized to do or perform so that, to the greatest extent reasonably

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possible, considering sound engineering and economic practices, all of the land and property may be placed in a position to ultimately receive the services of the works, improvements, plants, facilities, equipment, and appliances;

(5) the maintenance and operation of any works, improvements, facilities, plants, equipment, and appliances of the district or of another person or public or private entity;

(6) the collection, treatment, and disposal of municipal solid wastes; ~~and~~

(7) the establishment, administration, and enforcement of a groundwater reduction plan to comply with regulatory requirements of a political subdivision whose main office is located in a county with a population of more than 3.3 million or in a county adjacent to such a county; and

(8) the exercise of any other rights, powers, and duties granted to a district.

(d) A written contract between a district and any person, including any public or private entity, for the provision of goods or services to the district is a contract subject to Subchapter I, Chapter 271, Local Government Code.

The district and any person, including any public or private entity, waive sovereign immunity to suit for the purpose of adjudicating a claim for a breach of the contract, subject to the terms and conditions of

(d) A written contract between a district and any person, including any public or private entity, for the provision of goods or services to the district, including a contract entered into with a governmental entity, other than a county, under Subsection (c)(7), is a contract subject to Subchapter I, Chapter 271, Local Government Code.

The district and any person, including any public or private entity, waive sovereign immunity to suit for the purpose of adjudicating a claim for a breach of the contract, subject to the terms and conditions of

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Subchapter I, Chapter 271, Local Government Code.

SECTION 8. Section 49.216, Water Code, is amended by amending Subsection (e) and adding Subsection (f) to read as follows:

(e) Any peace officer who is directly employed by a district, before beginning to perform any duties and at the time of appointment, must take an oath and execute a bond conditioned on faithful performance of such officer's duties in the amount of \$1,000 payable to the district. The oath and the bond shall be filed in the district office.

(f) A peace officer contracted for by the district, individually or through a county, sheriff, constable, or municipality, is an independent contractor, and the district is responsible for the acts or omissions of the peace officer only to the extent provided by law for other independent contractors.

SECTION 9. Section 49.273(d), Water Code, is amended to read as follows:

(d) For contracts over \$50,000, the board shall advertise the letting of the contract, including the general conditions, time, and place of opening of sealed bids. The notice must ~~shall~~ be published in one or more newspapers circulated in each county in which part of the district is located. If one newspaper meets both of these

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Subchapter I, Chapter 271, Local Government Code.

SECTION 1.10. Same as House version.

SECTION 1.11. Same as House version.

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requirements, publication in such newspaper is sufficient. If there are more than four counties in the district, notice may be published in any newspaper with general circulation in the district. The notice ~~must~~ ~~shall~~ be published once a week for two consecutive weeks before the date that the bids are opened, and the first publication ~~must~~ ~~shall~~ be not later than the ~~14th~~ ~~21st~~ day before the date of the opening of the sealed bids.

SECTION 10. Section 49.351, Water Code, is amended by amending Subsections (a), (b), (c), (f), (i), and (l) and adding Subsection (m) to read as follows:

(a) A district providing potable water or sewer service to household users may establish, operate, and maintain, finance with ad valorem taxes, mandatory fees, or voluntary contributions, and issue bonds for a fire department to perform all fire-fighting services within the district as provided in this subchapter and may provide for ~~[issue bonds or impose a mandatory fee, with voter approval, for financing a plan approved in accordance with this section, including]~~ the construction and purchase of necessary buildings, facilities, land, and equipment and the provision of an adequate water supply.

(b) After complying with the requirements of this section ~~[approval of the district electors of a plan to operate, jointly operate, or jointly fund the operation of a fire department, and after complying with Subsections~~

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SECTION 1.12. Same as House version.

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~~(g), (h), and (i)~~, the district or districts shall provide an adequate system and water supply for fire-fighting purposes, may purchase necessary land, may construct and purchase necessary buildings, facilities, and equipment, and may employ or contract with a fire department to employ all necessary personnel including supervisory personnel to operate the fire department.

(c) Bonds shall be authorized and may be issued and ad valorem taxes shall be authorized and may be imposed for financing a plan approved in accordance with this section ~~[shall be authorized and may be issued, and a district shall be authorized to levy a tax to pay the principal of and interest on such bonds,]~~ as provided by law for authorization and issuance of other bonds and authorization and imposition of other ad valorem taxes of the district.

(f) Before a district imposes an ad valorem tax or issues bonds payable wholly or partly from ad valorem taxes to finance the establishment of ~~[establishes]~~ a fire department, a contract ~~[contracts]~~ to operate a joint fire department, or a contract ~~[contracts]~~ with another person to perform fire-fighting services within the district, the district must comply with the provisions of Subsections (g), (h), and (i). A district that funds fire-fighting services with revenue, including mandatory fees or voluntary contributions, is not required to comply with the provisions of Subsection (g), (h), or (i).

(i) After approval of a plan by the commission, the district shall submit to the electors of the district at the

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election to approve bonds payable wholly or partly from ad valorem taxes or to impose ad valorem taxes [~~to impose a mandatory fee~~] for financing the plan, [~~or if no bonds or fees are to be approved, at an election called for approval of the plan,~~] which may be held in conjunction with an election required by Section 49.102, the proposition of whether or not the plan should be implemented or entered into by the district. [~~The ballots at the election shall be printed, as applicable, to provide for voting for or against the proposition: "The implementation of the plan for (operation/joint operation) of a fire department"; or "The plan and contract to provide fire fighting services for the district."~~]

(l) A [~~Notwithstanding the requirements of Subsections (a)-(j), a~~] district providing potable water or sewer service to household users may as part of its billing process collect from its customers a voluntary contribution on behalf of organizations providing fire-fighting services to the district. A district that chooses to collect a voluntary contribution under this subsection must give reasonable notice to its customers that the contribution is voluntary. Water and sewer service may not be terminated as a result of failure to pay the voluntary contribution.

(m) Notwithstanding Subsection (l), if a customer makes a partial payment of a district bill for water or sewer service and includes with the payment a voluntary contribution for fire-fighting services, the district shall

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apply the voluntary contribution first to the bill for water or sewer service, including any interest or penalties imposed. Any amount remaining shall be used for fire-fighting services.

SECTION 11. Section 49.4645(a), Water Code, is amended to read as follows:

(a) A district all or part of which is located in Bastrop County, Bexar County, Waller County, Travis County, Williamson County, Harris County, Galveston County, Brazoria County, Montgomery County, or Fort Bend County may issue bonds supported by ad valorem taxes to pay for the development and maintenance of recreational facilities only if the bonds are authorized by a majority vote of the qualified voters of the district voting in an election held for that purpose. The outstanding principal amount of bonds, notes, and other obligations issued to finance parks and recreational facilities supported by ad valorem taxes [~~payable from any source~~] may not exceed an amount equal to one percent of the value of the taxable property in the district as shown by the tax rolls of the central appraisal district at the time of the issuance of the bonds, notes, and other obligations or an amount greater than the estimated cost provided in the park plan under Subsection (b), whichever is smaller. The district may not issue bonds supported by ad valorem taxes to pay for the development and maintenance of:

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SECTION 1.13. Same as House version.

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- (1) indoor or outdoor swimming pools; or
- (2) golf courses.

SECTION 12. Section 51.523, Water Code, is amended to read as follows:

Sec. 51.523. **BALLOTS.** The ballot for an election under this subchapter shall be printed to provide for voting for or against defining the area to be taxed or designating the property to be served, affected, and taxed and, if applicable, issuing bonds and imposing a tax to retire the bonds or imposing a maintenance tax not to exceed the rate, which must be specified in the ballot proposition, provided by the proposed plan of taxation. [~~substantially the proposition: "Designation of the area, issuance of bonds, and levy of a tax to retire the bonds."~~]

SECTION 13. Section 51.527, Water Code, is amended by adding Subsection (c) to read as follows:

(c) Unless a maintenance tax is imposed in the defined area or on the designated property, once bonds issued for the defined area or designated property are paid off or defeased, the board may declare the defined area dissolved or may repeal the designation of the designated property, at which time the board shall cease imposing taxes on the property located in the defined area or on the designated property.

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SECTION 1.14. Same as House version.

SECTION 1.15. Same as House version.

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SECTION __. Section 54.016(f), Water Code, is amended to read as follows:

(f) This subsection does not apply to a city or a district that is located in whole or in part in a county with a population of more than 3.3 million or a county adjacent to a county with a population of more than 3.3 million.

A city may provide in its written consent for the inclusion of land in a district that a contract ("allocation agreement") between the district and the city be entered into prior to the first issue of bonds, notes, warrants, or other obligations of the district. The allocation agreement shall contain the following provisions:

- (1) a method by which the district shall continue to exist following the annexation of all territory within the district by the city, if the district is initially located outside the corporate limits of the city;
- (2) an allocation of the taxes or revenues of the district or the city which will assure that, following the date of the inclusion of all the district's territory within the corporate limits of the city, the total annual ad valorem taxes collected by the city and the district from taxable property within the district does not exceed an amount greater than the city's ad valorem tax upon such property;
- (3) an allocation of governmental services to be provided by the city or the district following the date of the inclusion of all of the district's territory within the corporate limits of the city;
- (4) such other terms and conditions as may be deemed appropriate by the city.

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No equivalent provision.

SECTION __. The legislature finds that an agreement entered into prior to the effective date of this Act between a municipality and a municipal utility district that are located in whole or in part in a county with a population of more than 3.3 million or a county adjacent to a county with a population of more than 3.3 million is an allocation agreement only if the agreement strictly complies with the requirements of Section 54.016(f), Water Code, and is identified as an "allocation agreement" by specific reference in the agreement to Section 54.016(f), Water Code.

SECTION 14. Section 54.236, Water Code, is amended to read as follows:

Sec. 54.236. STREET OR SECURITY LIGHTING. Subject to the provisions of this section, a district may purchase, install, operate, and maintain street lighting or security lighting within public utility easements or public rights-of-way or property owned by the district [~~within the boundaries of the district~~]. A district, other than a district exercising powers under Section 54.234 or Subchapter N, Chapter 49, may not issue bonds supported by ad valorem taxes to pay for the purchase, installation, and maintenance of street or security lighting.

SECTION 1.16. Same as House version.

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SECTION 15. Section 54.739, Water Code, is amended to read as follows:

Sec. 54.739. SUBSTITUTING PROPERTY [LAND] OF EQUAL VALUE. After the district is organized and has obtained voter approval for the issuance of, or has sold, bonds payable wholly or partly from ad valorem taxes, property [acquires facilities with which to function for the purposes for which it was organized, and votes, issues and sells bonds for such purposes, land] within the district boundaries subject to taxation that does not need or utilize the services of the district may be excluded and other property [land] not within the boundaries of the district may be included within the boundaries of the district without impairment of the security for payment of ~~the~~ bonds or invalidation of any prior bond election, as provided by this section and Sections 54.740 through 54.747.

SECTION 16. Section 54.744, Water Code, is amended to read as follows:

Sec. 54.744. IMPAIRMENT OF SECURITY. (a) For purposes of the board's consideration of the applications, the lands proposed for inclusion shall be deemed to be sufficient to avoid an impairment of the security for payment of obligations of the district if:

(1) according to the most recent tax roll of the district or the most recently certified estimates of taxable value from the chief appraiser of the appropriate appraisal

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SECTION 1.17. Same as House version.

SECTION 1.18. Same as House version.

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district, the taxable value of such included lands equals or exceeds the taxable value of the excluded lands;

(2) either the estimated costs of providing district facilities and services to such included lands is equal to or less than the estimated costs of providing district facilities and services to the excluded lands or any increased estimated costs of providing district facilities and services to the included land, as determined by the district's engineer, can be amortized at prevailing bond interest rates and maturity schedules and the prevailing debt service tax rate of the district, as determined by the district's professional financial advisor, when applied to the increase in taxable value of the included land over the taxable value of the excluded land; and

(3) with respect only to a district with ~~[the district's]~~ outstanding bonds or contract obligations ~~[are]~~ payable in whole or in part by a pledge of net revenues from the ownership or operation of the district's facilities, ~~[and]~~ the projected net revenues to be derived from the property ~~[lands]~~ to be included during the succeeding 12-month period, as determined by the district's engineer, equals or exceeds the projected net revenues that would otherwise have been derived from the property ~~[lands]~~ to be excluded during the same period.

(b) For purposes of this section, the taxable value of included property means the market value of the property if, before or contemporaneously with the inclusion of the property in the district, the owner of the property waives the right to special appraisal of the property as to the

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district as authorized by Section 23.20, Tax Code.

SECTION 17. Section 388.005, Health and Safety Code, as amended by Chapters 262 (S.B. 12) and 939 (H.B. 3693), Acts of the 80th Legislature, Regular Session, 2007, is reenacted and amended to read as follows:

Sec. 388.005. ENERGY EFFICIENCY PROGRAMS IN INSTITUTIONS OF HIGHER EDUCATION[~~STATE~~—~~AGENCIES,~~] AND CERTAIN GOVERNMENTAL ENTITIES. (a) In this section:

(1) "Institution of higher education" includes an institution of higher education as defined by Section 61.003, Education Code, and a private institution of higher education that receives funding from the state.

(2) "Political subdivision" means:

(A) an affected county; or

(B) any political subdivision in a nonattainment area or in an affected county other than:

(i) a school district; or

(ii) a district as defined by Section 36.001 or 49.001, Water Code, that had a total annual electricity expense of less than \$200,000 in the previous fiscal year of the district.

(3) "State agency" means a department, commission, board, office, council, or other agency in the executive branch of state government that is created by the constitution or a statute of this state and has authority not limited to a geographical portion of the state.

SECTION 1.19. Same as House version.

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(b) Each political subdivision, institution of higher education, or state agency shall implement all energy efficiency measures that meet the standards established for a contract for energy conservation measures under Section 302.004(b), Local Government Code, in order to reduce electricity consumption by the existing facilities of the entity.

(c) Each political subdivision, institution of higher education, or state agency shall establish a goal to reduce the electric consumption by the entity by five percent each state fiscal year for six years, beginning September 1, 2007.

(d) A political subdivision, institution of higher education, or state agency that does not attain the goals under Subsection (c) must include in the report required by Subsection (e) justification that the entity has already implemented all available measures. An entity that submits a report under this subsection indicating it has already implemented all available measures is exempt from the annual reporting requirement of Subsection (e) if a subsequent report would indicate no change in status. An entity may be required to provide notice that it is exempt to the State Energy Conservation Office.

(e) A political subdivision, institution of higher education, or state agency annually shall report to the State Energy Conservation Office, on forms provided by that office, regarding the entity's efforts and progress under this section. The State Energy Conservation Office shall provide assistance and information to the

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entity to help the entity meet the goals set under this section.

(f) This section does not apply to a state agency or an institution of higher education that the State Energy Conservation Office determines that, before September 1, 2007, adopted a plan for conserving energy under which the agency or institution established a percentage goal for reducing the consumption of electricity. The exemption provided by this section applies only while the agency or institution has an energy conservation plan in effect and only if the agency or institution submits reports on the conservation plan each calendar quarter to the governor, the Legislative Budget Board, and the State Energy Conservation Office.

(g) This section does not apply to the electricity consumption of a district as defined by Section 36.001 or 49.001, Water Code, that relates to the operation and maintenance of wastewater collection and treatment, water supply and distribution, or stormwater diversion, detention, or pumping facilities or improvements.

SECTION 18. Section 43.0751(a)(1), Local Government Code, is amended to read as follows:

(1) "District" means a conservation and reclamation [~~water control and improvement~~] district [~~or a municipal utility district created or~~] operating under Chapter 49 [~~51 or 54~~], Water Code.

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SECTION 1.20. Same as House version.

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SECTION 19. Section 43.0751, Local Government Code, is amended by adding Subsection (r) to read as follows:

(r) To be annexed for limited purposes under this section, an area must be:

- (1) in the municipality's extraterritorial jurisdiction; and
- (2) contiguous to the corporate or limited purpose boundaries of the municipality, unless the district consents to noncontiguous annexation pursuant to a strategic partnership agreement with the municipality.

No equivalent provision.

No equivalent provision.

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SECTION 1.21. Same as House version.

SECTION 1.22. Notwithstanding Section 35.012, Water Code, as amended by this article, and Section 36.0151, Water Code, the Texas Commission on Environmental Quality may not create a groundwater conservation district under Section 36.0151, Water Code, before September 1, 2011, in territory that exists within the boundaries of a single county in which total surface water use is more than 50 times the total groundwater production and that is located in a priority groundwater management area.

SECTION 1.23. Notwithstanding Section 35.012, Water Code, as amended by this article, and Section 36.0151, Water Code, the Texas Commission on Environmental Quality may not create a groundwater conservation district under Section 36.0151, Water Code, before

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September 1, 2011, in territory that is located in an area that on or after September 1, 2008, is designated by the commission as a priority groundwater management area.

No equivalent provision.

ARTICLE 2. PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

No equivalent provision.

SECTION 2.01. The purpose of Chapter 8855, Special District Local Laws Code, as added by this article, is to establish the powers and authority of a certain district to be created in a part of this state that under Chapter 35, Water Code, the Texas Commission on Environmental Quality has designated a priority groundwater management area.

No equivalent provision.

SECTION 2.02. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8855 to read as follows:

CHAPTER 8855. PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8855.001. DEFINITIONS. In this chapter:

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

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

(3) "District" means the Prairielands Groundwater Conservation District.

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Sec. 8855.002. NATURE OF DISTRICT; FINDINGS.

(a) The district is a groundwater conservation district initially composed of Ellis, Hill, Johnson, and Somervell Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) The district is created to serve a public use and benefit.

(c) All of the land and other property included within the boundaries of the district will be benefited by the works and projects that are to be accomplished by the district under powers conferred by this chapter and by Chapter 36, Water Code.

(d) Any fees imposed by the district under this chapter are necessary to pay for the costs of accomplishing the purposes of the district, including the conservation and management of groundwater resources, as provided by this chapter and Section 59, Article XVI, Texas Constitution.

Sec. 8855.003. DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Ellis, Hill, Johnson, and Somervell Counties.

Sec. 8855.004. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

Sec. 8855.005. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve the purposes expressed by this chapter and Chapter 36.

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Water Code. A power granted by this chapter or Chapter 36, Water Code, shall be broadly interpreted to achieve that intent and those purposes.

[Sections 8855.006-8855.020 reserved for expansion]

SUBCHAPTER B. INITIAL ORGANIZATION

Sec. 8855.021. APPOINTMENT OF INITIAL DIRECTORS. (a) The district is governed by a board of eight initial directors appointed as provided by Section 8855.051(a).

(b) Initial directors shall be appointed not later than the 90th day after the effective date of the Act enacting this chapter. If after the 90th day fewer than eight initial directors have been appointed, each unfilled initial director position shall be considered a vacancy and filled by the remaining initial directors.

(c) Except as provided under Subsection (b) for failure to appoint an initial director, if a vacancy occurs on the board in a position for which an initial director has previously been appointed, the appointing county commissioners court for the vacant position shall appoint a person to fill the vacancy in a manner that meets the representational requirements of Section 8855.051.

(d) To be eligible to serve as an initial director, a person must be a registered voter in the appointing county.

(e) Each initial director must qualify to serve as a director under Section 36.055, Water Code.

Sec. 8855.022. ORGANIZATIONAL MEETING OF INITIAL DIRECTORS. As soon as practicable after all the initial directors have qualified under Section 36.055,

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Water Code, a majority of the initial directors shall convene the organizational meeting of the district at a location in the district agreeable to a majority of the directors. If an agreement on location cannot be reached, the organizational meeting shall be held at a suitable location on the Hill College campus in Cleburne, Johnson County, Texas.

Sec. 8855.023. INITIAL TERMS. (a) The two initial directors appointed from each county shall draw lots to determine which director serves an initial term expiring August 31, 2011, and which director serves an initial term expiring August 31, 2013.

(b) Each successor director shall be appointed and shall serve in accordance with Subchapter C.

[Sections 8855.024-8855.050 reserved for expansion]

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8855.051. GOVERNING BODY; TERMS. (a) Except as provided by Subchapter D, the district is governed by a board of eight directors appointed as follows:

(1) two directors appointed by the Ellis County Commissioners Court;

(2) two directors appointed by the Hill County Commissioners Court;

(3) two directors appointed by the Johnson County Commissioners Court; and

(4) two directors appointed by the Somervell County Commissioners Court.

(b) Directors serve staggered four-year terms, with the

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term of one director from each of the four counties expiring on August 31 of each odd-numbered year.

(c) A director may serve multiple consecutive terms.

Sec. 8855.052. DIRECTOR ELIGIBILITY; QUALIFICATION. (a) To be eligible to serve as a director, a person must be a registered voter in the appointing county.

(b) Each director must qualify to serve under Section 36.055, Water Code.

Sec. 8855.053. VACANCIES. If a vacancy occurs on the board, the appointing county commissioners court for the vacant position shall appoint a person to fill the vacancy. Section 36.051(c), Water Code, does not apply to the district.

Sec. 8855.054. COMPENSATION; REIMBURSEMENT. (a) Notwithstanding Sections 36.060(a) and (d), Water Code, a director may not receive compensation for performing the duties of director.

(b) A director is entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the district.

[Sections 8855.055-8855.070 reserved for expansion]

SUBCHAPTER D. DISTRICT EXPANSION

Sec. 8855.071. EXPANSION OF DISTRICT BOUNDARIES. (a) After the effective date of the Act enacting this chapter, the district territory described in Section 8855.003 shall be expanded to include all of the territory in Navarro County, and the governing board

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described by Section 8855.051(a) shall be expanded to 10 members and include two directors appointed by the Navarro County Commissioners Court, if:

(1) pursuant to Chapter 35, Water Code, the Texas Commission on Environmental Quality designates all or any portion of the territory in Navarro County as a priority groundwater management area; and

(2) following the designation described by Subdivision (1), the commissioners court of Navarro County:

(A) adopts a resolution that states, "By this action of the Navarro County Commissioners Court, all of the territory in Navarro County, Texas, shall, as of the date of this resolution, be included in the boundaries of the Prairielands Groundwater Conservation District"; and

(B) appoints two directors who are registered to vote in Navarro County to the board.

(b) A person appointed under this section must qualify to serve under Section 36.055, Water Code.

(c) At the first regular meeting of the board following the qualification of both directors, the two directors appointed under this section shall draw lots to determine which director serves a term expiring August 31 of the first odd-numbered year after the directors' appointment, and which director serves a term expiring August 31 of the next odd-numbered year.

(d) A director appointed under this section shall otherwise serve in accordance with Subchapter C.

[Sections 8855.072-8855.100 reserved for expansion]

SUBCHAPTER E. POWERS AND DUTIES

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Sec. 8855.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the powers and duties provided by the general law of this state applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution, including Chapter 36, Water Code.

Sec. 8855.102. CONTRACTS. The district may enter into a contract with any person, public or private, for any purpose authorized by law.

Sec. 8855.103. APPLICABILITY OF DISTRICT REGULATIONS. Groundwater regulation under this chapter applies to all persons except as exempted from permitting under Section 36.117, Water Code, or this chapter.

Sec. 8855.104. WELL SPACING RULES; EXEMPTIONS. (a) Except as provided by Subsection (b), the district shall exempt from the well spacing requirements adopted by the district any well that is completed on or before the effective date of those requirements.

(b) The district may provide by rule that a well may lose its exemption under this section if the well is modified in a manner that substantially increases the capacity of the well after the effective date of the well spacing requirements adopted by the district.

(c) Except as provided by this section and notwithstanding Section 8855.103, the district may require a well or class of wells exempt from permitting

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under Chapter 36, Water Code, to comply with the well spacing requirements adopted by the district. The district shall apply well spacing requirements uniformly to any well or class of wells based on the size or capacity of the well and without regard to the type of use of the groundwater produced by the well.

Sec. 8855.105. REGISTRATION AND REPORTING REQUIREMENTS FOR CERTAIN EXEMPT WELLS.

The district may adopt rules that require the owner or operator of a well or class of wells exempt from permitting under Section 36.117, Water Code, to register the well with the district and, except for a well exempt from permitting under Section 36.117(b)(1), to report groundwater withdrawals from the well using reasonable and appropriate reporting methods and frequency.

Sec. 8855.106. ENFORCEMENT. (a) The district may enforce this chapter against any person in the manner provided by Chapter 36, Water Code. In lieu of a remedy available to the district under Section 36.102, Water Code, or in addition to those remedies, the district may impose a fee in addition to a fee assessed under Section 8855.152 on a person producing groundwater in violation of a district order or rule, including the failure or refusal to comply with any district order or rule relating to reducing or ceasing groundwater use. The purpose of a fee authorized by this subsection is to serve as a disincentive to producing groundwater except as authorized by the district.

(b) A fee imposed under Subsection (a) may not exceed

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an amount equal to 10 times the amount of a fee assessed under Section 8855.152.

[Sections 8855.107-8855.150 reserved for expansion]

SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

Sec. 8855.151. TAXES PROHIBITED. The district may not impose a tax. Sections 36.020(a) and 36.201-36.204, Water Code, do not apply to the district.

Sec. 8855.152. DISTRICT REVENUES. (a) The district by rule, resolution, or order may establish, amend, pledge, encumber, spend the proceeds from, and assess to any person production fees, based on the amount of groundwater authorized by permit to be withdrawn from a well or on the amount of water actually withdrawn, to enable the district to fulfill its purposes and regulatory functions as provided by this chapter. The district may use revenue generated by fees it assesses for any lawful purpose.

(b) Notwithstanding any provision of general law to the contrary, a fee authorized by Subsection (a) may not exceed:

(1) \$1 per acre-foot annually for groundwater used for agricultural purposes; or

(2) 30 cents per thousand gallons annually for groundwater used for nonagricultural purposes.

(c) Notwithstanding any provision of general law or this chapter to the contrary, if any, the district may assess a production fee under this section for groundwater produced from a well or class of wells exempt from

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permitting under Section 36.117, Water Code, except for a well exempt from permitting under Section 36.117(b)(1). A production fee assessed by the district under this subsection must be based on the amount of groundwater actually withdrawn from the well and may not exceed the amount established by the district for permitted uses under Subsection (b)(2) of this section.

(d) Notwithstanding Section 36.1071(f), Water Code, the district by rule, resolution, or order before the adoption of its management plan may:

(1) establish, assess, and enforce the collection of production fees under this section; and

(2) establish and enforce metering and reporting requirements, except for a well exempt from permitting under Section 36.117(b)(1), Water Code.

(e) The district by rule may establish a temporary or permanent discounted fee rate for persons who prepay production fees to the district under this section on or before the dates established by district rule.

No equivalent provision.

SECTION 2.03. (a) The legal notice of the intention to introduce this article of this Act, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

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- (b) The governor has submitted the notice and this article to the Texas Commission on Environmental Quality.
- (c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, lieutenant governor, and speaker of the house of representatives within the required time.
- (d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

No equivalent provision.

ARTICLE 3. EFFECTIVE DATES

SECTION 20. This Act takes effect September 1, 2009.

- SECTION 3.01. (a) Except as provided by Subsections (b) and (c) of this section or otherwise provided by this Act, this Act takes effect September 1, 2009.
- (b) Sections 1.01 and 1.02 of this Act take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, Sections 1.01 and 1.02 of this Act take effect September 1, 2009.
 - (c) The articles creating the Harrison County Groundwater Conservation District and the Riverbend Water Resources District take effect immediately if this

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Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, the articles creating the Harrison County Groundwater Conservation District and the Riverbend Water Resources District take effect September 1, 2009.

No equivalent provision.

ARTICLE __. HUNT COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

No equivalent provision.

SECTION __.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8341 to read as follows:

CHAPTER 8341. HUNT COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8341.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Hunt County Municipal Utility District No. 1.

Sec. 8341.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8341.003. CONFIRMATION AND DIRECTORS'

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ELECTION REQUIRED. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

(b) If the creation of the district is not confirmed at a confirmation election held under this section before September 1, 2013:

(1) the district is dissolved December 31, 2013, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Hunt County or the City of Greenville, as mutually determined by the governing bodies of Hunt County and the City of Greenville; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2016.

Sec. 8341.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8341.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8341.005. DEVELOPMENT AGREEMENT REQUIRED. (a) The temporary directors may not hold an election under Section 8341.003 until a development agreement, as described by Section 212.172, Local

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Government Code, covering the land described by the article creating this chapter, is executed by the owners of the land covered by the development agreement and by the City of Greenville.

(b) The district may not annex land until:

(1) the land proposed for annexation is covered by a development agreement executed by the owners of the land and the City of Greenville; or

(2) the governing bodies of the City of Greenville and Hunt County consent by ordinance or resolution to the annexation.

(c) Notwithstanding the requirement under Section 212.172(b), Local Government Code, that a development agreement apply only to land located in the extraterritorial jurisdiction of a municipality, a development agreement described by this section may cover land outside the extraterritorial jurisdiction of the City of Greenville.

(d) Section 212.172(d), Local Government Code, does not apply to a development agreement described by this section, and the term of the development agreement may be renewed or extended as mutually agreed to by the owners of the land covered by the agreement and the City of Greenville.

Sec. 8341.006. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general

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law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

(c) The creation of the district is in the public interest and is essential to accomplish the purposes of Section 52-a, Article III, Texas Constitution, and to:

(1) further the public purposes of developing and diversifying the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public; and

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center.

(e) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Sec. 8341.007. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by the article creating this chapter.

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(b) The boundaries and field notes contained in the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

[Sections 8341.008-8341.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8341.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8341.052, directors serve staggered four-year terms.

Sec. 8341.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Jason Claunch;

(2) Jon Smalling;

(3) Spencer Taylor;

(4) Derek Rogers; and

(5) Rome Barnes.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8341.003; or

(2) September 1, 2013.

(c) If permanent directors have not been elected under

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Section 8341.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8341.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

[Sections 8341.053-8341.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8341.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8341.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8341.103. WATER AND WASTEWATER

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FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity to which any land in the district is subject.

(b) The district may not provide retail water or wastewater services.

Sec. 8341.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may acquire, construct, improve, operate, and maintain macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8341.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must:

(1) meet all construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located that apply to the construction, improvement, maintenance, repair, or operation of the road project; and

(2) comply with the development agreement required by Section 8341.005.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) The district shall pay all costs associated with the maintenance or operation of a road project.

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(d) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8341.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 8341.107. ANNEXATION BY CITY OF GREENVILLE. The City of Greenville may annex a district created under this chapter on the earlier of:

(1) the date that water, sanitary sewer, drainage, and road improvements and roads have been constructed to serve 90 percent of the land in the district; or

(2) the 15th anniversary of the date of the election held to confirm the creation of the district or any new district created by the division of the district.

Sec. 8341.108. RAIL FACILITIES. The district may construct, acquire, improve, maintain, and operate rail facilities and improvements in aid of those facilities.

Sec. 8341.109. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

(1) a road project authorized by Section 8341.104; or

(2) a recreational facility as defined by Section 49.462, Water Code.

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Sec. 8341.110. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if:

(1) the district has no outstanding bonded debt;

(2) the district is not imposing ad valorem taxes; and

(3) the requirements of Subsection (i) are satisfied.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by the article creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8341.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district;

and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption

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of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8341.003.

(i) If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the municipality by resolution or ordinance first consents to the division of the district. If the district is not located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, the district may not divide under this section unless the commissioners court of each county in which the district is wholly or partly located first adopts a resolution or order in support of the division of the district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

[Sections 8341.111-8341.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8341.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an

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election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8341.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8341.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8341.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8341.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may

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contain a provision stating that the contract may be modified or amended by the board without further voter approval.

[Sections 8341.154-8341.200 reserved for expansion]

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8341.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, revenue from economic development agreements under Chapter 380, Local Government Code, other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8341.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8341.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 8341.204. LIMIT ON REFINANCING DEBT. The district may not refinance any debt incurred on

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behalf of the district more than one time without the prior written consent of the City of Greenville.

[Sections 8341.205-8341.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 8341.251. DISSOLUTION FOLLOWING ANNEXATION BY CITY OF GREENVILLE. (a) On annexation of the district by the City of Greenville, the district is dissolved in accordance with the ordinance of the City of Greenville authorizing the annexation.

(b) Section 43.075(d), Local Government Code, applies to the City of Greenville on the date the municipality adopts an ordinance described by Subsection (a).

Sec. 8341.252. COLLECTION OF REVENUE OTHER THAN AD VALOREM TAXES. If at the time of dissolution the district has outstanding bonds or other obligations secured by and payable from revenue described by Section 8341.201 other than ad valorem taxes, the municipality succeeds to the rights and obligations of the district regarding enforcement and collection of the revenue and shall enforce and collect revenue as necessary to pay for:

(1) the bonds or other obligations issued by the district when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the City of Greenville to refund the outstanding bonds or obligations.

Sec. 8341.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) The City of Greenville assumes the obligations of the district after dissolution, including any

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bonds or other indebtedness payable from revenue described by Section 8341.201.

(b) On dissolution of the district, ownership of all district property is transferred to Hunt County or the City of Greenville as mutually determined by the governing bodies of Hunt County and the City of Greenville.

No equivalent provision.

SECTION __.02. Describes the initial territory of The Hunt County Municipal Utility District No. 1.

No equivalent provision.

SECTION __.03. (a) The legal notice of the intention to introduce this article of this Act, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and this article to the Texas Commission on Environmental Quality.

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

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

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respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

No equivalent provision.

SECTION __.04. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2009.

No equivalent provision.

ARTICLE __. SIENNA RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF COLLIN COUNTY

No equivalent provision.

SECTION __.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8305 to read as follows:

CHAPTER 8305. SIENNA RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF COLLIN COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8305.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Sienna Ranch Municipal Utility District No. 1 of Collin County.

Sec. 8305.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59,

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Article XVI, Texas Constitution.

Sec. 8305.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8305.004. CONSENT OF MUNICIPALITY AND ANNEXATION INTO CORPORATE LIMITS REQUIRED. The temporary directors may not hold an election under Section 8305.003 until:

(1) the City of Nevada has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and

(2) all of the territory of the district has been annexed into the corporate limits of the city of Nevada.

Sec. 8305.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8305.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by the article creating this chapter.

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(b) The boundaries and field notes contained in the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

[Sections 8305.007-8305.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8305.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8305.052, directors serve staggered four-year terms.

Sec. 8305.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8305.003; or

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(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8305.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8305.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

[Sections 8305.053-8305.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8305.101. GENERAL POWERS AND DUTIES.

The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8305.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to

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municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8305.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8305.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8305.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the

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creation of the district or to the inclusion of land in the district.

Sec. 8305.106. EFFECT OF ANNEXATION BY CITY OF NEVADA. (a) The City of Nevada may annex part of the territory of the district into its corporate limits without annexing all of the territory of the district under an agreement entered into before the effective date of the Act creating this chapter between the City of Nevada and the landowners of the land being annexed. The district continues in existence following annexation of part of the territory of the district as described by this subsection.

(b) The district shall be dissolved and its debts and obligations assumed by the City of Nevada in accordance with Chapter 43, Local Government Code, including Sections 43.075 and 43.0715, on annexation of all of the territory of the district by the City of Nevada, provided that:

(1) water, sanitary sewer, and drainage improvements, and roads have been constructed to serve at least 95 percent of the territory of the district; or

(2) the board adopts a resolution consenting to the dissolution of the district.

(c) Notwithstanding Section 54.016(f)(2), Water Code, a contract ("Allocation Agreement") between the City of Nevada and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city, may provide

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that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on the property.

Sec. 8305.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

- (1) a road project authorized by Section 8305.103; or
- (2) a recreational facility as defined by Section 49.462, Water Code.

[Sections 8305.108-8305.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8305.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

- (1) revenue other than ad valorem taxes; or
- (2) contract payments described by Section 8305.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8305.152. OPERATION AND MAINTENANCE

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TAX. (a) If authorized at an election held under Section 8305.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8305.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

[Sections 8305.154-8305.200 reserved for expansion]

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8305.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8305.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad

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valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8305.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

No equivalent provision.

SECTION __.02. Describes the initial territory of The Sienna Ranch Municipal Utility District No. 1 of Collin County.

No equivalent provision.

SECTION __.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and this article to the Texas Commission on Environmental Quality.

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

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

No equivalent provision.

ARTICLE __. LAKEWAY MUNICIPAL UTILITY DISTRICT

No equivalent provision.

SECTION __.01. DEFINITIONS. In this article:

(1) "Additional voting area" means the territory described by Section __.04 of this article.

(2) "Board" means the board of directors of the district.

(3) "District" means the Lakeway Municipal Utility District.

No equivalent provision.

SECTION __.02. BOARD OF DIRECTORS. (a) The district is governed by a board of seven directors elected in accordance with Chapters 49 and 54, Water Code.

(b) Except as provided by Section __.05 of this article, directors serve staggered terms of four years.

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No equivalent provision.

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SECTION __.03. EFFECT OF ADDITIONAL VOTING AREA ON VOTING RIGHTS, ELIGIBILITY FOR OFFICE, AND TAXING AUTHORITY. (a) The qualified voters residing in the additional voting area are entitled to vote only in district elections for the election of directors. The voters in the additional voting area may not vote on any district bond or tax propositions. (b) The board by rule shall establish procedures to timely notify qualified voters residing in the additional voting area of the locations of polling places for each election of district directors. (c) Notwithstanding Section 54.102, Water Code, a resident of the additional voting area is eligible to be a candidate for or to be elected to the board. (d) The district may not impose a tax on any property in or any resident of the additional voting area.

CONFERENCE

No equivalent provision.

SECTION __.04. ADDITIONAL VOTING AREA. The additional voting area is that territory in certain subdivisions, the plats of which are recorded in the plat records of Travis County, Texas, as follows: Lakeway Section One, recorded in Volume 17, Page 65; Lakeway Section Two, recorded in Volume 17, Page 74; Lakeway Section Three, recorded in Volume 22, Page 20; Lakeway Section Four, recorded in Volume 25, Page 29; Lakeway Section Four-B, recorded in Volume 35, Page 12; Lakeway Section Five, recorded in Volume 30, Page 12; Lakeway Section Six, recorded in Volume 31, Page

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30; Lakeway Section Seven, recorded in Volume 32, Page 42; Resubdivision of Lot 434-A, Lakeway Section 7-A, recorded in Volume 71, Page 26; Lakeway Section Eight, recorded in Volume 34, Page 28; Lakeway Section Nine, recorded in Volume 40, Page 2; Resubdivision of Lakeway Section Nine & Thirteen, recorded in Volume 62, Page 16; Lakeway Section Ten, recorded in Volume 44, Page 10; Lakeway Section Eleven, recorded in Volume 41, Page 41; Lakeway Section Twelve, recorded in Volume 46, Page 1; Lakeway Section Thirteen, recorded in Volume 46, Page 16; Lakeway Section Fourteen, recorded in Volume 44, Page 8; Lakeway Section 15, recorded in Volume 77, Page 149; Lakeway Section Sixteen, recorded in Volume 49, Page 39; Lakeway Section 16-A, recorded in Volume 59, Page 19; Lakeway Section Sixteen-B, recorded in Volume 59, Page 65; Lakeway Section 16-C, recorded in Volume 59, Page 18; Lakeway Section 16-D, recorded in Volume 60, Page 57; Lakeway Section Seventeen, recorded in Volume 50, Page 74; Lakeway Section 17-A, recorded in Volume 54, Page 67; Amendment Plat of Lots 443-A, 444-A & 445-A, Lakeway Section Four-A and Lot 446, Lakeway Section Four, recorded at Volume 91, Page 49; Lakeway Section 4-C, recorded at Volume 38, Page 24; Confirming Plat of Lot 1, Lakeway Section 4-D (310 Seashell), recorded at Volume 98, Page 160; Lakeway Section 4-E, recorded at Volume 82, Page 355; Lakeway Section 16-G, recorded at Volume 88, Page 320; Moore's Treetops a Resubdivision of a Portion of

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Lakeway Section 4, recorded at Volume 79, Page 320-321; Derby Addition Resubdivision of Lots 270, 271 & 272 Lakeway Section 2, recorded at Volume 82, Page 50.

No equivalent provision.

SECTION __.05. ELECTION OF DIRECTORS IN 2010. (a) Not earlier than the 15th day or later than the sixth day before the date of the first district election held in which the residents of the additional voting area are entitled to vote, the district shall publish notice in the form of a quarter-page advertisement in the newspaper of general circulation in the district notifying the residents that they are eligible to vote in the election and state the location of all polling places for the residents.

(b) On the uniform election date in May 2010, four directors shall be elected to the board. The directors elected to the two additional positions on the board created by this article shall draw lots to determine which director serves a two-year term and which director serves a four-year term.

No equivalent provision.

SECTION __.06. NOTICE. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under

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Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

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

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

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

No equivalent provision.

ARTICLE __. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 524

No equivalent provision.

SECTION __.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8354 to read as follows:

CHAPTER 8354. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 524

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8354.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Harris County Municipal Utility

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District No. 524.

Sec. 8354.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8354.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8354.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8354.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8354.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Sec. 8354.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory

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described by the article creating this chapter.
(b) The boundaries and field notes contained in the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax; or
(4) legality or operation.
[Sections 8354.007-8354.050 reserved for expansion]
SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 8354.051. GOVERNING BODY; TERMS. (a)
The district is governed by a board of five elected directors.
(b) Except as provided by Section 8354.052, directors serve staggered four-year terms.
Sec. 8354.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the article creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under

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Section 8354.003; or

(2) the fourth anniversary of the effective date of the article creating this chapter.

(c) If permanent directors have not been elected under Section 8354.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8354.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

[Sections 8354.053-8354.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8354.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8354.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state.

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including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8354.103. AUTHORITY FOR ROAD PROJECTS.

(a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Sec. 8354.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8354.103 unless:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road

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project.

Sec. 8354.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 8354.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

- (1) a road project authorized by Section 8354.103; or
- (2) a recreational facility as defined by Section 49.462, Water Code.

Sec. 8354.107. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by the article creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of

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the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8354.003 to confirm the district's creation.

(f) An order dividing the district:

(1) shall:

(A) name each new district;

(B) include the metes and bounds of each new district;

(C) appoint temporary directors for each new district, or provide that the owner or owners of a majority of the assessed value of the real property in each new district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition; and

(D) provide for the division of assets and liabilities between or among the new districts; and

(2) is subject to a confirmation election in each new district.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8354.003. The results of that election must be filed as required by Sections 49.102(e)

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and (f), Water Code. If the voters of a new district do not confirm the creation of the new district, the assets, liabilities, territory, and governance of the new district revert to the original district.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8354.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Sec. 8354.108. FIREFIGHTING AND EMERGENCY MEDICAL SERVICES. Subchapter L, Chapter 49, Water Code, applies to the district.

[Sections 8354.109-8354.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8354.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8354.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem

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taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8354.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8354.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8354.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

[Sections 8354.154-8354.200 reserved for expansion]

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8354.201. AUTHORITY TO ISSUE BONDS AND

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OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 8354.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 8354.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

No equivalent provision.

SECTION __. Describes the initial territory of the Harris County Municipal Utility District No. 524.

No equivalent provision.

SECTION __.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to

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which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and this article to the Texas Commission on Environmental Quality.

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

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

No equivalent provision.

SECTION __.04. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2009.

No equivalent provision.

ARTICLE __. BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

No equivalent provision.

SECTION __.01. Section 11001.007, Special District

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Local Laws Code, is amended to read as follows:

Sec. 11001.007. MONTHLY CHARGES. (a) The board by resolution may impose a monthly charge in an amount not to exceed \$15 [~~of five dollars~~] for each developed or undeveloped lot, tract, or reserve in the district.

(a-1) The board may not increase the monthly charge for a developed or undeveloped lot, tract, or reserve in the district by more than \$3 in any calendar year. The board may grant an exemption to an increase in the monthly charge to the owner of a lot, tract, or reserve in the district who:

(1) is 65 years of age or older and who uses the lot, tract, or reserve as a residence; or

(2) has been determined to have a disability by and has written documentation of the disability from the United States Social Security Administration or the United States Department of Veterans Affairs.

(b) Money received from the monthly charge may [~~must~~] be used only for:

(1) constructing, maintaining, or repairing public streets or roadways in the district; or

(2) purchasing equipment necessary to maintain or repair public streets or roadways in the district.

(c) Of the money received under Subsection (a) each fiscal year:

(1) not more than 10 percent may be used for administrative purposes; and

(2) not less [~~more~~] than 15 percent shall [~~may~~] be used

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for road maintenance.

No equivalent provision.

SECTION __.02. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2009.

No equivalent provision.

ARTICLE __. COMAL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 5

No equivalent provision.

SECTION __.01. Subtitle I, Title 6, Special District Local Laws Code, is amended by adding Chapter 9036 to read as follows:

CHAPTER 9036. COMAL COUNTY WATER CONTROL AND IMPROVEMENT

DISTRICT NO. 5

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9036.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Comal County Water Control and Improvement District No. 5.

Sec. 9036.002. NATURE OF DISTRICT. The district is a water control and improvement district created under

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Section 59, Article XVI, Texas Constitution.

Sec. 9036.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 9036.004. CONSENT REQUIRED. (a) The temporary directors may not hold an election under Section 9036.003 until:

(1) each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district;

(2) each municipality in whose extraterritorial jurisdiction the district is located has:

(A) approved and entered into a strategic partnership agreement with the district under Section 43.0751, Local Government Code; and

(B) approved and entered into a development agreement with the owners of land in the district under Section 212.172, Local Government Code;

(3) an agreement that addresses the provision of water and wastewater treatment to the land in the district has been approved and entered into by:

(A) each municipality in whose extraterritorial jurisdiction the district is located;

(B) the commissioners court of each county in which the district is located;

(C) a retail or wholesale provider of water and

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wastewater treatment; and

(D) the owners of land in the district;

(4) the commissioners court of each county in which the district is located has issued an order making the findings under Sections 51.021(a)(1), (2), (3), and (4), Water Code; and

(5) the commissioners court of each county in which the district is located has approved and entered into an agreement with the district that must include, but is not limited to, provisions relating to the use of county right-of-way, the district's exercise of the power of eminent domain outside the boundaries of the district, drainage serving the land in the district, platting of land in the district, and the provision of water and wastewater treatment to the land in the district.

(b) A municipality that contains district territory in its corporate limits or extraterritorial jurisdiction may include in its consent to the creation of the district any restriction on or condition to the consent, including a limitation on the powers of the district otherwise granted by this chapter.

(c) Sections 51.022 through 51.025, Water Code, do not apply to the district or the order of the county under Subsection (a)(4).

Sec. 9036.005. EXTRATERRITORIAL STATUS. All of the land included in the district, as approved by the City of Bulverde for inclusion in the district, is included in the extraterritorial jurisdiction of the City of Bulverde on adoption of the resolution or ordinance consenting to

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the creation of the district by the governing body of the City of Bulverde.

Sec. 9036.006. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution, as limited by this chapter, including the disposal of waste and control of storm water; and

(2) Section 52, Article III, Texas Constitution, as limited by this chapter, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 9036.007. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by the article creating this chapter.

(b) The boundaries and field notes contained in the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

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[Sections 9036.008-9036.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9036.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 9036.052, directors serve staggered four-year terms.

Sec. 9036.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Robert W. Fischer;

(2) John Genovese;

(3) Scot Giese;

(4) Gary Rauser; and

(5) James N. Young.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 9036.003; or

(2) the fourth anniversary of the effective date of the article creating this chapter.

(c) If permanent directors have not been elected under Section 9036.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 9036.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

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(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

[Sections 9036.053-9036.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9036.101. GENERAL POWERS AND DUTIES. The district has the powers and duties, as limited by this chapter, necessary to accomplish the purposes for which the district is created.

Sec. 9036.102. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, including the powers and duties that relate to the disposal of waste and control of storm water under Section 51.331, Water Code, as limited by this chapter.

Sec. 9036.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, as limited by this chapter, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a

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municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 9036.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 9036.103 unless:

(1) the proposed road project complies with applicable municipal or county subdivision ordinances or regulations; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Sec. 9036.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 42.042 or 42.0425, Local Government Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 9036.106. LIMITATION ON USE OF EMINENT DOMAIN. (a) The district shall not exercise the power of eminent domain outside the district to acquire a site or easement for:

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(1) a road project authorized by Section 9036.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.
(b) The district shall not exercise the power of eminent domain outside the boundaries of the district for any purpose unless the proposed exercise is approved by a written resolution of the commissioners court of each county in which the district is located.
Sec. 9036.107. WATER AND WASTEWATER INFRASTRUCTURE. The district may not construct any water or wastewater improvement unless the plans and specifications for the improvement have been approved by Comal County, the City of Bulverde, and any wholesale provider of water or wastewater treatment to the district.
[Sections 9036.108-9036.150 reserved for expansion]
SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 9036.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 9036.153.
(b) The district must hold an election in the manner provided by Chapters 49 and 51, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad

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valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 9036.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 9036.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 9036.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

[Sections 9036.154-9036.200 reserved for expansion]

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 9036.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad

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valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
Sec. 9036.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Section 51.433, Water Code.
Sec. 9036.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

No equivalent provision.

SECTION __.02. Describes the initial territory of Comal County Water Control and Improvement District No. 5.

No equivalent provision.

SECTION __.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313,

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Government Code.

(b) The governor, one of the required recipients, has submitted the notice and this article to the Texas Commission on Environmental Quality.

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

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

No equivalent provision.

SECTION __.04. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2009.

No equivalent provision.

SECTION __. Sections 8801.204(a) and (c), Special District Local Laws Code, are amended to read as follows:

(a) If it appears that a person has violated or is violating or threatening to violate this chapter or a rule, permit, or other order of the district issued or adopted under this chapter, the district may institute an action in a district

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court in the district for:

- (1) injunctive relief to restrain the person from continuing the violation or threat of violation;
- (2) the assessment and recovery of a civil penalty of:
 - (A) not less than \$50 and not more than \$5,000 for each violation and for each day of a continuing violation, if the person is not a political subdivision or an agency of a political subdivision; or
 - (B) if the person is a political subdivision or an agency of a political subdivision, an amount equal to the greater of:
 - (i) 120 percent of the sum of the fees assessed against the person and the amount the person would have paid to an alternative water supplier; or
 - (ii) \$5,000 for each violation and for each day of a continuing violation; or
- (3) both injunctive relief and civil penalties.
- (c) At the request of the board, or the general manager if authorized by the board, the attorney general shall institute and conduct an action against any person in the name of the district for injunctive relief or to recover a civil penalty, or both.

No equivalent provision.

SECTION __. Sections 43 (a) and (b), Chapter 1045, Acts of the 71st Legislature, Regular Session, 1989, are amended to read as follows:

- (a) If a person has violated, is violating, or is threatening to violate a provision of this Act or a rule, regulation,

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permit, or other order of the district, the district may bring a civil action in a district court within the district for:

(1) an injunction to restrain the person from continuing the violation or the threat of violation;

(2) the assessment and recovery of~~[-for]~~ a civil penalty of:

(A) not less than \$50 nor more than \$5,000 for each violation and for each day of violation, if the person is not a political subdivision or an agency of a political subdivision; or

(B) if the person is a political subdivision or an agency of a political subdivision, an amount equal to the greater of:

(i) 120 percent of the sum of the fees assessed against the person and the amount the person would have paid to an alternative water supplier; or

(ii) \$5,000 for each violation and for each day of a continuing violation; or

(3) ~~[-for]~~ both injunctive relief and civil penalty.

(b) At the request of the board, or the general manager if authorized by the board, the attorney general shall institute and conduct an ~~[the]~~ action against any person in the name of the district for injunctive relief or to recover a civil penalty, or both. However, the district in its sole discretion may employ attorneys of its choice to institute the action.

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No equivalent provision.

ARTICLE __. CALHOUN COUNTY
GROUNDWATER CONSERVATION DISTRICT

No equivalent provision.

SECTION __.01. Subtitle H, Title 6, Special District
Local Laws Code, is amended by adding Chapter 8860 to
read as follows:

CHAPTER 8860. CALHOUN COUNTY
GROUNDWATER

CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8860.001. DEFINITIONS. In this chapter:

- (1) "Board" means the board of directors of the district.
- (2) "Director" means a member of the board.
- (3) "District" means the Calhoun County Groundwater
Conservation District.

Sec. 8860.002. NATURE OF DISTRICT. The district is
a groundwater conservation district in Calhoun County
created under and essential to accomplish the purposes of
Section 59, Article XVI, Texas Constitution.

Sec. 8860.003. CONFIRMATION ELECTION
REQUIRED. If the creation of the district is not
confirmed at a confirmation election held under Section
8860.022 before December 31, 2014:

- (1) the district is dissolved December 31, 2014, except
that:
 - (A) any debts incurred shall be paid;
 - (B) any assets that remain after the payment of debts
shall be transferred to Calhoun County; and

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(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2016.

Sec. 8860.004. LEGISLATIVE FINDINGS. (a) The organization of the district is feasible and practicable.

(b) All land in and residents of the district will benefit from the creation of the district.

(c) The creation of the district is a public necessity and will provide a public benefit.

Sec. 8860.005. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Calhoun County.

Sec. 8860.006. DISTRICT TERRITORY REQUIREMENTS; DISSOLUTION OF DISTRICT. (a)

On September 1, 2015, the district boundaries must include at least one county adjacent to Calhoun County.

(b) As soon as practicable after September 1, 2015, the Texas Commission on Environmental Quality shall determine whether the district complies with Subsection (a).

(c) If the commission determines that the district does not comply with Subsection (a), the commission shall dissolve the district in accordance with Sections 36.304, 36.305, 36.307, 36.308, 36.309, and 36.310, Water Code, regardless of whether the district meets the criteria for dissolution under Section 36.304(a), Water Code.

(d) This section expires September 1, 2016.

Sec. 8860.007. CONFLICTS OF LAW. This chapter

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prevails over any provision of general law, including a provision of Chapter 36, Water Code, that is in conflict or is inconsistent with this chapter.

[Sections 8860.008-8860.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8860.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a) Not later than September 11, 2009, the Calhoun County Commissioners Court shall appoint five temporary directors as follows:

(1) one temporary director from each of the four commissioners precincts in the county to represent the precincts in which the temporary directors reside; and

(2) one temporary director who resides in the district to represent the district at large.

(b) To be qualified to serve as a temporary director, a person must be a resident of Calhoun County who is at least 18 years of age.

(c) If a temporary director fails to qualify for office or a vacancy occurs on the temporary board, the remaining temporary directors shall appoint a qualified person to fill the vacancy. If at any time there are fewer than three qualified temporary directors, the Calhoun County Commissioners Court shall appoint the necessary number of persons to fill all vacancies on the board.

(d) The temporary directors shall select from among themselves a president, a vice president, and a secretary.

(e) Temporary directors serve until the earlier of:

(1) the date the creation of the district is confirmed at an election held under Section 8860.022; or

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(2) September 1, 2013.

(f) If the creation of the district has not been confirmed under Section 8860.022 and the terms of the temporary directors have expired, successor temporary directors shall be appointed in the manner provided by Subsection (a) to serve terms that expire on the earliest of:

(1) the date the district's creation is confirmed at an election held under Section 8860.022;

(2) the date the requirements of Section 8860.003(1) are fulfilled; or

(3) September 1, 2016.

Sec. 8860.022. CONFIRMATION ELECTION. (a) Not later than October 1, 2009, the temporary directors shall meet and shall order an election to be held in the district not later than September 1, 2010, to confirm the creation of the district.

(b) The ballot for the election shall be printed to provide for voting for or against the proposition: "The creation of the Calhoun County Groundwater Conservation District and the imposition of a fee to pay the maintenance and operating costs of the district."

(c) The temporary board may include other propositions on the ballot that the board considers necessary.

(d) Section 41.001(a), Election Code, does not apply to an election held under this section.

(e) If a majority of the votes cast at the election are in favor of confirming the district's creation, the temporary directors shall declare the district created. If a majority of the votes cast are not in favor of confirming the

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district's creation, the district's creation is not confirmed. The temporary directors shall file a copy of the election results with the Texas Commission on Environmental Quality.

(f) If the district's creation is not confirmed at an election held under this section, the temporary directors may order one or more subsequent elections to be held to confirm the creation of the district not earlier than the first anniversary of the preceding confirmation election. If the district's creation is not confirmed at an election held under this section on or before December 31, 2014, the district is dissolved in accordance with Section 8860.003.

Sec. 8860.023. INITIAL DIRECTORS. (a) If the creation of the district is confirmed at an election held under Section 8860.022, the temporary directors take office as initial directors of the district, and:

(1) the directors for precincts 1 and 3 serve terms that expire on the date of the first regular meeting of the board after the first regularly scheduled directors' election held under Section 8860.024; and

(2) the directors for precincts 2 and 4 and the director serving at large serve terms that expire on the date of the first regular meeting of the board after the second regularly scheduled directors' election.

(b) If for any reason a director elected at the first or second regularly scheduled election of directors is not qualified to take office at the first regular meeting of the board following the elected director's election, the initial

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director for that position shall continue to serve until a successor qualifies.

Sec. 8860.024. FIRST ELECTION OF PERMANENT DIRECTORS. On the uniform election date prescribed by Section 41.001, Election Code, in November of the first even-numbered year after the year in which the district is authorized to be created at a confirmation election, an election shall be held in the district for the election of two directors for precincts 1 and 3.

Sec. 8860.025. EXPIRATION OF SUBCHAPTER. This subchapter expires December 1, 2016.

[Sections 8860.026-8860.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8860.051. DIRECTORS; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except for the temporary and initial directors, directors serve staggered terms of four years, with two or three directors' terms expiring on the date of the first regular meeting of the board after an election of directors under Section 8860.053.

(c) If a vacancy occurs in the office of director, the board shall appoint a person to fill the vacancy until the next regularly scheduled election of directors. If the position is not scheduled to be filled at the election, the person elected shall serve only for the remainder of the unexpired term.

(d) Notwithstanding Section 36.060, Water Code, a director is not entitled to receive compensation for performing the duties of a director.

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(e) The board may authorize a director to receive reimbursement for the director's reasonable expenses incurred while engaging in activities on behalf of the district.

Sec. 8860.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) The directors of the district shall be elected according to the commissioners precinct method as provided by this section.

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

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

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

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

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

(e) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the

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change, shall serve in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Sec. 8860.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in November of each even-numbered year.

[Sections 8860.054-8860.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8860.101. GENERAL POWERS AND DUTIES. Except as otherwise provided by this chapter, the district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8860.102. CERTAIN PERMIT DENIALS PROHIBITED. The district may not deny the owner of a tract of land, or the owner's lessee, who does not have a well equipped to produce more than 25,000 gallons each day on the tract, either a permit to drill a well on the tract or the privilege to produce groundwater from the tract, subject to district rules.

Sec. 8860.103. MITIGATION ASSISTANCE. In addition to the authority granted by Chapter 36, Water Code, the district may assist in the mediation between landowners regarding the loss of existing groundwater

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supply of exempt domestic and livestock users due to the groundwater pumping of others.

Sec. 8860.104. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

[Sections 8860.105-8860.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8860.151. FEES. (a) The board by rule may impose a reasonable fee on each well for which a permit is issued by the district and that is not exempt from regulation by the district. The fee may be based on:

(1) the size of column pipe used by the well; or
(2) the actual, authorized, or anticipated amount of water to be withdrawn from the well.

(b) In addition to a fee imposed under Subsection (a), the district may impose a reasonable fee or surcharge for an export fee using one of the following methods:

(1) a fee negotiated between the district and the transporter; or
(2) a combined production and export fee.

(c) Fees authorized by this section may be assessed annually and may be used to fund the cost of district operations.

Sec. 8860.152. TAXES PROHIBITED. The district may not impose a tax and does not have the authority granted by Sections 36.020 and 36.201-36.204, Water Code, relating to taxes.

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No equivalent provision.

SECTION __.02. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

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

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

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

No equivalent provision.

SECTION __.03. This article takes effect September 1, 2009.

No equivalent provision.

ARTICLE __. DISTRICT TERRITORY;
RATIFICATION ELECTION

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No equivalent provision.

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SECTION __.01. Section 8802.003, Special District Local Laws Code, is amended to read as follows:

Sec. 8802.003. DISTRICT TERRITORY. (a) The district is composed of the territory described by the Texas Water Commission's August 15, 1986, order, as that territory may have been modified under:

- (1) Subchapter J, Chapter 36, Water Code; or
- (2) other law.

(b) In addition, the district includes the territory described by Section 2.01 of the Act enacting this subsection.

CONFERENCE

No equivalent provision.

SECTION __.02. Subchapter A, Chapter 8802, Special District Local Laws Code, is amended by adding Section 8802.005 to read as follows:

Sec. 8802.005. RATIFICATION ELECTION. (a) Before August 31, 2011, the board of directors shall hold an election to ratify the annexation of the territory described by Section 2.02 of the Act enacting this subsection. If a majority of the voters voting at the election do not vote in favor of ratifying the annexation, the board may hold another election for the same purpose.

(b) Except as provided by this section, a ratification election must be conducted as provided by Section 36.328, Water Code, and the Election Code.

(c) This section expires September 1, 2011.

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No equivalent provision.

SECTION __.03. Section 8802.053, Special District Local Laws Code, is amended by amending Subsection (c) and adding Subsection (c-1) to read as follows:

(c) As soon as practicable after the publication of each federal decennial census, the board shall revise the single-member districts as the board considers appropriate to reflect population changes.

(c-1) When the board revises the single-member districts [under this subsection], the board shall place two of the districts wholly within the territory described by Section 2.04 of the Act amending Subsection (c) and adding this subsection[:

~~[(1) entirely within the boundaries of the city of Austin, as those boundaries exist at that time; or~~

~~[(2) within the boundaries of the city of Austin, as those boundaries exist at that time, but also including unincorporated areas or other municipalities that are surrounded wholly or partly by the boundaries of the city of Austin if the areas or municipalities are noneontiguous to the territory of any other single-member district].~~

No equivalent provision.

SECTION __.04. Subchapter B, Chapter 8802, Special District Local Laws Code, is amended by adding Section 8802.054 to read as follows:

Sec. 8802.054. APPLICABILITY OF OTHER LAW. Section 36.059, Water Code, does not apply to the district.

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No equivalent provision.

SECTION __.05. Sections 8802.051(b) and 8802.053(d), Special District Local Laws Code, are repealed.

No equivalent provision.

SECTION __.06. This article takes effect September 1, 2009.

No equivalent provision.

ARTICLE __. DESCRIPTION OF TERRITORIES

No equivalent provision.

SECTION __.01. The territory annexed to the Barton Springs-Edwards Aquifer Conservation District under Section 8802.003(b), Special District Local Laws Code, as added by Section 1.01 of this Act, is described as follows:

- (1) 1.8750 acres described as Lot 1, Block 1 of Vanisha Development Subdivision, as recorded in Book No. 14, Pages 98-99, Hays County, Texas;
- (2) 21.003 acres of land situated in the Thomas G. Allen Survey, Hays County, Texas, being a portion of that certain tract of land in a deed to South Corridor Park, Ltd., recorded in Document No. 00025896, Hays County, Texas; and
- (3) 24.628 acres of land situated in the Elisha Pruett Survey, Abstract 23, described in a deed to Hays Consolidated Independent School District, recorded in Document No. 05001881, Hays County, Texas.

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No equivalent provision.

SECTION __.02. The territory annexed to the Barton Springs-Edwards Aquifer Conservation District if ratified at an election under Section 8802.005, Special District Local Laws Code, as added by Article 1 of this Act, is described as follows:

(1) Beginning at the current eastern district boundary and the Colorado River, running east along the Colorado River to a point where the district boundary intersects Interstate Highway 35, then south along Interstate Highway 35 to William Cannon Drive, then west along Old Lockhart Road, then north on Congress Avenue, then west on Ben White Boulevard, then north on South First Street, then east on Elizabeth Street, then north on Congress Avenue following along the district boundary to the place of beginning; and

(2) Beginning at the current western district boundary and the Colorado River, then following westerly along the southern border of the Colorado River to a point due north of the intersection of Weston Lane and Brightman Lane, then south on that line to said intersection, then south on Weston Lane to its intersection with FM 2244, then west on FM 2244 to its intersection with State Highway 71, then west on State Highway 71 until the intersection with the extraterritorial jurisdiction limits of the City of Bee Cave as of the date of the ratification election under Section 8802.005, Special District Local Laws Code, then generally south and west following the

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extraterritorial jurisdiction limits of the City of Bee Cave, to exclude the City of Bee Cave and its extraterritorial jurisdiction as of the date of the ratification election under Section 8802.005, Special District Local Laws Code, until it intersects with State Highway 71, then west on Highway 71 until it intersects with Bee Creek Road, then north on Bee Creek Road until it intersects with Siesta Shores Drive, then due east from that intersection to the southern boundary of Lake Travis, then following the southern boundary of Lake Travis until it intersects the Blanco County line, then following the Blanco County line until it intersects the Hays County line, then east along the Hays County line until its intersection of the district boundary existing before the effective date of this Act, then north following the western district boundary to the Colorado River, the point of beginning.

(3) Any boundary reference to a highway, street, road, avenue, boulevard, or lane shall mean the center line of the boundary.

SECTION __.03. If the annexation of territory is ratified by an election held under Section 8802.005, Special District Local Laws Code, as added by Article 1 of this Act, the territory for certain voting districts under Sections 8802.0511(a) and (b) and Section 8802.054(c), Special District Local Laws Code, as added by Article 1A of this Act, is described as follows:

No equivalent provision.

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(1) Beginning at a point where Interstate Highway 35 crosses the Colorado River in Travis County, then south along Interstate Highway 35 to Slaughter Lane, then west along Slaughter Lane to FM 1826, then north along FM 1826 to U.S. Highway 290, then east along U.S. Highway 290 to Old Bee Cave Road, then northwest along Old Bee Cave Road to Travis Cook Road, then north along Travis Cook Road to Barton Creek Boulevard, then north along Barton Creek Boulevard to FM 2244, then west along FM 2244 to Weston Lane, then north along Weston Lane to Brightman Lane, then due north from that intersection to the Colorado River, then east along the Colorado River to the place of the beginning.

(2) Any boundary reference to a highway, street, road, avenue, boulevard, or lane shall mean the center line of the boundary.

SECTION __.04. The territory for voting districts under Section 8802.053(c-1), Special District Local Laws Code, as added by Section 1.03 of this Act, is described as follows:

(1) Beginning at the eastern district boundary and the Colorado River, then south along the eastern district boundary to the intersection of Interstate Highway 35 and Slaughter Lane; then west along Slaughter Lane to the district boundary, then north along the district boundary to the Colorado River, then east along the

No equivalent provision.

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Colorado River following the district boundary to the point of the beginning.

(2) Any boundary reference to a highway, street, road, avenue, boulevard, or lane shall mean the center line of the boundary.

No equivalent provision.

ARTICLE __. JURISDICTIONAL CONFLICT

No equivalent provision.

SECTION __.01. The Edwards Aquifer Authority maintains sole authority to regulate and manage the San Antonio segment of the Edwards Aquifer.

No equivalent provision.

ARTICLE __. INTENT, NOTICE, AND EFFECTIVE DATE

No equivalent provision.

SECTION __.01. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.
(b) The governor has submitted the notice and Act to the Texas Commission on Environmental Quality.
(c) The Texas Commission on Environmental Quality

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has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

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

No equivalent provision.

SECTION __.02. Except as provided by Section __.06, __. A.01, or __. A.06 of this Act, Articles 1, 1A, 2, 3, and 4 of this Act take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, Articles 1, 1A, 2, 3, and 4 of this Act take effect September 1, 2009, except as provided by Section __. A.01 or __. A.06 of this Act.

No equivalent provision.

ARTICLE __. HARRISON COUNTY
GROUNDWATER CONSERVATION DISTRICT

No equivalent provision.

SECTION __.01. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8850 to read as follows:
CHAPTER 8850. HARRISON COUNTY
GROUNDWATER

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CONSERVATION DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8850.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of directors of the district.
(2) "Director" means a member of the board.
(3) "District" means the Harrison County Groundwater Conservation District.
Sec. 8850.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Harrison County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.
Sec. 8850.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8850.023 before December 31, 2010:
(1) the district is dissolved December 31, 2010, except that:
(A) any debts incurred shall be paid;
(B) any assets that remain after the payment of debts shall be transferred to Harrison County; and
(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and
(2) this chapter expires September 1, 2014.
Sec. 8850.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Harrison County, Texas.
Sec. 8850.005. DISTRICT TERRITORY REQUIREMENTS; DISSOLUTION OF DISTRICT. (a)

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On September 1, 2013, the district boundaries must include at least one county adjacent to Harrison County.

(b) As soon as practicable after September 1, 2013, the Texas Commission on Environmental Quality shall determine whether the district complies with Subsection (a).

(c) If the commission determines that the district does not comply with Subsection (a), the commission shall dissolve the district in accordance with Sections 36.304, 36.305, 36.307, 36.308, 36.309, and 36.310, Water Code, regardless of whether the district meets the criteria for dissolution under Section 36.304(a), Water Code.

(d) This section expires September 1, 2015.

Sec. 8850.006. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

[Sections 8850.007-8850.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8850.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a) Not later than the 45th day after the effective date of the Act enacting this chapter, five temporary directors shall be appointed as follows:

(1) the Harrison County Commissioners Court shall appoint four temporary directors, with one of the temporary directors appointed from each of the four commissioners precincts in the county to represent the precincts in which the temporary directors reside; and

(2) the county judge of Harrison County shall appoint

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one temporary director who resides in the district to represent the district at large.

(b) Of the temporary directors, at least one director must represent rural water suppliers in the district, one must represent agricultural interests in the district, and one must represent industrial interests in the district.

(c) If there is a vacancy on the temporary board of directors of the district, the Harrison County Commissioners Court shall appoint a person to fill the vacancy in a manner that meets the representational requirements of this section.

(d) Temporary directors serve until the earlier of:

(1) the date initial directors are elected under Section 8850.023; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(e) If initial directors have not been elected under Section 8850.023 and the terms of the temporary directors have expired, successor temporary directors shall be appointed in the manner provided by Subsections (a) and (b) to serve terms that expire on the date this subchapter expires under Section 8850.026.

Sec. 8850.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 36.055, Water Code, a majority of the temporary directors shall convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. If an agreement on location

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cannot be reached, the organizational meeting shall be at the Harrison County Courthouse.

Sec. 8850.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect the initial directors of the district.

(b) The temporary directors shall have placed on the ballot the names of all candidates for an initial director's position who have filed an application for a place on the ballot as provided by Section 52.003, Election Code.

(c) The ballot must be printed to provide for voting for or against the proposition: "The creation of the Harrison County Groundwater Conservation District."

(d) If the district levies a maintenance tax for payment of expenses, the ballot must be printed to provide for voting for or against the proposition: "The levy of a maintenance tax at a rate not to exceed 1.5 cents for each \$100 of assessed valuation."

(e) Section 41.001(a), Election Code, does not apply to an election held under this section.

(f) Except as provided by this section, an election under this section must be conducted as provided by Sections 36.017(b)-(i), Water Code, and the Election Code. The provision of Section 36.017(d), Water Code, relating to the election of permanent directors does not apply to an election under this section.

Sec. 8850.024. INITIAL DIRECTORS. (a) If creation of the district is confirmed at an election held under Section 8850.023, the directors elected shall take office

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as initial directors of the district and serve on the board of directors until permanent directors are elected under Section 8850.025 or 8850.053.

(b) The four initial directors representing the commissioners precincts shall draw lots to determine which two shall serve a term expiring June 1 following the first regularly scheduled election of directors under Section 8850.025, and which two shall serve a term expiring June 1 following the second regularly scheduled election of directors. The at-large director shall serve a term expiring June 1 following the second regularly scheduled election of directors.

Sec. 8850.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On the uniform election date prescribed by Section 41.001, Election Code, in May of the first even-numbered year after the year in which the district is authorized to be created at a confirmation election, an election shall be held in the district for the election of two directors to replace the initial directors who, under Section 8850.024(b), serve a term expiring June 1 following that election.

Sec. 8850.026. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 8850.027-8850.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8850.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms, with two or three directors' terms expiring June 1 of each even-

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numbered year.

(c) A director may serve consecutive terms.

Sec. 8850.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a)

The directors of the district shall be elected according to the commissioners precinct method as provided by this section.

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

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

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

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

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

(e) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which elected or appointed even though the change in boundaries places

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the person's residence outside the precinct for which the person was elected or appointed.

Sec. 8850.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in May of each even-numbered year.

Sec. 8850.054. COMPENSATION. (a) Sections 36.060(a), (b), and (d), Water Code, do not apply to the district.

(b) A director is entitled to receive compensation of not more than \$50 a day for each day the director actually spends performing the duties of a director. The compensation may not exceed \$3,000 a year.

(c) The board may authorize a director to receive reimbursement for the director's reasonable expenses incurred while engaging in activities on behalf of the board.

Sec. 8850.055. BOARD ACTION. A majority vote of a quorum is required for board action. If there is a tie vote, the proposed action fails.

[Sections 8850.056-8850.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8850.101. GENERAL POWERS. Except as otherwise provided by this chapter, the district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

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Sec. 8850.102. PROHIBITION ON DISTRICT PURCHASE, SALE, TRANSPORT, OR DISTRIBUTION OF WATER. The district may not purchase, sell, transport, or distribute surface water or groundwater for any purpose.

Sec. 8850.103. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

[Sections 8850.104-8850.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8850.151. LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds 1.5 cents on each \$100 valuation of taxable property in the district.

Sec. 8850.152. FEES. (a) The board by rule may impose reasonable fees on each well:

(1) for which a permit is issued by the district; and

(2) that is not exempt from district regulation.

(b) A production fee may be based on:

(1) the size of column pipe used by the well; or

(2) the amount of water actually withdrawn from the well, or the amount authorized or anticipated to be withdrawn.

(c) The board shall base the initial production fee on the criteria listed in Subsection (b)(2). The initial production fee:

(1) may not exceed:

(A) 25 cents per acre-foot for water used for agricultural

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irrigation; or
(B) 4.25 cents per thousand gallons for water used for any other purpose; and
(2) may be increased at a cumulative rate not to exceed three percent per year.
(d) In addition to the production fee authorized under this section, the district may assess an export fee on groundwater from a well that is produced for transport outside the district.
(e) Fees authorized by this section may be:
(1) assessed annually;
(2) used to pay the cost of district operations; and
(3) used for any other purpose allowed under Chapter 36, Water Code.
Sec. 8850.153. LIMITATION ON INDEBTEDNESS.
The district may issue bonds and notes under Subchapter F, Chapter 36, Water Code, except that the total indebtedness created by that issuance may not exceed \$500,000 at any time.

No equivalent provision.

SECTION __.02. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

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

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

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

No equivalent provision.

ARTICLE __. RIVERBEND WATER RESOURCES DISTRICT

No equivalent provision.

SECTION __.01. Title 6, Special District Local Laws Code, is amended by adding Subtitle L to read as follows:

SUBTITLE L. MUNICIPAL WATER DISTRICTS
CHAPTER 9601. RIVERBEND WATER RESOURCES DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9601.001. DEFINITIONS. In this chapter:

- (1) "Board" means the board of directors of the district.
- (2) "Bond" has the meaning assigned to the term "public security" by Section 1202.001, Government Code.
- (3) "Director" means a person appointed to the board.

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(4) "District" means the Riverbend Water Resources District.

(5) "Member" means a municipality, county, or other political subdivision that is a member of the district as provided by Section 9601.005.

Sec. 9601.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 9601.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and the improvement of their property and industries and will foster and encourage economic development in this state.

(d) The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

Sec. 9601.004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect the purposes, powers, rights, and functions stated in this chapter.

Sec. 9601.005. DISTRICT MEMBERS. (a) The district

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is composed of the following members:

(1) the City of Annona;

(2) the City of Avery;

(3) the City of DeKalb;

(4) the City of Hooks;

(5) the City of Maud;

(6) the City of New Boston;

(7) the City of Texarkana, Texas;

(8) the City of Wake Village; and

(9) the Red River Redevelopment Authority.

(b) After receipt of a petition from the governing body of a municipality, county, or other political subdivision that desires to join the district, the board may add a member to the district on terms determined by the board to be in the best interests of the district.

(c) A member's withdrawal from the district or the cessation of existence of a member does not affect the validity of the district or any of the district's powers or duties.

Sec. 9601.006. DISTRICT TERRITORY. (a) The territory of the district is composed of all the territory contained in:

(1) the cities of Annona, Avery, DeKalb, Hooks, Maud, New Boston, Texarkana, Texas, and Wake Village; and

(2) the Red River Redevelopment Authority, the boundaries of which are described by Section 3503.004, including territory that may be added under Section 3503.005.

(b) The territory of the district also includes all of the

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territory:

(1) of any municipality, county, or other political subdivision that joins the district as a member; and

(2) added to the territory of a member by annexation or other means.

(c) A defect in the description of the boundaries of a member or in any past or future proceedings for the annexation of territory by a member does not affect the validity, powers, or duties of the district.

Sec. 9601.007. CONFIRMATION ELECTION NOT REQUIRED. (a) The board is not required to hold an election to confirm the district's creation.

(b) Sections 49.101-49.105, Water Code, do not apply to the district.

[Sections 9601.008-9601.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9601.051. COMPOSITION OF BOARD; TERMS.

(a) The district is governed by its board.

(b) The governing body of each member shall appoint a director to represent the member on the board and shall promptly fill a vacancy in that board position in accordance with the member's policies, resolutions, and procedures.

(c) Except as provided by Subsection (d), directors serve staggered terms of four years.

(d) A director who is also an elected official of a political subdivision serves for a term coinciding with the term of the elected office.

(e) The board shall determine the method of staggering

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the terms of the directors.

(f) A director may serve consecutive terms.

Sec. 9601.052. QUALIFICATIONS FOR OFFICE. To be eligible to be appointed or to serve as a director, a person must be a resident, qualified voter of the district.

Sec. 9601.053. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a) The district shall act through orders or resolutions adopted by the board.

(b) All directors are entitled to vote.

Sec. 9601.054. OFFICERS AND ASSISTANTS. (a) The board shall elect a president, vice president, secretary, and treasurer.

(b) The board shall elect the president and vice president from among the directors.

(c) The president and vice president serve for a one-year term.

(d) The offices of secretary and treasurer:

(1) may be held by one person; and

(2) are not required to be held by a director.

(e) The board may appoint one or more assistant officers who are not required to be directors.

(f) A person may not concurrently hold the offices of board president and secretary.

Sec. 9601.055. MEETINGS. The board shall have regular meetings at times specified by board resolution or bylaws and shall have special meetings when called by the board president or by a number of directors that is equal to or greater than the number of directors that is one less than a majority of the board.

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Sec. 9601.056. TELEPHONE CONFERENCE CALL MEETINGS. (a) The board may hold an open or closed meeting by telephone conference call only if:
(1) the meeting is a special called meeting;
(2) immediate action is required; and
(3) convening a quorum of the board at one location is difficult or impossible.
(b) A telephone conference call meeting is subject to the notice requirements applicable to other meetings of the board.
(c) Each part of a telephone conference call meeting that is required to be open to the public shall be made audible to the public at the location specified in the notice of the meeting as the location of the meeting.
(d) The location designated in the notice as the location of the meeting shall provide two-way communication during the entire telephone conference call meeting, and the identification of each party to the telephone conference shall be clearly stated prior to speaking.
(e) Section 551.125, Government Code, does not apply to a meeting held under this section.
Sec. 9601.057. RECALL. A director may be recalled at any time by the governing body of the member that appointed the director.
Sec. 9601.058. COMPENSATION; REIMBURSEMENT. A director is not entitled to compensation for service on the board but is entitled to be reimbursed for necessary expenses incurred in the performance of official duties.

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Sec. 9601.059. BOARD POSITION NOT A CIVIL OFFICE OF EMOLUMENT. (a) A position on the board may not be construed to be a civil office of emolument for any purpose, including a purpose described in Section 40, Article XVI, Texas Constitution. (b) An elected official of any county, municipality, or other political subdivision in the territory of the district may be appointed to and serve on the board as a director without penalty or forfeiture of office.

[Sections 9601.060-9601.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9601.101. GENERAL POWERS. Except as provided by this chapter, the district may exercise the powers applicable to a district under Chapter 49, Water Code.

Sec. 9601.102. SPECIFIC POWERS. The district may exercise any power necessary or appropriate to achieve the purposes of this chapter, including the power to:

(1) adopt and enforce:

(A) a trade name or trademark;

(B) bylaws and rules for the conduct of the affairs of the district;

(C) any rule that a water control and improvement district may adopt and enforce in accordance with Sections 51.127-51.130, Water Code; and

(D) specific rates, charges, fees, or rentals, and reasonable rules and regulations, for providing any district commodity, facility, or service;

(2) in the manner and to the extent permitted by this

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chapter:

(A) borrow money for a district purpose;

(B) enter into an agreement in connection with the borrowing;

(C) issue bonds for money borrowed;

(D) provide for and secure the payment of the bonds; and

(E) provide for the rights of the holders of the bonds;

(3) acquire any and all storage rights and storage capacity in a reservoir or other water source inside or outside the boundaries of the district, and acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons, and in accordance with any contract or contracts that the district may make with the United States, any state of the United States, or any political subdivision of any state of the United States, in reference to those rights;

(4) construct, acquire, own, finance, operate, maintain, sell, lease as lessor or lessee, dispose of, or otherwise use any work, plant, or other district facility as defined by Section 49.001, Water Code, inside or outside the boundaries of the district, that the board determines is necessary or useful for the exercise of a district power; and

(5) pledge all or part of district revenue to the payment of district obligations under a contract or agreement to the same extent and on the same conditions as the district may pledge revenue to secure district bonds.

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Sec. 9601.103. GENERAL POWERS REGARDING WATER. The district has all rights, powers, and privileges necessary or useful to enable it to acquire, provide, supply, deliver, and sell water, whether processed or unprocessed, raw or potable, inside or outside its boundaries to any person for any beneficial purpose.

Sec. 9601.104. AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. (a) A public agency or a county, municipality, or other political subdivision of this state or another state may enter into a contract or agreement with the district, on terms agreed to by the parties, for:

- (1) the purchase or sale of water;
- (2) waste collection, transportation, processing, or disposal; or
- (3) any purpose relating to the district's powers or functions.

(b) A contract or agreement under this section must comply with Chapter 791, Government Code.

(c) A provision of district services or facilities to a member or an exercise of district power regarding a member's retail services may only be made through a contract between the district and the member under this section.

Sec. 9601.105. CONVEYANCE OF PROPERTY TO DISTRICT. A public agency or a county, municipality, or other political subdivision of this state may lease, sell, or otherwise convey to the district, for any consideration

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that the parties agree is adequate, any of its land, improvements, property, plants, lines, or other facilities related to:

(1) the supply, delivery, or sale of water;

(2) waste collection, transportation, processing, or disposal; or

(3) garbage collection or disposal.

Sec. 9601.106. ACQUISITION OF EXISTING FACILITIES. If the district acquires existing works, improvements, facilities, plants, equipment, or appliances that are completed, partially created, or under construction, the district may:

(1) assume the contracts and obligations of the previous owner; and

(2) perform the obligations of the previous owner in the same manner and to the same extent that any other purchaser or assignee would be bound.

[Sections 9601.107-9601.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9601.151. PROHIBITION ON ASSESSMENTS OR TAXES. (a) The district may not under this chapter or any other law impose an assessment on real property or an ad valorem tax or create a debt payable from an assessment on real property or an ad valorem tax.

(b) Sections 49.106-49.108, Water Code, do not apply to the district.

Sec. 9601.152. DEPOSITORY. District money shall be deposited in the depository or depositories designated by

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the board, except that:

(1) bond proceeds and money pledged to pay bonds, to the extent provided in the proceedings authorizing the issuance of bonds, or the trust indenture securing the bonds, may be deposited with another depository or trustee named in the proceedings or trust indenture; and

(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

Sec. 9601.153. INVESTMENT OF DISTRICT MONEY. (a) Chapter 2256, Government Code, applies to the district and the investment of district funds and funds under district control.

(b) The board may invest bond proceeds in a manner determined by the board or in the manner permitted or required in the proceedings authorizing the issuance of bonds or in the trust indenture securing the bonds.

Sec. 9601.154. DISTRICT FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The district is not required to pay a tax or assessment on its facilities or any part of its facilities.

[Sections 9601.155-9601.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 9601.201. AUTHORITY TO ISSUE BONDS. (a) The district by resolution may authorize the issuance of bonds payable from and secured by revenue or any other available source of district money to carry out a power conferred by this chapter. Bonds issued by the district are not a direct obligation of any member.

(b) The bonds must be issued in the manner and under

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the terms of the proceedings authorizing the issuance of the bonds.

(c) Bonds may be issued by the district without an election.

(d) Sections 49.181-49.186, Water Code, do not apply to the district.

Sec. 9601.202. FORM OF BONDS. District bonds must be:

(1) issued in the district's name; and

(2) signed by the officers of the district in accordance with the proceedings authorizing the issuance of the bonds.

Sec. 9601.203. MATURITY. District bonds must mature not later than 50 years after the date of their issuance.

Sec. 9601.204. BONDS SECURED BY REVENUE; ADDITIONAL BONDS. (a) Bonds may be secured by a pledge of all or part of the district's revenue, or by all or part of the payments or rentals under one or more contracts or leases specified by the proceedings authorizing the issuance of the bonds.

(b) The proceedings authorizing the issuance of bonds secured by a pledge of revenue of all or part of the district's facilities may provide that the district shall first pay the expenses of operating and maintaining all or part of the facilities as the board considers appropriate before paying the principal of and interest on the bonds.

(c) In the proceedings authorizing the issuance of bonds secured by revenue, contract payments, or lease rentals,

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the district may reserve the right, under conditions specified by the proceedings, to issue additional bonds that will be on a parity with, superior to, or subordinate to the bonds then being issued.

Sec. 9601.205. ADDITIONAL SECURITY. (a) At the discretion of the board, bonds may be additionally secured by a deed of trust or mortgage lien on all or part of the district's physical property, facilities, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee power to:

- (1) sell the property for the payment of the bonds;
- (2) operate the property; and
- (3) take other action to further secure the bonds.

(b) A purchaser under a sale under the deed of trust lien, if one is given, is:

- (1) the absolute owner of the property, facilities, and rights purchased; and
- (2) entitled to maintain and operate the property, facilities, and rights.

Sec. 9601.206. DELEGATION OF AUTHORITY. (a) In connection with the issuance of bonds, the board may:

- (1) prescribe the maximum principal amount of bonds to be issued and the maximum rate of interest the bonds may bear;
- (2) recite the public purpose for which the bonds are to be issued;
- (3) delegate to any officer or employee of the district the authority to effect the sale of the bonds; and

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(4) determine the period during which the delegation authority under Subdivision (3) may be exercised.

(b) In exercising the authority delegated by the board to an officer or employee, the officer or employee may establish the terms and details related to the issuance and sale of the bonds, including:

(1) the form and designation of the bonds;

(2) the principal amount of the bonds and the amount of the bonds to mature in each year;

(3) the dates, price, interest rates, interest payment dates, principal payment dates, and redemption features of the bonds;

(4) the execution of agreements determined by the officer or employee to be necessary in connection with the issuance of the bonds; and

(5) any other details relating to the issuance and sale of the bonds as specified by the board in the proceedings authorizing the issuance of the bonds.

(c) A finding or determination made by an officer or employee acting under the authority delegated to the officer or employee has the same force and effect as a finding or determination made by the board.

Sec. 9601.207. TRUST INDENTURE. District bonds authorized by this chapter, including refunding bonds, may be additionally secured by a trust indenture. The trustee may be a bank with trust powers that is located inside or outside the state.

Sec. 9601.208. CREDIT AGREEMENT. In connection with the issuance of bonds under this chapter, the board

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may exercise the authority granted to the governing body of an issuer with regard to the execution and delivery of a credit agreement under Chapter 1371, Government Code.

Sec. 9601.209. CHARGES FOR DISTRICT SERVICES. If bonds payable wholly from revenue are issued, the board shall set and revise the rates, fees, and charges assessed for water sold, waste collection and treatment services provided, and garbage collection services provided by the district. The rates, fees, and charges must be sufficient to:

(1) pay the expense of operating and maintaining the district facilities that generate the revenue from which the bonds may or will be paid;

(2) pay the principal of and interest on the bonds when due; and

(3) maintain the reserve fund and other funds as provided in the proceedings authorizing the issuance of bonds or the trust indenture securing the bonds.

Sec. 9601.210. STATE PLEDGE REGARDING RIGHTS AND REMEDIES OF BONDHOLDERS. Without depriving this state of its power to regulate and control the rates, fees, and charges assessed for water sold and waste collection and treatment services provided by the district, the state pledges to and agrees with the holders of district bonds that the state will not exercise its power to regulate and control the rates, fees, and charges in any way that would impair the rights or remedies of the holders of the bonds.

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Sec. 9601.211. USE OF BOND PROCEEDS. In addition to the permitted use of bond proceeds provided by general law, the district may use proceeds from the sale of bonds:

(1) for the payment of interest on the bonds while the project or facility is being acquired or constructed and for the year after it is acquired or constructed;

(2) for the operation and maintenance of the project or facility during the estimated period of acquisition or construction of the project or facility and for one year after it is acquired or constructed;

(3) for a debt service reserve fund;

(4) for other funds as may be provided in the proceedings authorizing the issuance of bonds or in the trust indenture securing the bonds;

(5) to pay any expense necessarily incurred in accomplishing the purpose of the district, including any expense of issuing and selling the bonds; and

(6) to pay any costs incurred under the terms of a credit agreement.

Sec. 9601.212. ADDITIONAL AUTHORITY TO PROVIDE DEBT SERVICE RESERVE. (a) The board may provide that in lieu of or in addition to providing for the funding of a debt service reserve fund with cash, a line or letter of credit or an insurance policy may be used for the debt service reserve fund.

(b) Any agreement under which a line or letter of credit or insurance policy is provided must be submitted to the attorney general for examination and approval. After

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approval, the agreement is incontestable in any court or other forum for any reason and is a valid and binding obligation of the district in accordance with its terms for all purposes.

Sec. 9601.213. REFUNDING BONDS. (a) The district may issue refunding bonds to refund all or part of its outstanding bonds issued under this chapter, including matured but unpaid interest and obligations incurred under a credit agreement.

(b) Refunding bonds may be issued in the manner provided by Chapter 1207, Government Code.

Sec. 9601.214. REMEDIES AND COVENANTS. The proceedings authorizing the issuance of any bonds authorized under this chapter, including refunding bonds, the execution of a trust indenture securing the bonds, and the execution of a credit agreement, may provide other remedies and covenants the board considers necessary to issue the bonds on terms the board determines to be most favorable to the district.

Sec. 9601.215. LIMITATION ON RIGHTS OF BONDHOLDERS. The proceedings authorizing the issuance of bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income.

Sec. 9601.216. BONDS EXEMPT FROM TAXATION. Payments made by the district in connection with the issuance of bonds, the transfer of any bond, and the

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income from any bond, including profits made on the sale of any bond, are exempt from taxation in this state.

Sec. 9601.217. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on obligations incurred by the district in connection with the issuance of bonds that are payable wholly or partly from revenue, a court may, on petition of the holders of at least 25 percent of the district's outstanding revenue bonds, or the party to a credit agreement, appoint a receiver for the district.

(b) The receiver may collect and receive all district revenue, employ and discharge district agents and employees, take charge of money on hand, and manage the district's proprietary affairs without the consent of or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water, the collection or treatment of waste, or the provision of garbage collection or disposal services, or to renew contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the holders of the bonds or the party to a credit agreement.

No equivalent provision.

SECTION __.02. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been

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furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

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

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

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

No equivalent provision.

SECTION __. Section 36.1072, Water Code, is amended by amending Subsections (a) and (e) and adding Subsection (e-1) to read as follows:

(a) Except as provided by Subsection (e-1), a [A] district shall, not later than three years after the creation of the district or, if the district required confirmation, after the election confirming the district's creation, submit the management plan required under Section 36.1071 to the executive administrator for review and approval.

(e) The district may review the plan annually and must review and readopt the plan with or without revisions at least once every five years. Except as provided by

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Subsection (e-1), the [The] district shall provide the readopted plan to the executive administrator not later than the 60th day after the date on which the plan was readopted. Approval of the preceding management plan remains in effect until:

- (1) the district fails to timely readopt a management plan;
- (2) the district fails to timely submit the district's readopted management plan to the executive administrator; or
- (3) the executive administrator determines that the readopted management plan does not meet the requirements for approval, and the district has exhausted all appeals to the Texas Water Development Board or appropriate court.

(e-1) If a district is required to submit a management plan under Subsection (a) or a readopted management plan under Subsection (e) on a date that is before the first anniversary of the date the executive administrator provides to the district under Section 36.108(o) an amount of managed available groundwater, the district may adopt and submit to the executive administrator a resolution delaying the due date for a new or readopted plan to a date not later than the first anniversary of the last date the district receives an amount of managed available groundwater from the executive administrator in lieu of the applicable deadline under Subsection (a) or (e). A district that elects to delay submission of a new or readopted plan under this subsection may not adopt a

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new rule or amend an existing rule limiting production from wells or allocating groundwater until the district submits to the executive administrator the management plan or readopted plan as provided by this subsection. This subsection expires September 1, 2013.

No equivalent provision.

SECTION __. Section 36.1072, Water Code, as amended by this Act, applies only to a groundwater management plan that is submitted to the executive administrator of the Texas Water Development Board on or after the effective date of this Act. A groundwater management plan that is submitted to the executive administrator before the effective date of this Act is governed by the law in effect when the management plan was submitted, and the former law is continued in effect for that purpose.

No equivalent provision.

SECTION __. Subsection (a), Section 35.007, Water Code, is amended to read as follows:
(a) The executive director and the executive administrator shall meet periodically to identify, based on information gathered by the commission and the Texas Water Development Board, those areas of the state that are experiencing or that are expected to experience, within the immediately following 50-year [~~25-year~~] period, critical groundwater problems, including shortages of surface water or groundwater, land

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subsidence resulting from groundwater withdrawal, and contamination of groundwater supplies. Not later than September 1, 2005, the commission, with assistance and cooperation from the Texas Water Development Board, shall complete the initial designation of priority groundwater management areas across all major and minor aquifers of the state for all areas that meet the criteria for that designation. The studies may be prioritized considering information from the regional planning process, information from the Texas Water Development Board groundwater management areas and from groundwater conservation districts, and any other information available. After the initial designation of priority groundwater management areas, the commission and the Texas Water Development Board shall annually review the need for additional designations as provided by this subsection.

No equivalent provision.

SECTION __. Section 35.008, Water Code, is amended by adding Subsection (j) to read as follows:

(j) The commission may adopt rules regarding:

(1) the creation of a district over all or part of a priority groundwater management area that was designated as a critical area under Chapter 35, Water Code, as that chapter existed before September 1, 1997, or under other prior law; and

(2) the addition of all or part of the land in a priority groundwater management area described by Subdivision

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(1) to an existing district.

No equivalent provision.

SECTION __. All governmental acts and proceedings, including the adoption of rules, of the Texas Commission on Environmental Quality relating to the creation of a groundwater conservation district over all or part of a priority groundwater management area that was designated as a critical area under Chapter 35, Water Code, as that chapter existed before September 1, 1997, or under other prior law, are validated in all respects as of the dates on which they occurred.

No equivalent provision.

SECTION __. Subsection (a), Section 35.007, Water Code, as amended by this Act, applies only to a designation of a priority groundwater management area made by the Texas Commission on Environmental Quality on or after the effective date of this Act. A designation made before the effective date of this Act is governed by the law in effect when the designation was made, and that law is continued in effect for that purpose.

No equivalent provision.

SECTION __. (a) The legislature finds that:
(1) according to audits and evaluations of the Bexar Metropolitan Water District performed by state agencies under H.B. No. 1565, Acts of the 80th Legislature,

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(A) certain officials of the district have engaged in a pattern of unethical conduct and unprofessional management practices;

(B) disagreements regarding jurisdiction within the district and between the district and other entities and distrust among key management personnel and members of the board have hampered efforts by the district to improve services for existing customers and to meet water supply needs of growing populations within its service areas;

(C) there has been a history of noncompliance on the part of the district; and

(D) the district has demonstrated weak management, engaged in financial improprieties, and provided unreliable service, which threatens to impair the quality of life of its customers and diminish the prospects for economic growth within the district;

(2) after 18 months of intense scrutiny by state agencies and the Bexar Metropolitan Water District Oversight Committee, which is composed of gubernatorial appointees, legislators, and a local representative of Bexar County, it is evident that further legislative action is necessary; and

(3) to ensure the reliability, sustainability, quality, and affordability of water supply services to the customers of the district, it is necessary to appoint a conservator, who shall manage the district until the district has achieved sufficient rehabilitation to serve its customers in a

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professional, ethical, and reliable manner.

(b) Chapter 306, Acts of the 49th Legislature, Regular Session, 1945, is amended by adding Sections 33B, 33C, 33D, 33E, and 33F to read as follows:

Sec. 33B. ELECTION ON DISSOLUTION AND CONSERVATORSHIP. An election on the appointment of a conservator for the purpose of dissolving the District shall be held on the uniform election date in November 2009.

Sec. 33C. BALLOT. The ballot for the election shall be printed to permit voting for or against the proposition: "The appointment of a conservator for the Bexar Metropolitan Water District for the purpose of dissolving the District."

Sec. 33D. APPOINTMENT OF CONSERVATOR; ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under Section 33B of this Act favor dissolution, a conservator shall be appointed by the Texas Commission on Environmental Quality not later than the 60th day after the date of the election.

(b) The Conservator shall administer the property, assets, and debts until all funds have been disposed of and all District debts have been paid or settled.

Sec. 33E. SALE OR TRANSFER OF ASSETS AND LIABILITIES. (a) Notwithstanding any other provision of this Act, the District may not be dissolved unless the Conservator provides for the sale or transfer of the District's assets and liabilities to another person or entity or until all of the District's outstanding indebtedness or

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contractual obligations have otherwise been repaid or discharged in a manner consistent with Subsection (d) of this section.

(b) The dissolution of the District and the sale or transfer of the District's assets or liabilities may not contravene a trust indenture or bond resolution relating to the outstanding bonds of the District. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, commercial paper note, or other obligation of the District.

(c) The sale or transfer of the District's assets and liabilities must satisfy the debt, bond obligations, commercial paper notes, or any other financial obligation of the District in a manner that protects the interests of the residents of the District, including the residents' collective property rights in the District's assets. The District may not transfer or dispose of the District's assets except for due compensation unless the transfer is made to another governmental agency that serves the District and the transferred assets are to be used for the benefit of the residents of the District.

(d) The sale or transfer of the District's assets and liabilities does not impair, affect the validity of, or modify the terms of any contract to which the District is a party, and the acquiring entity of a District asset, or any assignee-in-interest to the asset, assumes the terms, benefits, and obligations of a contract related to that asset, as if the entity or assignee were the District.

Sec. 33F. REPORT; DISSOLUTION ORDER. (a)

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After the District has paid all its debts and has disposed of all its assets and funds as prescribed by this Act, the Conservator shall file a written report with the Texas Commission on Environmental Quality summarizing the Conservator's actions in dissolving the District.

(b) Not later than the 10th day after the date the Texas Commission on Environmental Quality receives the report and determines that the requirements of this Act as they relate to dissolution have been fulfilled, the Commission shall enter an order confirming the dissolution of the District and ordering the termination of conservatorship established under Section 33E of this Act, as applicable.

(c) Chapter 306, Acts of the 49th Legislature, Regular Session, 1945, is amended by adding Sections 34, 34A, and 34B to read as follows:

Sec. 34. CONSERVATOR. If a majority of the votes in the election held under Section 33B of this Act do not favor dissolution, not later than the 60th day after the date of this election, the Texas Commission on Environmental Quality shall appoint a conservator for the purpose of rehabilitating the District. The individual appointed must have demonstrated a high level of expertise in water utility management.

Sec. 34A. POWERS AND DUTIES OF CONSERVATOR. (a) If a conservator is appointed under Section 34 or 34B of this Act, the Board shall work cooperatively with the Conservator in rehabilitating the Board in its ability to manage and operate the District

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in a professional manner.

(b) The Conservator shall:

(1) collectively coordinate the daily management of the District;

(2) work with the Board to ensure that the assets of the District are protected and that the quality of service provided to District customers is improved to the highest level reasonably practicable under the circumstances;

(3) develop and work to implement a comprehensive rehabilitation plan for the District; and

(4) report monthly to the Texas Commission on Environmental Quality and to any committee with direct oversight authority over the District regarding:

(A) the financial, managerial, technical, and operational status of the District under the conservatorship;

(B) the actions the Conservator has taken to ensure that the District complies with the plan developed under Subdivision (3) of this Subsection; and

(C) the progress the Conservator has made towards completion of the plan developed under Subdivision (3) of this Subsection.

(c) The comprehensive rehabilitation plan must:

(1) identify strategies for restoring the District's financial integrity and for developing a system of sound financial management;

(2) describe a standard of ethics, professionalism, and openness expected of each member of the Board and employees of the District and a mechanism for enforcing compliance with District policies, including procurement

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policies;

(3) address ways to enhance the District's operational efficiency;

(4) as an integral part of rehabilitating the District, devise a program for:

(A) educating the Board of Directors and key management personnel on improving management practices, on complying with Board policy and applicable laws and regulations, and on implementing needed reforms for the District; and

(B) developing greater technical expertise on the part of District employees;

(5) identify District assets that, if sold, would likely improve the District's ability to serve its remaining customers;

(6) ensure that any assets identified in Subdivision (5) of this Subsection that are sold are sold at fair market value;

(7) ensure that any entity that acquires a District asset is responsible for all transaction costs related to the acquisition, including the cost of defending the State against legal challenges to the disposition of the asset; and

(8) inventory and evaluate the discrete water systems that the District comprises and determine:

(A) the District's basis in or the intrinsic value of the infrastructure associated with each water system;

(B) the District's bonded debt and commercial paper reasonably associated with or allocable to the infrastructure of each water system;

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(C) the adequacy of the source of the water supply, such as wells, located in each water system's service area to supply the current and projected demands generated in that service area;

(D) the adequacy of the water storage facilities located in each water system's service area to supply the current and projected demands generated in that service area; and

(E) the adequacy of the distribution system located in each water system's service area to supply the current and projected demands generated in that service area.

(d) The term of the Conservator continues until the earlier of:

(1) the end of a period of 18 months; or

(2) the Conservator reports that the District has been sufficiently rehabilitated to provide reliable, cost-effective, quality service to its customers, and the Texas Commission on Environmental Quality, after performing a confirmation review, concurs with the Conservator's report that the District has been sufficiently rehabilitated to ensure that it can serve its customers in a professional manner and that conservatorship is no longer necessary.

(e) Funding for the conservatorship shall be provided by the District and approved by the Commission.

(f) The Conservator may not take any action that:

(1) will impair the District's ability to collect revenues, fees, or charges;

(A) for operating District systems; or

(B) necessary for the payment of any bonds, commercial

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paper notes, or any other financial obligation; or
(2) would cause an event of default under any provision
of any indenture, contract, order, or other financial
instrument creating any such obligation.

(g) The appointment of the Conservator is not
conditioned on or a result of an insolvency or bankruptcy
proceeding or an inability of the District to pay its debts.

(h) The Conservator may not be a receiver, trustee,
custodian, or liquidator of the District's system or other
property.

Sec. 34B. APPOINTMENT OF NEW
CONSERVATOR. (a) If the Texas Commission on
Environmental Quality determines that, after a
reasonable period, the Conservator has not made
satisfactory progress in developing and working to
implement the comprehensive rehabilitation plan, the
Commission shall appoint a new Conservator.

(b) The Texas Commission on Environmental Quality
shall adopt rules providing for filling a vacancy in the
position of Conservator.

(d) Effective June 1, 2011, Chapter 306, Acts of the 49th
Legislature, Regular Session, 1945, is amended by
adding Section 34C to read as follows:

Sec. 34C. SUBSEQUENT CONSERVATOR. (a) The
Texas Commission on Environmental Quality shall
appoint a subsequent Conservator for the District if the
Commission determines that after the termination of an
earlier conservatorship under Section 34A of this Act,
the District has:

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- (1) obstructed the Commission's authority to supervise the District;
- (2) violated a final order of the Commission;
- (3) caused a potential health hazard by failing to provide appropriate water or wastewater treatment to District customers;
- (4) caused a potential health hazard, extended outages, or repeated service interruptions by failing to adequately maintain District facilities;
- (5) displayed a pattern of hostility towards the Commission or repeatedly failed to respond to the Commission or to District customers;
- (6) engaged in a pattern of:
 - (A) noncompliance with laws or regulations; or
 - (B) unethical conduct and unprofessional management practices;
- (7) abandoned the operation of its facilities;
- (8) had a majority of its Board of Directors resign;
- (9) engaged in financial improprieties; or
- (10) provided unreliable service that impairs the quality of life of its customers or diminishes the prospects for economic growth within the District.
- (b) An individual appointed Conservator under this Section must have demonstrated a high level of expertise in water utility management and shall have all the powers and duties assigned to a Conservator under Section 34A of this Act.
- (e) Section 33A, Chapter 306, Acts of the 49th Legislature, Regular Session, 1945, is amended by

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amending Subsection (c) and adding Subsection (g) to read as follows:

(c) The oversight committee is comprised of five [5] members appointed as follows [~~to represent the following members~~]:

(1) a [the] Senator who represents a Senate district that includes territory within the District, [~~sponsor of this Act, or, in the event this Senator cannot serve, a Senator~~] appointed by the Lieutenant Governor;

(2) a Representative who represents a [the] House district that includes territory within the District, [~~author of this Act, or, in the event this Representative cannot serve, a Representative~~] appointed by the Speaker of the Texas House of Representatives;

(3) one member of the Senate Committee on Natural Resources [~~with special expertise in the operation of public water utilities~~] appointed by the Lieutenant Governor;

(4) one member of the House Committee on Natural Resources appointed by the Speaker of the Texas House of Representatives; and

(5) one member appointed by the Governor to represent the public[; and

[~~(5) a member of the Bexar County Commissioners Court who represents a precinct in which customers of the District reside~~].

(g) On or before December 31, 2010, the oversight committee shall provide a report under Subsection (e) of this Section to the 82nd Legislature. The committee is

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abolished and this Section expires on January 1, 2011.

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

(g) The governor, one of the required recipients, has submitted the notice and section to the Texas Commission on Environmental Quality.

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

(i) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this section are fulfilled and accomplished.

ARTICLE __. LAJITAS UTILITY DISTRICT NO. 1
OF BREWSTER COUNTY

SECTION __.01. Subtitle X, Title 6, Special District
Local Laws Code, is amended by adding Chapter 11002

No equivalent provision.

No equivalent provision.

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to read as follows:

CHAPTER 11002. LAJITAS UTILITY DISTRICT NO. 1 OF BREWSTER COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 11002.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a board member.
- (3) "District" means the Lajitas Utility District No. 1 of Brewster County.

Sec. 11002.002. NATURE OF DISTRICT. The district is a utility district with combined powers created under Section 59, Article XVI, Texas Constitution.

Sec. 11002.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 11002.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of:
(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution;

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(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads; and

(3) Section 52-a, Article III, Texas Constitution, that relate to the development and diversification of the economy of this state and other purposes of that section.

(d) The creation of the district is in the public interest and essential to:

(1) further the public purposes of developing and diversifying the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting.

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street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district is not an agent or instrumentality of a private interest even though the district will benefit private interests as well as the public.

Sec. 11002.005. INITIAL DISTRICT TERRITORY.

(a) The district is initially composed of the territory described by the article creating this chapter.

(b) The boundaries and field notes contained in the article creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

[Sections 11002.006-11002.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 11002.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 11002.052, directors serve staggered four-year terms.

Sec. 11002.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Brent Ratliff;

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- (2) George Kutch;
(3) John Nolan;
(4) Renee Lorenz; and
(5) H. C. Ross.
- (b) If a temporary director fails to qualify for office, the temporary directors who have qualified shall appoint a person to fill the vacancy.
- (c) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 11002.003; or
(2) the fourth anniversary of the effective date of the article creating this chapter.
- (d) If permanent directors have not been elected under Section 11002.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (e) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 11002.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
- (e) If Subsection (d) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

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[Sections 11002.053-11002.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 11002.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 11002.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 11002.103. IMPROVEMENT PROJECTS AND SERVICES. The district may provide improvement projects and services in the same manner as a municipal management district under Section 375.112, Local Government Code.

Sec. 11002.104. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

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Sec. 11002.105. APPROVAL OF ROAD PROJECT.

(a) The district may not undertake a road project authorized by Section 11002.104 unless:

- (1) each county that will operate and maintain the road has approved the plans and specifications of the road project, if a county will operate and maintain the road; or
- (2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Sec. 11002.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 11002.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

- (1) a road project authorized by Section 11002.104; or
- (2) a recreational facility as defined by Section 49.462, Water Code.

Sec. 11002.108. ELECTRIC POWER FACILITIES.

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The district may construct, acquire, improve, maintain, and operate electric power generating, transmission, and distribution facilities and improvements in aid of these facilities.

Sec. 11002.109. AIRPORT. The district may construct, acquire, improve, maintain, and operate an airport and improvements in aid of the airport.

Sec. 11002.110. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a corporation created under the Development Corporation Act (Subtitle C1, Title 12, Local Government Code).

Sec. 11002.111. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by the article creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district

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before or after the date the board holds an election under Section 11002.003 to confirm the district's creation.

(f) An order dividing the district shall:

(1) name each new district;

(2) include the metes and bounds of each new district;

(3) appoint temporary directors for each new district;

and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 11002.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) If the voters of a new district do not confirm the creation of the new district, the assets, obligations, territory, and governance of the new district revert to that of the original district.

[Sections 11002.112-11002.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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Sec. 11002.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 11002.153.
(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.
Sec. 11002.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 11002.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
Sec. 11002.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held

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for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 11002.154. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

(d) Chapter 321, Tax Code, applies to the imposition, computation, administration, enforcement, and collection

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of the sales and use tax imposed by this section except to the extent it is inconsistent with this chapter.

Sec. 11002.155. ASSESSMENTS. The district may levy and collect special assessments in the same manner and for the same purposes as a municipal management district as provided in Subchapter F, Chapter 375, Local Government Code.

[Sections 11002.157-11002.200 reserved for expansion]

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 11002.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, sales and use taxes, other district money, or any combination of those sources to pay for any authorized district purpose.

Sec. 11002.202. TAXES FOR BONDS. (a) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of an ad valorem tax, without limit as to rate or amount, as required by Section 54.601, Water Code.

(b) The board shall annually impose the tax while all or part of the bonds are outstanding. Sections 54.601 and 54.602, Water Code, govern the amount and rate of the tax.

Sec. 11002.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road

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projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

No equivalent provision.

SECTION __.02. Describes the initial territory of the Lajitas Utility District No. 1 of Brewster County.

No equivalent provision.

SECTION __.03. (a) The legal notice of the intention to introduce this article of this Act, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and this article to the Texas Commission on Environmental Quality.

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

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

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No equivalent provision.

SECTION __.04. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2009.

No equivalent provision.

ARTICLE __. COASTAL WATER AUTHORITY

No equivalent provision.

SECTION __.01. Section 3A, Chapter 601, Acts of the 60th Legislature, Regular Session, 1967, is amended to read as follows:

Sec. 3A. The Authority may develop and generate electric energy by any means, including ~~[for use by the Authority or the City of Houston by]~~ wind turbines and ~~[or]~~ hydroelectric facilities. Any energy generated by the Authority must first be made available to the Authority and to the City of Houston.

No equivalent provision.

SECTION __.02. Section 3B(c), Chapter 601, Acts of the 60th Legislature, Regular Session, 1967, is amended to read as follows:

(c) A corporation created under this section is governed in the same manner as a local government corporation created by a municipality or county, except that the board of the Authority shall appoint the board of the

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corporation and Section 431.101(g), Transportation Code, does not apply to a corporation created under this section. The board of the corporation serves at the will of the board of the Authority.

No equivalent provision.

SECTION __.3. Chapter 601, Acts of the 60th Legislature, Regular Session, 1967, is amended by adding Section 3E to read as follows:
Sec. 3E. The Authority may participate in a wetland mitigation program under Chapter 221, Natural Resources Code.

No equivalent provision.

SECTION __.04. Section 4, Chapter 601, Acts of the 60th Legislature, Regular Session, 1967, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:
(b) The Authority shall have and is hereby authorized, subject to the provisions contained herein, to exercise the powers, rights, privileges, and functions of establishing, acquiring, and extending a park or park system and the Authority shall be authorized to improve and equip its park or park system in any manner considered by its board to be appropriate including the construction, purchase, lease, and other acquisition of such park facilities as shall be desirable in the full and adequate development of the park or park system and once established and improved the Authority shall be

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authorized from time to time to improve, repair, extend, operate, and maintain such park or park system and the park facilities and other improvements situated thereon and relating thereto. 'Park facilities,' as used herein, means any and all improvements to, or equipment to be placed in, a park, which in the judgment of the board is or will be appropriate, necessary, or useful in the establishment and operation of a park or park system and which will be used or useful by the public in its enjoyment and use thereof, including without limitation, roads, paths, ornaments, public utilities and all types and all lines, systems, and facilities incident thereto, buildings of every type (including but not limited to those related to or useful in the accommodation, lodging, housing, and feeding of the members of the public who may frequent the park) and amusement equipment and facilities of all types. 'Park,' as used herein, means any area of land or interest therein which is now owned or may hereafter be acquired by the Authority and which is adjacent to the main or lateral canals of the Authority and which in the judgment of the board is or will be appropriate, necessary or useful as and which is or will be dedicated, used, and devoted by the board to use by the public as a playground or place of rest, resort, recreation, exercise, sport, pleasure, amusement, or enjoyment, or any area of land or interest in an area of land to be used as open space or wetlands or for reforestation or other uses that reduce, offset, or capture greenhouse gases or other emissions, or provide

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mitigation of other environmental impacts, provided that the use of the area of land or interest in the area of land is in connection with or useful for an existing or planned Authority project or facility or other authorized use [in connection with the beneficial use of the main or lateral canals to which it is adjacent]. 'Park system,' as used herein, means more than one park whether or not contiguous.

The Authority shall be authorized to acquire property of any kind, or any interest therein, necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred pursuant to this Section 4(b); provided, however, that the authority shall not acquire such parks and/or park system by the exercise of eminent domain.

Each park and park system acquired or established under the provisions hereof shall be under and subject to the control and management of the board, and the board shall have the continuous general power to manage and operate the affairs of the same as it may consider appropriate, including without limitation the power to employ such personnel for management or policing purposes, or otherwise, to enter into such contracts and agreements extending over such periods of time, to provide for the sale, rental, or use of such products in the park or park system as shall be considered necessary to the full, complete, proper, and efficient development, administration, and operation of the park or park system.

The Authority shall have the express general power and

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authority to make, grant, accept, and enter into all leases, and all concession, rental, operating, or other contracts and agreements covering or relating to any part or all of the land comprising any park, park system, or park facilities, which the board shall deem necessary or convenient to carry out any of the purposes and powers granted hereby, upon such terms and conditions and for such length or period of time as may be prescribed herein. Any such contract, lease, or agreement may be entered into with any person, real or artificial, any corporation, municipal or private, any governmental agency or bureau, including the United States government and the State of Texas, agencies and political subdivisions thereof, and the board may make contracts, leases, and agreements with any such persons, corporation, or entities for the acquisition, financing, construction, or operation of any park, park system, or park facilities or other improvements in or connected with or incident to any park or park system.

Any and all such contracts, leases, and agreements, to be effective, shall be authorized by order or resolution of the board, shall be executed by its president and attested by its secretary, or it may be executed by such other person or persons as the board may direct, and the same shall be binding upon the Authority without reference to any other statute or statutes.

The board shall be expressly authorized to adopt and enforce such rules and regulations relating to the use, operation, management, administration, and policing of

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its park or park system and related waters controlled by it as it may consider appropriate, including, without limitation, the zoning or dividing of each park or park system into such zones or divisions as it may consider appropriate and in the interest of such park or park system as a whole, and it may restrict and prescribe the activities that may be conducted in each such zone or division.

The board shall be authorized to fix, impose, and collect such fees, tolls, rents, rates, and charges for entry to, or use of, the park or park system and park facilities controlled by it as it may deem necessary, with other sources of funds available to it, to support the acquisition, maintenance, upkeep, repair, improvement, and operation of such park or park system.

The board is hereby authorized to accept grants, gratuities, advances, and loans in any form from any source approved by the board including the United States Government or any agency thereof, the State of Texas or any agency thereof, any private or public corporation, and any other person, for the purpose of promoting, establishing, and accomplishing the objectives and purposes and powers herein set forth, and to make and enter into such concessions, agreements, and covenants as the board considers appropriate in connection therewith.

(b-1) The Authority may exercise any of its existing powers, including its parks powers, to carry out a project or activity that reduces, offsets, or captures and

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sequesters greenhouse gases or other emissions as provided by law. The Authority may contract with a private or public entity to sell or trade credits, offsets, tax credits, or other similar marketable instruments authorized by law and available to the Authority attributable to any such project or activity. The Authority may pledge any stream of revenue from any such transaction to the issuance of bonds or notes to fund any authorized purpose of the Authority. The Authority may contract with any other governmental entity to issue bonds or notes secured by a stream of revenue from the entity attributable to any such project or activity. The proceeds of the bonds may be used to fund any authorized purpose of the Authority or any joint project with the participating governmental entity.

No equivalent provision.

SECTION __.05. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and this article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality

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has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

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

No equivalent provision.

SECTION __.06. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2009.

No equivalent provision.

SECTION __. DEFINITION. In this Act, "commission" means the Texas Commission on Environmental Quality.
SECTION __. STUDY. (a) The commission shall conduct a study regarding the impact on the entire Carrizo-Wilcox aquifer of rules and plans adopted by groundwater conservation districts in whose boundaries the aquifer is located and of determinations made by groundwater conservation districts in connection with the joint planning process relating to groundwater management areas in whose boundaries the aquifer is located. In conducting the study, the commission shall examine:

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- (1) whether the rules and plans adopted by each groundwater conservation district:
 - (A) are based on sound scientific principles;
 - (B) adequately conserve and protect the aquifer and ensure the achievement of the applicable desired future condition for each part of the district; and
 - (C) are likely to affect other groundwater conservation districts or groundwater management areas;
 - (2) whether each district is enforcing substantial compliance with its rules;
 - (3) whether the desired future conditions established under Section 36.108, Water Code, in each groundwater management area are reasonable and based on sound scientific principles, and whether the rules adopted by each district are designed to achieve the applicable desired future condition;
 - (4) other long-term impacts of the applicable rules and plans on the aquifer, taking into consideration:
 - (A) projected population and agricultural, municipal, and industrial demands for water from the aquifer within the groundwater conservation district; and
 - (B) other appropriate factors as determined by commission rule; and
 - (5) whether the presence of contaminants in the recharge area of the aquifer and the potential pollution of the aquifer are issues that should be addressed and, if so, by whom.
- (b) The Texas Water Development Board and the Bureau of Economic Geology of The University of

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Texas at Austin shall assist the commission in conducting the study under this section.

(c) The commission may contract with any appropriate person to assist the commission in conducting the study under this section.

No equivalent provision.

SECTION __. REPORT. Not later than December 31, 2012, the commission shall report the results of the study conducted under this Act to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing committees in the senate and the house of representatives that have primary jurisdiction over natural resources. The report may include the commission's recommendations for legislation to address any areas of concern.

No equivalent provision.

SECTION __. NO APPROPRIATION. This amendment does not make an appropriation. A provision in this Act that creates a new governmental program, creates a new entitlement, or imposes a new duty on a governmental entity is not mandatory during a fiscal period for which the legislature has not made a specific appropriation to implement the provision.

No equivalent provision.

SECTION __. EXPIRATION. The provisions contained in this amendment expire August 31, 2013.

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The following row was presented as language identical to language in the engrossed version of Senate Bill 1210 relating to a water rights permit issued to the Upper Guadalupe River Authority.

No equivalent provision.

SECTION __. Chapter 642, Acts of the 80th Legislature, Regular Session, 2007, is amended by adding Section 1A to read as follows:

Sec. 1A. To help facilitate the statewide and regional goals of making efficient and responsible use of the state's water resources, the Upper Guadalupe River Authority may contract to provide any Kerr County entity, and may otherwise use in Kerr County, water for municipal use under Permit No. 5394A, which was issued to the Upper Guadalupe River Authority by the Texas Natural Resource Conservation Commission, the predecessor agency to the Texas Commission on Environmental Quality. This section supersedes Permit No. 5394A, and specifically Special Condition No. 5D.i of the permit, to the extent of any conflict.

The following rows were presented as Senate Bill 1960 relating to increased oversight, openness, transparency, and accountability for water supply or sewer service corporations.

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No equivalent provision.

SECTION __. Subchapter A, Chapter 67, Water Code, is amended by adding Sections 67.0061, 67.0062, and 67.0063 to read as follows:

Sec. 67.0061. DIRECTOR NOMINATIONS. (a) To be listed on the ballot as a candidate for election to a director's position, a person must file with the corporation an application that includes:

- (1) the person's written consent to serve, if elected;
- (2) biographical information about the person; and
- (3) a statement of the person's qualifications, including:
 - (A) a statement that the person meets the requirements of Sections 11.002(1), (3), and (4), Election Code; and
 - (B) whether the person is a member of the corporation.

(b) The application must be filed with the corporation not later than the 70th day before the date of the annual meeting.

(c) The corporation shall make available director candidate application forms at the main office of the corporation.

Sec. 67.0062. BALLOT FOR ELECTION OF DIRECTORS. The secretary-treasurer of the board shall:

- (1) have the names of all candidates for each director's position printed on the ballot; and
- (2) not later than the 45th day before the date of the annual meeting, mail the ballot to each person who is a member or shareholder, along with a statement of the number of directors to be elected and the biographical information about each candidate, including the

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candidate's qualifications as provided by each candidate for director in the candidate's application.

Sec. 67.0063. ELECTION OF DIRECTORS. (a) A member or shareholder may vote:

(1) in person at the annual meeting;

(2) by delivering a completed ballot to the member's proxy to submit at the annual meeting;

(3) by mailing a completed ballot postmarked not later than the sixth day before the date of the annual meeting to the office of the independent election auditor selected by the members or shareholders at the preceding annual meeting; or

(4) by delivering a completed ballot to the main office of the corporation not later than noon of the day before the date of the annual meeting.

(b) The corporation shall place each ballot received under Subsection (a)(4) in a sealed envelope and shall deliver the sealed envelopes to the independent election auditor at the annual meeting.

(c) No person, including the corporation, may use any type of incentive to encourage a member or shareholder to authorize the corporation, a committee of the corporation, or another person to act as the member's proxy in casting the vote of the member in a director's election. The corporation may provide incentives to obtain proxies or to encourage attendance at an annual or special meeting of the members solely for the purpose of establishing a quorum.

(d) The independent election auditor shall receive and

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count the ballots before the annual meeting is adjourned.

(e) For each director's position, the nominee who receives the highest number of votes is elected.

(f) If two or more candidates for a director's position tie for the highest number of votes for that position, those candidates shall draw lots under the direction of the independent election auditor to determine who is elected.

(g) The independent election auditor shall provide the board with a written report of the election results.

(h) The board may adopt rules as needed to implement this section, including rules to ensure the fairness, integrity, and openness of the voting process.

No equivalent provision.

SECTION __. Section 67.007, Water Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) The board shall adopt written procedures for conducting an annual or special meeting of the members or shareholders, which shall include the following:

(1) notification to eligible members or shareholders of the proposed agenda, location, and date of the meeting;

(2) establishment of a quorum consisting of proxies and the votes of members or shareholders present;

(3) nomination and election procedures;

(4) procedures for selecting an independent election auditor required by Section 67.0063;

(5) approval of the proxy and ballot form to be used; and

(6) [~~5~~] validation of eligible voters, proxies, ballots,

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and election results.

(d) An independent election auditor must be selected at each annual meeting for the following annual meeting at which one or more directors are scheduled to be elected. The independent auditor is not required to be an experienced election judge or auditor and may serve as an unpaid volunteer. At the time of selection and while serving in the capacity of an independent election auditor, the independent election auditor may not be associated with the corporation as:

- (1) an employee or independent contractor; or
- (2) a director or candidate for director.

No equivalent provision.

SECTION __. Subchapter A, Chapter 67, Water Code, is amended by adding Section 67.0085 to read as follows:

Sec. 67.0085. AUDIT REQUIREMENTS. Subchapter G, Chapter 49, applies to a corporation with 500 or more members in the same manner that it applies to a district under that chapter. For purposes of applying that subchapter to a corporation:

- (1) "board" means the board of directors of a corporation; and
- (2) "district" means a corporation.

No equivalent provision.

SECTION __. A water supply or sewer service corporation operating under Chapter 67, Water Code, is

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subject to the audit requirements of Section 67.0085, Water Code, as added by this Act, beginning with the first fiscal year of the corporation that begins on or after September 1, 2009.

No equivalent provision.

SECTION __. The board of directors of a water supply or sewer service corporation operating under Chapter 67, Water Code, shall select an independent election auditor at least 30 days before the scheduled date of the 2010 annual meeting of the corporation.

The following row was presented as the filed version of House Bill 4258 relating to the regulation by groundwater conservation districts of the drilling of certain water wells.

No equivalent provision.

SECTION 1.____. Subchapter D, Chapter 36, Water Code, is amended by adding Section 36.1165 to read as follows:

Sec. 36.1165. RESTRICTION ON DRILLING OF WELLS NEAR CERTAIN RIVERS AND THEIR TRIBUTARIES. A person may not drill a well in the portion of the territory of a district that is located within 100 feet of the gradient boundary of the Frio, North Llano, South Llano, Llano, West Nueces, Nueces, or San Saba River, or any tributary of one of those rivers that is

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a perennial stream, unless the well is:
(1) exempt from permitting under Section 36.117(b)(1);
and
(2) drilled, completed, or equipped so that it is incapable
of producing more than:
(A) 10 gallons of groundwater per minute; or
(B) 16 acre-feet of groundwater per year.

SECTION 1.____. The changes in law made by Section 36.1165, Water Code, as added by this Act, apply only to a well for which drilling is commenced on or after the effective date of this Act. A well for which drilling is commenced before the effective date of this Act is subject to the law in effect on the date drilling is commenced, and that law is continued in effect for that purpose.