A BILL TO BE ENTITLED

## AN ACT

relating to the creation of the Pilot Knob Municipal Utility District No. 1; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8 $\qquad$ to read as follows:

CHAPTER 8_. PILOT KNOB MUNICIPAL UTILITY DISTRICT
NO. 1
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8_.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Pilot Knob Municipal Utility

## District No. 1.

Sec. 8_.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8_.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. 8_.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section

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8_. .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. 8_.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. 8_.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act 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 8_.007-8_. 0 . 050 reserved for expansion]
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Sec. 8_.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8_..052, directors serve staggered four-year terms.

Sec. 8_.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 8_.003; or
(2) the fourth anniversary of the effective date of the Act creating this chapter.
(c) If permanent directors have not been elected under Section 8_. .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 8_.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 8_..053-8_. 100 reserved for expansion] SUBCHAPTER C. POWERS AND DUTIES
Sec. 8_101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8_.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. 8_.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 commission as required by Section 54.234, Water code.

Sec. 8_.104. APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 8 ._. 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 project.

Sec. 8_.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. 8_.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 8_.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.
[Sections 8_..107-8_. 150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 8_.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 8_. 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. 8_.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8_..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. 8_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.
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SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS
Sec. 8_.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. 8_.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. 8_.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.

SECTION 2. The Pilot Knob Municipal Utility District No. 1 initially includes all the territory contained in the following area: 339.690 acres of land described below: A DESCRIPTION OF 342.280 ACRES IN THE SANTIAGO DEL VALLE GRANT, THE GUILLERMO NUNEZ SURVEY NO. 502, AND THE BARBARA LOPEZ Y MIRELEZ

SURVEY NO. 503, IN TRAVIS COUNTY, TEXAS, BEING ALL OF A 25. 304 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED JULY 23, 2008 AND RECORDED IN DOCUMENT NO. 2008124712 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 138.540 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED MARCH 2, 2007 AND RECORDED IN DOCUMENT NO. 2007038642 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 20.807 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED JANUARY 3, 2007 AND RECORDED IN DOCUMENT NO. 2007003159 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF AN 81.018 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 12, 2006 AND RECORDED IN DOCUMENT NO. 2006246454 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 103.415 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED NOVEMBER 20, 2006 AND RECORDED IN DOCUMENT NO. 2006224021 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 167.748 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 13, 2006 AND RECORDED IN DOCUMENT NO. 2006241307 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, ALL OF A 152.571 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED NOVEMBER 2, 2006 AND RECORDED IN DOCUMENT NO. 2006214522 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, ALL OF A 59.027 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED MARCH 2, 2007 AND RECORDED IN DOCUMENT NO. 2007038634 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF F.M. 1625 (80' RIGHTーOF-WAY) AND A PORTION OF COLTON BLUFF SPRINGS ROAD (APPARENT RIGHT-OF-WAY WIDTH VARIES); SAID 342.280 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a \(1 / 2^{\prime \prime}\) rebar with Chaparral cap found in the west right-of-way line of U.S. Highway 183 (100' right-of-way) for the northeast corner of said 25.304 acre tract, same being the southeast corner of Lot 14 , South 183 Park, a subdivision recorded in Volume 78, Page 253 of the Plat Records of Travis County, Texas; THENCE with the west right-of-way line of U.S. Highway 183, same being the east line of said 25.304 acre tract and the north terminus of F.M. 1625, with a curve to the left, having a radius of 5779.84 feet, a delta angle of \(6^{\circ} 21^{\prime} 2^{\prime \prime}\), an arc length of 641.35 feet, and a chord which bears South \(5^{\circ} 19^{\prime} 41^{\prime \prime}\) West, a distance of 641.02 feet to a calculated point for the east right-of-way line of \(\mathrm{F} . \mathrm{M}\). 1625;

THENCE with the east right-of-way line of F.M. 1625, the following five (5) courses and distances:
1. South \(85^{\circ} 41^{\prime} 32^{\prime \prime}\) West, a distance of 44.00 feet to a calculated point;
2. South \(30^{\circ} 34^{\prime} 53^{\prime \prime}\) West, a distance of 164.30 feet to a calculated point;
3. South \(27^{\circ} 05^{\prime} 32^{\prime \prime}\) West, a distance of 672.59 feet to a calculated point;
4. South 264'32" West, a distance of 410.38 feet to a calculated point;
5. South 27¹1'23' West, in part with the west terminus of McKenzie Road (60' right-of-way), a distance of 380.85 feet to a 1/2" rebar with Chaparral cap found in the south right-of-way line of McKenzie Road, for the northwest corner of said 59.027 acre tract;

THENCE with the south right-of-way line of McKenzie Road, same being the northeast line of said 59.027 acre tract, the following two (2) courses and distances:
1. South 6204'20" East, a distance of 908.70 feet to a \(1^{\prime \prime}\) iron pipe found;
2. South \(33^{\circ} 59^{\prime} 03^{\prime \prime}\) East, a distance of 171.70 feet to a \(1 / 2^{\prime \prime}\) rebar with Chaparral cap found in the west right-of-way line of U.S. Highway 183, for the northeast corner of said 59.027 acre tract; THENCE South 0410'14" East, with the west right-of-way line of U.S. Highway 183, same being the east line of said 59.027 acre tract, and the east line of said 152.571 acre tract, a distance of 4697.45 feet to a 5/8" rebar found for the southeast corner of said 152.571 acre tract, same being the northeast corner of a 9.87 acre tract described in a deed to Bobby Ray Burklund, et al., recorded in Document No. 1999103744 of the Official Public Records of Travis County, Texas;
 acre tract, same being the northeast line of said 9.87 acre tract, the northeast line of a 19.73 acre tract described in a deed to Erland Burklund, et ux., recorded in Volume 4054, Page 1326 of the Deed Records of Travis County, Texas, the northeast line of a 3.00 acre tract described in a deed to Erland Burklund, et ux., recorded in Volume 3978, Page 1205 of the Deed Records of Travis County, Texas, and the northeast line of a 1.00 acre tract described in a deed to Erland Burklund, et ux., recorded in Volume 2100, Page 268
of the Deed Records of Travis County, Texas, a distance of 3498.94 feet to a \(1 / 2^{\prime \prime}\) rebar with Chaparral cap found in the east right-of-way line of \(F . M\). 1625, for the southwest corner of said 152.571 acre tract, same being the northwest corner of said 1.00 acre tract;

THENCE North 6238'08" West, crossing F.M. 1625, a distance of 80.00 feet to a calculated point in the west right-of-way line of \(F . M\). 1625, same being the east line of said 167.748 acre tract; THENCE North 270 '45" East, with the west right of line of \(F . M\). 1625, same being the east line of said 167.748 acre tract, a distance of 0.13 feet to a calculated point; THENCE crossing said 167.748 acre tract, said 103.415 acre tract, said 81.018 acre tract, Colton Bluff Springs Road, said 20.807 acre tract and said 138.540 acre tract, the following fourteen (14) courses and distances:
1. North 6248'33" West, a distance of 190.11 feet to a calculated point;
2. North \(27^{\circ} 11^{\prime} 27^{\prime \prime}\) East, a distance of 450.00 feet to a calculated point;
3. North \(27^{\circ} 05^{\prime} 07^{\prime \prime}\) East, a distance of 1284.12 feet to a calculated point;
4. North 6255'07" West, a distance of 393.35 feet to a calculated point;
5. North \(27^{\circ} 04^{\prime} 42^{\prime \prime}\) East, a distance of 1090.01 feet to a calculated point;
6. South 625'07" East, a distance of 393.93 feet to a calculated point;
7. North \(27^{\circ} 06^{\prime} 3^{\prime \prime}\) East, a distance of 1006.99 feet to a calculated point;
8. With a curve to the left, having a radius of 800.00 feet, a delta angle of \(04^{\circ} 05^{\prime} 43^{\prime \prime}\), an arc length of 57.18 feet, and a chord which bears North \(19^{\circ} 18^{\prime} 3^{\prime \prime}\) West, a distance of 57.17 feet to a calculated point;
9. North \(21^{\circ} 21^{\prime} 01 "\) West, a distance of 1149.03 feet to a calculated point;
10. With a curve to the right, having a radius of 499.99 feet, a delta angle of \(41^{\circ} 145^{\prime \prime}\), an arc length of 359.95 feet, and a chord which bears North \(00^{\circ} 43^{\prime} 58^{\prime \prime}\) West, a distance of 352.23 feet to a calculated point;
11. North 1953'30" East, a distance of 342.26 feet to a calculated point;
12. With a curve to the right, having a radius of 2002.94 feet, a delta angle of \(22^{\circ} 31^{\prime \prime} 58^{\prime \prime}\), an arc length of 787.70 feet, and a chord which bears North 5850'31" West, a distance of 782.64 feet to a calculated point;
13. North \(47^{\circ} 34^{\prime} 32^{\prime \prime}\) West, a distance of 42.94 feet to a calculated point;
14. North \(27^{\circ} 06^{\prime} 47^{\prime \prime}\) East, a distance of 3.20 feet to a \(1 / 2^{\prime \prime}\) iron pipe found for an interior ell corner in the north line of said 138.540 acre tract, same being the south corner of a 380.080 acre tract described in a deed to Ernest Collins and Floretta Collins, recorded in Volume 12791, Page 11 of the Real Property Records of Travis County, Texas;

THENCE with the northwest line of said 138.540 acre tract, same
    being the southeast line of said 380.080 acre tract, the following
    two (2) courses and distances:
1. North \(27^{\circ} 06^{\prime} 47^{\prime \prime}\) East, a distance of 851.48 feet to a \(3 / 4\) " iron pipe found;
2. North \(29^{\circ} 08^{\prime} 56^{\prime \prime}\) East, a distance of 229.98 feet to a \(1 / 2^{\prime \prime}\) iron pipe found for a north corner of said 138.540 acre tract, same being the west corner of said 25.304 acre tract; THENCE North \(26^{\circ} 45^{\prime} 01^{\prime \prime}\) East, with the northwest line of said 25.304 acre tract, same being the southeast line of said 380.080 acre tract, a distance of 430.74 feet to \(1 / 2\) " rebar found for the north corner of said 25.304 acre tract, same being the west corner of Lot 8, South 183 Park; THENCE South 4800'10" East, with the southwest line of South 183 Park, a distance of 2072.23 feet to POINT OF BEGINNING, containing 342.280 acres of land, more or less.

SAVE AND EXCEPT 2.461 ACRES:
BEING ALL OF A 1 ACRE TRACT DESCRIBED IN A DEED TO TEOFILO DE SANTIAGO, DATED AUGUST 1, 1977 AND RECORDED IN VOLUME 5869, PAGE 1058 OF THE DEED RECORDS OF TRAVIS COUNTY TEXAS, AND ALL OF A 1.10 ACRE TRACT DESCRIBED IN A WARRANTY DEED TO HERIBERTA OJEDA AND GLORIA OJEDA, DATED NOVEMBER 6, 1995 AND RECORDED IN VOLUME 12586, PAGE 40 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS; SAID 2.461 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS: BEGINNING at a 1/2" rebar with Chaparral cap found in the west right-of-way line of F.M. 1625, for the south corner of said 1.10 acre tract, same being the east corner of said 20.807 acre tract;

THENCE North 5308'58" West, with the southwest line of said 1.10 acre tract and said 1 acre tract, same being the northeast line of said 20.807 acre tract, a distance of 440.29 feet to a 1/2" rebar found for the west corner of said 1 acre tract, same being an angle point in the south line of said 138.540 acre tract;

THENCE North \(30^{\circ} 00^{\prime} 3^{\prime \prime}\) East, with the northwest line of said 1 acre tract, same being the south line of said 138.540 acre tract, \(a\) distance of 250.26 feet to a \(1 / 2^{\prime \prime}\) rebar with Chaparral cap found for the north corner of said 1 acre tract, same being an angle point in the south line of said 138.540 acre tract; THENCE South 52ㄴㄱ'09" East, with the northeast line of said 1 acre tract and said 1.10 acre tract, same being the south line of said 138.540 acre tract, a distance of 427.83 feet to a calculated point in the west right-of-way line of F.M. 1625, for the east corner of said 1.10 acre tract;

THENCE South \(27^{\circ} 05^{\prime} 32^{\prime \prime}\) West, with the west right-of-way line of \(\mathrm{F} . \mathrm{M}\). 1625, same being the southeast line of said 1.10 acre tract, a distance of 249.38 feet to the POINT OF BEGINNING, containing 2.461 acres of land, more or less.

SAVE AND EXCEPT 0.129 ACRES:
BEING ALL OF A 0.1291 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO CROWN COMMUNICATION INC., DATED SEPTEMBER 3, 2001 AND RECORDED IN DOCUMENT NUMBER 2001163489 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; SAID 0.129 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS: BEGINNING at a 1/2" rebar with Chaparral cap found for the north corner of said 0.1291 acre tract, same being a northeast corner of said 167.748 acre tract, also being in the southwest line of said 103.415 acre tract;

THENCE South 6241'37" East, with the northeast line of said 0.1291 acre tract, same being the southwest line of said 103.415 acre tract, a distance of 75.00 feet to a calculated point in the west right-of-way line of F.M. 1625, for the east corner of said 0.1291 acre tract;

THENCE South \(27^{\circ} 05^{\prime} 45^{\prime \prime}\) West, with the west right-of-way line of \(\mathrm{F} . \mathrm{M}\). 1625, same being the southeast line of said 0.1291 acre tract, a distance of 75.17 feet to a calculated point for the south corner of said 0.1291 acre tract, same being a northeast corner of said 167.748 acre tract;

THENCE North \(62^{\circ} 41^{\prime} 37^{\prime \prime}\) West, with the southwest line of said 0.1291 acre tract, same being a northeast line of said 167.748 acre tract, a distance of 75.00 feet to a \(1 / 2^{\prime \prime}\) rebar with Chaparral cap found for the west corner of said 0.1291 acre tract, same being an angle point in the northeast line of said 167.748 acre tract;

THENCE North \(27^{\circ} 05^{\prime} 45^{\prime \prime}\) East, with the northwest line of said 0.1291 acre tract, same being the northeast line of said 167.748 acre tract, a distance of 75.17 feet to the POINT OF BEGINNING, containing 0. 129 acres of land, more or less.

SECTION 3. (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,

\section*{Government Code.}
(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.
(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act 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 Act are fulfilled and accomplished.

SECTION 4. Except as provided by Section 4 of this Act:
(1) this Act takes effect immediately if it receives a vote of two-thirds of all members elected to each house, as provided by Section 39, Article III, Texas Constitution; and
(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011.```

