H.B. No. 3530

AN ACT

relating to the nonsubstantive revision of certain local laws concerning water and wastewater special districts, including a conforming amendment.

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

ARTICLE 1. NONSUBSTANTIVE REVISION OF LOCAL LAWS

SECTION 1.01.  LEVEE IMPROVEMENT DISTRICT. Subtitle E, Title 6, Special District Local Laws Code, is amended by adding Chapter 7817 to read as follows:

CHAPTER 7817. DENTON COUNTY LEVEE IMPROVEMENT DISTRICT NO. 1

OF DENTON AND DALLAS COUNTIES, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7817.0101.  DEFINITIONS

Sec. 7817.0102.  NATURE OF DISTRICT

Sec. 7817.0103.  TERRITORY

Sec. 7817.0104.  ANNEXATION OF TERRITORY

Sec. 7817.0105.  APPLICABILITY OF OTHER LAW

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7817.0201.  AUTHORITY TO UNDERTAKE IMPROVEMENT

                   PROJECTS OR SERVICES

Sec. 7817.0202.  COMPACTED FILL AUTHORITY

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 7817.0301.  ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 7817.0302.  AUTHORITY TO IMPOSE SPECIAL

                   ASSESSMENTS FOR CERTAIN IMPROVEMENT

                   PROJECTS OR SERVICES

Sec. 7817.0303.  PETITION REQUIRED FOR FINANCING

                   IMPROVEMENT PROJECTS OR SERVICES

                   THROUGH ASSESSMENTS

Sec. 7817.0304.  IMPACT FEE AND ASSESSMENT EXEMPTIONS

Sec. 7817.0305.  BONDS AND OTHER OBLIGATIONS

CHAPTER 7817. DENTON COUNTY LEVEE IMPROVEMENT DISTRICT NO. 1

OF DENTON AND DALLAS COUNTIES, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7817.0101.  DEFINITIONS. In this chapter:

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

(2)  "District" means the Denton County Levee Improvement District No. 1 of Denton and Dallas Counties, Texas. (Acts 69th Leg., R.S., Ch. 473, Sec. 1.)

Sec. 7817.0102.  NATURE OF DISTRICT. The district is:

(1)  a levee improvement district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and

(2)  a political subdivision of this state. (Acts 69th Leg., R.S., Ch. 473, Sec. 3.)

Sec. 7817.0103.  TERRITORY. The district boundaries form a closure. (Acts 69th Leg., R.S., Ch. 473, Sec. 2 (part).)

Sec. 7817.0104.  ANNEXATION OF TERRITORY. (a) The district may annex any territory the owner of which petitions for annexation by the method prescribed by Section 49.301, Water Code.

(b)  At least 30 days before acting on a petition for annexation, the district shall notify all municipalities within whose boundaries the district or the land described in the petition is located. The notification must:

(1)  be in writing;

(2)  specify the time and place of the meeting to consider the petition;

(3)  invite the municipality to appear at the meeting; and

(4)  include a copy of the petition.

(c)  Notwithstanding any other provision of this chapter, the district may annex only territory with a boundary contiguous to a district boundary. (Acts 69th Leg., R.S., Ch. 473, Sec. 5.)

Sec. 7817.0105.  APPLICABILITY OF OTHER LAW. Chapters 49 and 57, Water Code, apply to the district except to the extent this chapter constitutes a modification of general law. (Acts 69th Leg., R.S., Ch. 473, Sec. 6.)

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7817.0201.  AUTHORITY TO UNDERTAKE IMPROVEMENT PROJECTS OR SERVICES. (a) The board may undertake an improvement project or service that confers a special benefit on all or a definable part of the district.

(b)  As needed to restore, preserve, or enhance the scenic and aesthetic beauty of an area in the district, the district may include in the improvement project or service the acquisition, construction, or financing of:

(1)  a drainage facility;

(2)  a hiking and cycling trail;

(3)  a pedestrian walkway along or across a street, at grade or above or below the surface;

(4)  landscaping; and

(5)  other development. (Acts 69th Leg., R.S., Ch. 473, Secs. 6A(a), (c).)

Sec. 7817.0202.  COMPACTED FILL AUTHORITY. The district may include compacted fill in the district's reclamation plan and may spend money and issue bonds to the full extent otherwise authorized by Chapters 49 and 57, Water Code, for payment of compacted fill. (Acts 69th Leg., R.S., Ch. 473, Sec. 4.)

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 7817.0301.  ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose an assessment for any purpose authorized by this chapter.

(b)  An assessment, including an assessment resulting from an addition to or correction of the assessment roll by the district, a reassessment, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district are:

(1)  a first and prior lien against the property assessed;

(2)  superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3)  the personal liability of and a charge against the property owners even if the owners are not named in the assessment proceedings.

(c)  The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property. (Acts 69th Leg., R.S., Ch. 473, Sec. 6C.)

Sec. 7817.0302.  AUTHORITY TO IMPOSE SPECIAL ASSESSMENTS FOR CERTAIN IMPROVEMENT PROJECTS OR SERVICES. (a) The board may impose a special assessment on property in the district based on the benefit conferred by an improvement project or service under Section 7817.0201 to pay all or part of the cost of the project or service.

(b)  Sections 375.111 through 375.124, Local Government Code, apply to financing an improvement project or service under Section 7817.0201. (Acts 69th Leg., R.S., Ch. 473, Secs. 6A(b), (d).)

Sec. 7817.0303.  PETITION REQUIRED FOR FINANCING IMPROVEMENT PROJECTS OR SERVICES THROUGH ASSESSMENTS. (a) The board may not finance an improvement project or service through an assessment imposed under this chapter unless a written petition requesting that improvement or service has been filed with the board.

(b)  The petition must be signed by:

(1)  the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified appraisal rolls for Denton and Dallas Counties; or

(2)  the owners of a majority of the surface area of real property in the district subject to assessment as determined by the board. (Acts 69th Leg., R.S., Ch. 473, Sec. 6B.)

Sec. 7817.0304.  IMPACT FEE AND ASSESSMENT EXEMPTIONS. The district may not impose an impact fee or assessment on:

(1)  single-family residential property; or

(2)  the property, including the equipment, rights-of-way, facilities, or improvements, of:

(A)  an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(B)  a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(C)  a telecommunications provider as defined by Section 51.002, Utilities Code; or

(D)  a person who provides to the public cable television or advanced telecommunications services. (Acts 69th Leg., R.S., Ch. 473, Secs. 6D, 6F.)

Sec. 7817.0305.  BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b)  In exercising the district's power to borrow, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c)  The district must obtain approval from the City of Lewisville before issuing bonds under this section. (Acts 69th Leg., R.S., Ch. 473, Sec. 6E.)

SECTION 1.02.  MUNICIPAL UTILITY DISTRICT. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7886 to read as follows:

CHAPTER 7886. SEBASTIAN MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7886.0101.  DEFINITIONS

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7886.0201.  QUALIFIED WATER SUPPLY CORPORATION

Sec. 7886.0202.  PETITION TO DISSOLVE DISTRICT

Sec. 7886.0203.  ELECTION RELATING TO DISSOLUTION OF

                   DISTRICT

Sec. 7886.0204.  ELECTION RESULTS

Sec. 7886.0205.  AGREEMENT AND ORDER RELATING TO

                   DISSOLUTION OF DISTRICT

Sec. 7886.0206.  AGREEMENT AND ORDER RELATING TO WATER

                   AND WASTEWATER SERVICE

Sec. 7886.0207.  FILING REQUIREMENT

CHAPTER 7886. SEBASTIAN MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7886.0101.  DEFINITIONS. In this chapter:

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

(2)  "Corporation" means a qualified water supply corporation as described by Section 7886.0201.

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

(4)  "Utility commission" means the Public Utility Commission of Texas. (Acts 75th Leg., R.S., Ch. 516, Sec. 1; New.)

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7886.0201.  QUALIFIED WATER SUPPLY CORPORATION. A corporation is qualified to assume the district's debts, liabilities, and obligations and assume ownership of the district's assets and facilities if the corporation:

(1)  is member-owned, member-controlled, and formed under Chapter 67, Water Code; and

(2)  possesses a valid certificate of public convenience and necessity obtained under Section 13.246, Water Code. (Acts 75th Leg., R.S., Ch. 516, Sec. 7.)

Sec. 7886.0202.  PETITION TO DISSOLVE DISTRICT. (a) A petition may be filed with the board requesting an election in the district to decide if the board must enter into an agreement described by Section 7886.0205(a).

(b)  A petition filed under this section must be printed in English and Spanish and read as follows:

"We, the undersigned, being registered voters in the Sebastian Municipal Utility District, request the board of directors of the Sebastian Municipal Utility District to hold an election to decide if the board must enter into an agreement with a qualified water supply corporation in which the district's debts, liabilities, obligations, assets, and facilities are transferred to the qualified water supply corporation and the district is dissolved." (Acts 75th Leg., R.S., Ch. 516, Sec. 4.)

Sec. 7886.0203.  ELECTION RELATING TO DISSOLUTION OF DISTRICT. (a) The board shall call an election as requested by a petition filed under Section 7886.0202 only if:

(1)  an election has not been held previously under this section; and

(2)  the board determines that the petition is signed by at least 10 percent of the registered voters in the district.

(b)  The board shall make the determination under Subsection (a)(2) not later than the seventh day after the date on which the board receives the petition.

(c)  The board shall hold an election required by Subsection (a) on the first authorized uniform election date after the date the board determines an election is required that allows sufficient time for the board to comply with all applicable provisions of the Election Code.

(d)  The board shall publish notice of the election in a newspaper of general circulation in the district once each week for three weeks before the date the election is scheduled to be held.

(e)  The ballot for an election ordered in response to a petition filed under Section 7886.0202 must be printed in English and Spanish and read as follows:

"By voting YES on this ballot, you are voting in favor of requiring the Sebastian Municipal Utility District to enter into an agreement with a qualified water supply corporation in which the district's debts, liabilities, obligations, assets, and facilities are transferred to the corporation and the district is dissolved. By voting NO on this ballot, you are voting against requiring the Sebastian Municipal Utility District to enter into such an agreement." (Acts 75th Leg., R.S., Ch. 516, Secs. 5(a), (b), (c), (d) (part), (e).)

Sec. 7886.0204.  ELECTION RESULTS. (a) If a majority of the voters vote in favor of the ballot proposition stated in Section 7886.0203(e), the board shall enter into an agreement described by Section 7886.0205(a) if:

(1)  a corporation agrees to the terms specified by Section 7886.0205(a); and

(2)  the utility commission determines that the corporation is capable of rendering adequate and continuous service as required by Section 13.251, Water Code.

(b)  If a majority of the voters vote against the ballot proposition stated in Section 7886.0203(e), the board may not enter into an agreement described by Section 7886.0205(a) before the district conducts the first board election held after the date on which the voters voted against the ballot proposition. (Acts 75th Leg., R.S., Ch. 516, Secs. 5(f), (g).)

Sec. 7886.0205.  AGREEMENT AND ORDER RELATING TO DISSOLUTION OF DISTRICT. (a) A corporation may enter into an agreement with the district to:

(1)  accept assignment of the district's certificate of public convenience and necessity obtained under Section 13.246, Water Code, and any right obtained under the certificate, after the utility commission determines that the corporation is capable of rendering adequate and continuous service as required by Section 13.251, Water Code;

(2)  assume the district's debts, liabilities, and obligations;

(3)  assume ownership of the district's assets and facilities; and

(4)  perform the district's functions and provide all services previously provided by the district.

(b)  If a corporation enters into an agreement described by Subsection (a), the board shall issue an order that dissolves the district.

(c)  The district's dissolution becomes effective on the 30th day after the date the board issues the order dissolving the district.

(d)  On the effective date of the dissolution:

(1)  all of the district's property and other assets are transferred to the corporation;

(2)  all of the district's debts, liabilities, and other obligations are assumed by the corporation; and

(3)  the district's certificate of public convenience and necessity and any right obtained under the certificate is assigned to the corporation in the manner prescribed by Section 13.251, Water Code. (Acts 75th Leg., R.S., Ch. 516, Sec. 2.)

Sec. 7886.0206.  AGREEMENT AND ORDER RELATING TO WATER AND WASTEWATER SERVICE. (a) A corporation may enter into an agreement with the district to:

(1)  assume the district's debts, liabilities, and obligations relating to water and wastewater service;

(2)  assume ownership of the district's assets and facilities relating to water and wastewater service;

(3)  apply to the utility commission to obtain a certificate of public convenience and necessity or an amendment to a certificate under Section 13.244, Water Code, to render water and wastewater service to the area served by the district; and

(4)  perform the district's functions relating to water and wastewater service and provide all services relating to those services previously provided by the district.

(b)  If a corporation enters into an agreement described by Subsection (a) and the utility commission grants to the corporation a certificate of public convenience and necessity as described by Subsection (a)(3), the board shall issue an order transferring the district's debts, liabilities, obligations, assets, and facilities relating to water and wastewater service to the corporation.

(c)  On the 30th day after the date the board issues the order transferring the district's debts, liabilities, obligations, assets, and facilities:

(1)  all of the district's property and other assets relating to water and wastewater service are transferred to the corporation; and

(2)  all of the district's debts, liabilities, and other obligations relating to water and wastewater service are assumed by the corporation. (Acts 75th Leg., R.S., Ch. 516, Sec. 3.)

Sec. 7886.0207.  FILING REQUIREMENT. (a) The board shall file a copy of the agreement described by Section 7886.0205(a) and a copy of the board's order dissolving the district issued under Section 7886.0205(b) not later than the 15th day after the date the board issues the order:

(1)  with the Texas Commission on Environmental Quality;

(2)  with the utility commission; and

(3)  in the deed records of Willacy and Cameron Counties.

(b)  The board shall file a copy of the agreement described by Section 7886.0206(a) and a copy of the board's order transferring the district's obligations and assets issued under Section 7886.0206(b) not later than the 15th day after the date the board issues the order:

(1)  with the Texas Commission on Environmental Quality;

(2)  with the utility commission; and

(3)  in the deed records of Willacy and Cameron Counties. (Acts 75th Leg., R.S., Ch. 516, Sec. 6.)

SECTION 1.03.  RIVER AUTHORITIES. Subtitle G, Title 6, Special District Local Laws Code, is amended by adding Chapters 8510 and 8511 to read as follows:

CHAPTER 8510. RED RIVER AUTHORITY OF TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8510.0101.  DEFINITIONS

Sec. 8510.0102.  NATURE OF AUTHORITY

Sec. 8510.0103.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 8510.0104.  REVIEW SCHEDULE UNDER SUNSET ACT

Sec. 8510.01045. SUNSET REPORT AUDIT

Sec. 8510.0105.  TERRITORY

Sec. 8510.0106.  EFFECT OF OVERLAPPING TERRITORY

Sec. 8510.0107.  APPLICABILITY OF CHAPTER TO CERTAIN

                   COUNTIES

Sec. 8510.0108.  APPLICABILITY OF CHAPTER TO BOWIE

                   COUNTY

Sec. 8510.0109.  LIBERAL CONSTRUCTION OF CHAPTER

SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS

Sec. 8510.0201.  MEMBERSHIP OF BOARD

Sec. 8510.0202.  TERMS

Sec. 8510.0203.  REMOVAL

Sec. 8510.0204.  VACANCY

Sec. 8510.0205.  OATH AND BOND REQUIREMENT FOR

                   DIRECTORS

Sec. 8510.0206.  COMPENSATION OF DIRECTORS

Sec. 8510.0207.  VOTING REQUIREMENT

Sec. 8510.0208.  OFFICERS

Sec. 8510.0209.  DIRECTOR TRAINING PROGRAM

Sec. 8510.0210.  MEETINGS

Sec. 8510.0211.  SEPARATION OF POLICYMAKING AND

                   MANAGEMENT FUNCTIONS

Sec. 8510.0212.  ATTORNEYS, AGENTS, AND EMPLOYEES

Sec. 8510.0213.  GENERAL MANAGER

Sec. 8510.0214.  DIRECTOR'S, OFFICER'S, OR EMPLOYEE'S

                   SURETY BOND

Sec. 8510.0215.  AUTHORITY'S OFFICE

Sec. 8510.0216.  RECORDS

Sec. 8510.0217.  COMPLAINTS

Sec. 8510.0218.  ALTERNATIVE DISPUTE RESOLUTION

                   PROCEDURES

Sec. 8510.0219.  PUBLIC TESTIMONY

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8510.0301.  GENERAL POWERS

Sec. 8510.0302.  POWERS RELATING TO CONSERVATION AND

                   BENEFICIAL USE OF WATER

Sec. 8510.0303.  POWERS REGARDING CANALS, WATERWAYS,

                   AND RELATED FACILITIES

Sec. 8510.0304.  FEDERALLY CONSTRUCTED OR MAINTAINED

                   CANALS, WATERWAYS, AND FACILITIES

Sec. 8510.0305.  POWER TO CONTROL, DEVELOP, STORE, AND

                   USE WATER FOR NAVIGATIONAL USE

Sec. 8510.0306.  POWERS RELATING TO FLOODING

Sec. 8510.0307.  MASTER PLAN FOR DEVELOPMENT OF SOIL

                   AND WATER RESOURCES

Sec. 8510.0308.  POWERS RELATING TO PARKS AND

                   RECREATIONAL FACILITIES

Sec. 8510.0309.  POWERS RELATING TO WASTE FACILITIES;

                   BONDS

Sec. 8510.0310.  ADDITIONAL POWERS OF AUTHORITY AND

                   OTHER PERSONS; BONDS

Sec. 8510.0311.  POWERS RELATING TO CONTRACTS

Sec. 8510.0312.  POWERS RELATING TO WATER DISTRIBUTION

                   PLANTS OR SYSTEMS

Sec. 8510.0313.  CONTRACTS FOR SALE AND DELIVERY OF

                   WATER TO CERTAIN MUNICIPALITIES

Sec. 8510.0314.  ACQUISITION OF PROPERTY BY GIFT,

                   PURCHASE, OR EMINENT DOMAIN

Sec. 8510.0315.  COST OF RELOCATING OR ALTERING

                   PROPERTY

Sec. 8510.0316.  ACQUISITION OR OPERATION OF PROPERTY

Sec. 8510.0317.  LIMITATION ON PURCHASE OF GROUNDWATER

                   RIGHTS

Sec. 8510.0318.  LIMITATION ON POWERS OF AUTHORITY

                   REGARDING GROUNDWATER

Sec. 8510.0319.  LIMITATION ON POWERS AND DUTIES OF

                   AUTHORITY; COMMISSION APPROVAL OF

                   CERTAIN PLANS

Sec. 8510.0320.  LIMITATION ON POWER TO MANUFACTURE AND

                   PRODUCE GASOHOL

Sec. 8510.0321.  SEAL

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8510.0401.  PROCEDURE FOR PAYMENT

Sec. 8510.0402.  RECEIPT OF MONEY

Sec. 8510.0403.  FISCAL YEAR

Sec. 8510.0404.  FILING OF AUDIT REPORT

Sec. 8510.0405.  ASSET MANAGEMENT PLAN

Sec. 8510.0406.  RATES AND CHARGES

Sec. 8510.0407.  CHANGES TO RATES AND CHARGES

Sec. 8510.0408.  NOTICE OF RIGHT TO APPEAL CHANGES TO

                   RATES

Sec. 8510.0409.  DEPOSITORY

Sec. 8510.0410.  TAX NOT AUTHORIZED BY CHAPTER

SUBCHAPTER E. BORROWED MONEY OR GRANTS

Sec. 8510.0501.  POWER TO ISSUE OBLIGATIONS OR WARRANTS

Sec. 8510.0502.  LOANS AND GRANTS

Sec. 8510.0503.  POWER TO SEEK AND ACCEPT CONTRIBUTIONS

Sec. 8510.0504.  POWER TO ISSUE BONDS

Sec. 8510.0505.  FORM OF BONDS

Sec. 8510.0506.  MATURITY

Sec. 8510.0507.  BONDS PAYABLE FROM REVENUE

Sec. 8510.0508.  COMPENSATION RATES

Sec. 8510.0509.  ADDITIONAL SECURITY

Sec. 8510.0510.  USE OF BOND PROCEEDS

Sec. 8510.0511.  APPOINTMENT OF RECEIVER

Sec. 8510.0512.  REFUNDING BONDS

CHAPTER 8510. RED RIVER AUTHORITY OF TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8510.0101.  DEFINITIONS. In this chapter:

(1)  "Authority" means the Red River Authority of Texas.

(2)  "Board" means the authority's board of directors.

(3)  "Commission" means the Texas Commission on Environmental Quality.

(4)  "Director" means a board member. (Acts 56th Leg., R.S., Ch. 279, Sec. 1 (part); New.)

Sec. 8510.0102.  NATURE OF AUTHORITY. The authority is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution. (Acts 56th Leg., R.S., Ch. 279, Sec. 1 (part).)

Sec. 8510.0103.  FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The authority is:

(1)  essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and

(2)  created to serve a public use and benefit.

(b)  All land and other property inside the authority's boundaries will benefit from the authority.

(c)  All of the authority's territory will benefit by the exercise of the powers, rights, privileges, and functions conferred by this chapter.

(d)  This chapter addresses a subject in which this state is interested. (Acts 56th Leg., R.S., Ch. 279, Secs. 2 (part), 30 (part).)

Sec. 8510.0104.  REVIEW SCHEDULE UNDER SUNSET ACT. A review of the authority under Section 325.025, Government Code, shall be conducted as if the authority were a state agency scheduled to be abolished September 1, 2031, and every 12th year after that year. (Acts 56th Leg., R.S., Ch. 279, Sec. 1A(a) (part).)

Sec. 8510.01045.  SUNSET REPORT AUDIT. (a) The state auditor shall conduct an audit of the authority to evaluate whether the authority has addressed the operational challenges identified in the report on the authority by the Sunset Advisory Commission presented to the 86th Legislature.

(b)  The state auditor may not begin the audit required by Subsection (a) before December 1, 2021, and shall prepare and submit a report of the findings of the audit to the chairman and executive director of the Sunset Advisory Commission not later than December 1, 2022.

(c)  The state auditor shall include the auditor's duties under this section in each audit plan under Section 321.013, Government Code, that governs the auditor's duties for the period specified by Subsection (b).

(d)  This section expires January 1, 2023. (Acts 56th Leg., R.S., Ch. 279, Sec. 36.)

Sec. 8510.0105.  TERRITORY. (a) The authority is composed of the territory described by Subsection (b) as that territory may have been modified under:

(1)  Subchapter J, Chapter 49, Water Code;

(2)  Subchapter O, Chapter 51, Water Code;

(3)  Subchapter H, Chapter 62, Water Code; or

(4)  other law.

(b)  The authority is composed of:

(1)  the whole of each county in this state located wholly or partly in the watershed of the Red River and its tributaries in this state whose confluences with the Red River are upstream from the northeast corner of Bowie County, as shown by contour maps on file with the Texas Water Development Board; and

(2)  the whole of Hartley, Hutchinson, Lamar, Lipscomb, and Red River Counties.

(c)  A defect or irregularity in the boundary or an overlap or conflict of the boundary with another authority or district does not affect the authority's validity. (Acts 56th Leg., R.S., Ch. 279, Sec. 2 (part); New.)

Sec. 8510.0106.  EFFECT OF OVERLAPPING TERRITORY. (a) An overlap of the authority's territory with another district's or authority's territory or watershed does not affect the powers, affairs, duties, or functions of another district or authority, including the Canadian River Municipal Water Authority.

(b)  A district or authority of a local nature, peculiar to a defined area, may be created wholly or partly inside the authority.

(c)  The authority shall cooperate in every practical manner with the sponsor of an existing or proposed district or authority described by this section in the prosecution of its proposed improvements. (Acts 56th Leg., R.S., Ch. 279, Sec. 3.)

Sec. 8510.0107.  APPLICABILITY OF CHAPTER TO CERTAIN COUNTIES. Except as provided by Section 8510.0108, this chapter does not apply to Bowie, Cass, Delta, Franklin, Hopkins, Marion, Morris, or Titus County. (Acts 56th Leg., R.S., Ch. 279, Sec. 2 (part).)

Sec. 8510.0108.  APPLICABILITY OF CHAPTER TO BOWIE COUNTY. (a) In this section, "project" means the United States Army Corps of Engineers' Red River Bank Stabilization and Navigation Project, from Index, Arkansas, to Denison Dam.

(b)  Bowie County is included in the authority for the limited purpose of participating in the project. This chapter applies to Bowie County to the extent necessary to accomplish the project.

(c)  Bowie County is liable only for debt incurred by the authority directly in connection with the project. The board may exercise the powers and duties, including the power of eminent domain, under this chapter with relation to Bowie County only to the extent necessary to accomplish the project. (Acts 56th Leg., R.S., Ch. 279, Secs. 2 (part), 14d; New.)

Sec. 8510.0109.  LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effectuate its purposes. (Acts 56th Leg., R.S., Ch. 279, Sec. 30 (part).)

SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS

Sec. 8510.0201.  MEMBERSHIP OF BOARD. (a) The board consists of nine directors appointed by the governor with the advice and consent of the senate.

(b)  Each director must be:

(1)  a freehold property taxpayer and a qualified voter of this state; and

(2)  a resident of the director district that the director is appointed to represent.

(c)  The governor shall appoint three directors to represent each of the following districts:

(1)  director district no. 1 includes Armstrong, Carson, Castro, Collingsworth, Deaf Smith, Donley, Gray, Hemphill, Oldham, Parmer, Potter, Randall, Roberts, and Wheeler Counties;

(2)  director district no. 2 includes Archer, Baylor, Briscoe, Childress, Clay, Cottle, Crosby, Dickens, Floyd, Foard, Hale, Hall, Hardeman, King, Knox, Motley, Swisher, Wichita, and Wilbarger Counties; and

(3)  director district no. 3 includes Bowie, Cooke, Fannin, Grayson, Lamar, Montague, and Red River Counties. (Acts 56th Leg., R.S., Ch. 279, Secs. 4(a) (part), (b), (c), (d), (e).)

Sec. 8510.0202.  TERMS. Directors serve staggered six-year terms. (Acts 56th Leg., R.S., Ch. 279, Sec. 4(f) (part).)

Sec. 8510.0203.  REMOVAL. (a) It is a ground for removal from the board that a director:

(1)  does not have at the time of taking office the qualifications required by Sections 8510.0201 and 8510.0205;

(2)  does not maintain during service on the board the qualifications required by Sections 8510.0201 and 8510.0205;

(3)  is ineligible for directorship under Chapter 171, Local Government Code;

(4)  cannot, because of illness or disability, discharge the director's duties for a substantial part of the director's term; or

(5)  is absent from more than half of the regularly scheduled board meetings that the director is eligible to attend during a calendar year without an excuse approved by a majority vote of the board.

(b)  The validity of a board action is not affected by the fact that it is taken when a ground for removal of a director exists.

(c)  If the general manager has knowledge that a potential ground for removal exists, the general manager shall notify the board president of the potential ground. The president shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the president, the general manager shall notify the next highest ranking director, who shall then notify the governor and the attorney general that a potential ground for removal exists. (Acts 56th Leg., R.S., Ch. 279, Sec. 4a.)

Sec. 8510.0204.  VACANCY. The governor fills a board vacancy for the unexpired part of the term in the manner provided by Section 8510.0201. (Acts 56th Leg., R.S., Ch. 279, Sec. 4(f) (part).)

Sec. 8510.0205.  OATH AND BOND REQUIREMENT FOR DIRECTORS. (a) Not later than the 15th day after the date of appointment, a director shall qualify by:

(1)  taking the constitutional oath of office; and

(2)  filing a good and sufficient bond with the secretary of state and obtaining the secretary of state's approval on the bond.

(b)  The bond must be:

(1)  in the amount of $5,000;

(2)  payable to the authority; and

(3)  conditioned on the faithful performance of duties as a director. (Acts 56th Leg., R.S., Ch. 279, Sec. 4(g).)

Sec. 8510.0206.  COMPENSATION OF DIRECTORS. (a) Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, a director shall receive as a fee of office an amount not to exceed $25 for each day of service necessary to discharge the director's duties if the board authorizes the same.

(b)  Not later than the last day of each month or as soon as practicable after that date, a director shall file with the secretary a verified statement showing the amount due under Subsection (a).

(c)  The authority shall issue a warrant for the amount shown in the verified statement filed under Subsection (b).

(d)  In all areas of conflict with this section, Section 49.060, Water Code, takes precedence. (Acts 56th Leg., R.S., Ch. 279, Secs. 10(a) (part), (b).)

Sec. 8510.0207.  VOTING REQUIREMENT. (a) Except as provided by Subsection (b), a concurrence of a majority of the directors present is sufficient in any matter relating to authority business.

(b)  The concurrence of seven directors is required to award a construction contract or to authorize the issuance of a warrant to pay for a construction contract. (Acts 56th Leg., R.S., Ch. 279, Sec. 5 (part).)

Sec. 8510.0208.  OFFICERS. (a) The governor shall designate a director as the board president to serve as the authority's chief executive officer at the pleasure of the governor.

(b)  The board shall elect one director as vice president, one director as secretary, and one director as treasurer.

(c)  The vice president shall act as president if the president is absent or disabled.

(d)  The secretary shall act as board secretary. The board shall select a secretary pro tem if the secretary is absent or unable to act.

(e)  The authority may appoint officers, prescribe their duties, and set their compensation. (Acts 56th Leg., R.S., Ch. 279, Secs. 5 (part), 7 (part), 22 (part).)

Sec. 8510.0209.  DIRECTOR TRAINING PROGRAM. (a) A person who is appointed to and qualifies for office as a director may not vote, deliberate, or be counted as a director in attendance at a board meeting until the person completes a training program that complies with this section.

(b)  The training program must provide the person with information regarding:

(1)  the law governing the authority's operations;

(2)  the authority's programs, functions, rules, and budget;

(3)  the results of the authority's most recent formal audit;

(4)  the requirements of:

(A)  laws relating to open meetings, public information, administrative procedure, and disclosure of conflicts of interest; and

(B)  other laws applicable to members of the governing body of a river authority in performing their duties; and

(5)  any applicable ethics policies adopted by the authority or the Texas Ethics Commission.

(c)  A person appointed to the board is entitled to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d)  The general manager shall create a training manual that includes the information required by Subsection (b). The general manager shall distribute a copy of the training manual annually to each director. Each director shall sign and submit to the general manager a statement acknowledging that the director has received and reviewed the training manual. (Acts 56th Leg., R.S., Ch. 279, Sec. 4b.)

Sec. 8510.0210.  MEETINGS. (a) The president shall preside at all board meetings.

(b)  At each regular board meeting, the board shall:

(1)  include public testimony as a meeting agenda item; and

(2)  allow the public to comment on all meeting agenda items and other matters under the authority's jurisdiction.

(c)  At a regular board meeting, the board may not deliberate on or decide a matter not included in the meeting agenda, except that the board may discuss including the matter on the agenda for a subsequent meeting.

(d)  The board or a board committee may hold a meeting by telephone conference call, by video conference call, or through communications over the Internet, in accordance with procedures provided by Subchapter F, Chapter 551, Government Code, if the board president or any three board members determine that holding the meeting in that manner is necessary or convenient. (Acts 56th Leg., R.S., Ch. 279, Secs. 7 (part), 7a, 34(b).)

Sec. 8510.0211.  SEPARATION OF POLICYMAKING AND MANAGEMENT FUNCTIONS. The board shall develop and implement policies that clearly separate the board's policymaking responsibilities and the general manager's and staff's management responsibilities. (Acts 56th Leg., R.S., Ch. 279, Sec. 11a.)

Sec. 8510.0212.  ATTORNEYS, AGENTS, AND EMPLOYEES. (a) The authority may appoint attorneys, agents, and employees, prescribe their duties, and set their compensation.

(b)  The board may remove an authority employee.

(c)  The board shall set the term of office and the compensation to be paid to authority employees. (Acts 56th Leg., R.S., Ch. 279, Secs. 11 (part), 22 (part).)

Sec. 8510.0213.  GENERAL MANAGER. (a) The board may employ a general manager.

(b)  The board shall set the term of office and the compensation to be paid to the general manager.

(c)  The board may not employ a director as general manager. (Acts 56th Leg., R.S., Ch. 279, Sec. 11 (part).)

Sec. 8510.0214.  DIRECTOR'S, OFFICER'S, OR EMPLOYEE'S SURETY BOND. (a) A bond required of an authority director, officer, or employee must be executed by a surety company authorized to do business in this state, as surety on the bond.

(b)  The authority shall pay the premium on the bond. (Acts 56th Leg., R.S., Ch. 279, Sec. 12.)

Sec. 8510.0215.  AUTHORITY'S OFFICE. A regular office shall be established and maintained to conduct the authority's business inside the authority's territory at a place determined by the board. (Acts 56th Leg., R.S., Ch. 279, Sec. 8 (part).)

Sec. 8510.0216.  RECORDS. The secretary shall maintain a record of all board proceedings and orders. (Acts 56th Leg., R.S., Ch. 279, Sec. 7 (part).)

Sec. 8510.0217.  COMPLAINTS. (a) The authority shall maintain a system to promptly and efficiently act on complaints filed with the authority.

(b)  The authority shall maintain:

(1)  information about the subject matter of the complaint;

(2)  information about the parties to the complaint;

(3)  a summary of the results of the review or investigation of the complaint; and

(4)  the disposition of the complaint.

(c)  Periodically, the authority shall notify the parties to the complaint of the complaint's status until final disposition.

(d)  The authority shall make information available describing its procedures for complaint investigation and resolution. (Acts 56th Leg., R.S., Ch. 279, Sec. 35.)

Sec. 8510.0218.  ALTERNATIVE DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop a policy to encourage the use of appropriate alternative dispute resolution procedures under Chapter 2009, Government Code, to assist in the resolution of internal and external disputes under the authority's jurisdiction.

(b)  The authority's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c)  The authority shall:

(1)  coordinate the implementation of the policy adopted under Subsection (a);

(2)  provide training as needed to implement the procedures for alternative dispute resolution; and

(3)  collect data concerning the effectiveness of those procedures. (Acts 56th Leg., R.S., Ch. 279, Sec. 33, as added by Acts 86th Leg., R.S., Ch. 23.)

Sec. 8510.0219.  PUBLIC TESTIMONY. The board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the authority's jurisdiction. (Acts 56th Leg., R.S., Ch. 279, Sec. 34(a).)

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8510.0301.  GENERAL POWERS. (a) The authority has:

(1)  the functions, powers, rights, and duties as may permit the authority to accomplish the purposes for which it is created;

(2)  the powers of this state under Section 59, Article XVI, Texas Constitution; and

(3)  all powers, rights, privileges, and functions conferred on navigation districts by general law.

(b)  Except as otherwise provided by this chapter, the authority has the rights, power, and privileges conferred by the general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapter 51, Water Code.

(c)  The authority is governed by Chapters 49, 60, and 62, Water Code, but in all areas of conflict, Chapter 62 takes precedence. (Acts 56th Leg., R.S., Ch. 279, Secs. 14a (part), 19 (part), 31; New.)

Sec. 8510.0302.  POWERS RELATING TO CONSERVATION AND BENEFICIAL USE OF WATER. (a) The authority has the powers of this state under Section 59, Article XVI, Texas Constitution, to effectuate flood control and the conservation and use of the storm, flood, and unappropriated waters of the watershed of the Red River and its tributaries in this state for all beneficial purposes, subject only to:

(1)  the legislature's policy declarations as to water use;

(2)  the commission's continuing supervision and control;

(3)  the provisions of Section 11.024, Water Code, prescribing the priorities of water uses; and

(4)  the water rights acquired by municipalities and other users.

(b)  The authority shall exercise its powers for the greatest practicable measure of the conservation and beneficial use of the storm, flood, and unappropriated waters of the watershed of the Red River and its tributaries in this state in the manner and for the particular purposes specified by this chapter, including the exercise of its powers to provide for:

(1)  the study, correction, and control of both artificial and natural pollution of the Red River and its tributaries;

(2)  the control, conservation, and orderly development of the watershed and water of the Red River and its tributaries in this state through all practical and legal means;

(3)  the preservation of the equitable rights and beneficial use of the waters for the people of the different sections of the authority;

(4)  the storage, control, and conservation of the waters of the Red River and its tributaries in this state and the prevention of the escape of any of those waters without the maximum of public service;

(5)  the prevention of the devastation of lands from recurrent overflows;

(6)  the protection of life and property in the watershed of the Red River and its tributaries from uncontrolled flood waters;

(7)  the conservation of storm, flood, and unappropriated waters of the watershed of the Red River and its tributaries in this state essential for the beneficial uses of the people of that watershed;

(8)  the better encouragement and development of drainage systems and drainage of lands that need drainage for profitable agricultural production;

(9)  the conservation of soil to prevent destructive erosion and the increased threat of flooding incident to that erosion;

(10)  the control of those waters and making them available for use in the development of commercial, industrial, and agricultural enterprises in all sections of the authority; and

(11)  any purpose for which waters when controlled and conserved may be used in the performance of a useful service as authorized by the constitution of this state.

(c)  For purposes of Subsection (b)(1), the authority may:

(1)  adopt rules with regard to the pollution described by that subdivision;

(2)  engage in policing to enforce those rules; and

(3)  provide for penalties for violating those rules consisting of:

(A)  fines not to exceed $1,000;

(B)  confinement in the county jail for a period not to exceed 30 days; or

(C)  both the fine and confinement.

(d)  The general law pertaining to a water control and improvement district, including Chapters 49 and 51, Water Code, applies to Subsection (b)(1).

(e)  The authority may store and conserve to the greatest beneficial use the storm, flood, and unappropriated waters of the Red River in this state or any tributary of that river in the authority to prevent the escape of water without maximum beneficial use inside or outside the authority's boundaries. (Acts 56th Leg., R.S., Ch. 279, Secs. 14 (part), 14a (part); New.)

Sec. 8510.0303.  POWERS REGARDING CANALS, WATERWAYS, AND RELATED FACILITIES. (a) The authority may:

(1)  promote, construct, maintain and operate, or aid and encourage, the construction, maintenance, and operation of navigable canals or waterways and all navigational systems or facilities auxiliary to navigable canals or waterways using the natural bed and banks of the Red River, where practicable, and then traversing a route the authority may find to be more feasible and practicable to connect the Red River in this state with any new navigation canals to be constructed in the lower reaches of the Red River or to connect the Red River with the Gulf Intracoastal Waterway;

(2)  construct a system of artificial waterways and canals, together with all locks and other works, structures, and artificial facilities as may be necessary and convenient for the construction, maintenance, and operation of:

(A)  navigation canals or waterways; and

(B)  all navigational systems and facilities auxiliary to navigation canals or waterways; and

(3)  acquire, improve, extend, take over, construct, maintain, repair, operate, develop, and regulate ports, levees, wharves, docks, locks, warehouses, grain elevators, dumping facilities, belt railways, lands, and all other facilities or aids to navigation or aids necessary to the operation or development of ports or waterways in the Red River basin in this state.

(b)  A power described by Subsection (a)(3) applies with respect to a facility or aid described by that subdivision only if the facility or aid is in a county located inside the authority. (Acts 56th Leg., R.S., Ch. 279, Sec. 14a (part).)

Sec. 8510.0304.  FEDERALLY CONSTRUCTED OR MAINTAINED CANALS, WATERWAYS, AND FACILITIES. If the construction or maintenance and operation of navigable canals or waterways and all navigational systems or facilities auxiliary to navigable canals or waterways on the Red River in this state is taken over or performed by the federal government or an agency of the federal government, then the authority may:

(1)  enter into contracts that may be required by the federal government, including assignments and transfers of property, property rights, easements, and privileges; and

(2)  take any other action required by the federal government or an agency of the federal government. (Acts 56th Leg., R.S., Ch. 279, Sec. 14a (part).)

Sec. 8510.0305.  POWER TO CONTROL, DEVELOP, STORE, AND USE WATER FOR NAVIGATIONAL USE. (a) The authority may control, develop, store, and use the natural flow and floodwaters of the Red River and its tributaries for the purpose of operating and maintaining:

(1)  navigable canals or waterways; and

(2)  navigational systems or facilities auxiliary to navigable canals or waterways.

(b)  The navigational use of water authorized by Subsection (a) is subordinate and incidental to consumptive use of water. (Acts 56th Leg., R.S., Ch. 279, Sec. 14a (part).)

Sec. 8510.0306.  POWERS RELATING TO FLOODING. The authority may effectuate channel rectification or alignment and the construction, maintenance, and operation of bank stabilization facilities to:

(1)  prevent and aid in preventing devastation of lands from recurrent overflows; and

(2)  protect life and property in the watershed of the Red River in this state or any tributaries of that river in the authority from uncontrolled floodwaters. (Acts 56th Leg., R.S., Ch. 279, Sec. 14a (part).)

Sec. 8510.0307.  MASTER PLAN FOR DEVELOPMENT OF SOIL AND WATER RESOURCES. (a) The authority shall prepare a master plan for the maximum development of the soil and water resources of the Red River watershed inside the authority.

(b)  The master plan must include plans for the complete use of the water resources of the watershed for all economically beneficial purposes.

(c)  A soil and water conservation district in the Red River watershed shall prepare the portion of the master plan and amendments to the plan relating to soil conservation, upstream flood prevention, and watershed protection works in aid of soil conservation and upstream flood prevention, subject to the approval of the State Soil and Water Conservation Board.

(d)  The master plan must be filed with and approved by the commission. (Acts 56th Leg., R.S., Ch. 279, Sec. 14(k).)

Sec. 8510.0308.  POWERS RELATING TO PARKS AND RECREATIONAL FACILITIES. (a) The authority may acquire:

(1)  additional land adjacent to a permanent improvement constructed inside the authority for the purpose of developing public parks and recreational facilities; and

(2)  necessary right-of-way for public ingress and egress to an area described by Subdivision (1).

(b)  The authority may provide recreational facilities and services and may enter into a contract or agreement with any person for the construction, operation, or maintenance of a park or recreational facility.

(c)  The authority may perform a function necessary to qualify for a state or federal recreational grant or loan.

(d)  The legislature intends that the authority coordinate the development of any public parks or recreational facilities with the Parks and Wildlife Department for conformity with the land and water resources conservation and recreation plan. (Acts 56th Leg., R.S., Ch. 279, Sec. 14a (part).)

Sec. 8510.0309.  POWERS RELATING TO WASTE FACILITIES; BONDS. (a) As a necessary aid to the conservation, control, preservation, and distribution of the water of the Red River and its tributaries for beneficial use, the authority may:

(1)  purchase, construct, improve, repair, operate, and maintain works and facilities necessary for the collection, transportation, treatment, and disposal of sewage and industrial waste and effluent; and

(2)  issue bonds for a purpose described by Subdivision (1).

(b)  The authority may contract with:

(1)  a municipality or other entity to collect, transport, treat, and dispose of sewage from the municipality or entity; and

(2)  a municipality for the use of collection, transportation, treatment, or disposal facilities owned by the municipality or by the authority.

(c)  A bond issued under this section must be:

(1)  payable from revenue under a contract described by this section or from other authority income; and

(2)  in the form and issued in the manner prescribed by law for other revenue bonds and as provided by Sections 8510.0504, 8510.0505, 8510.0506, 8510.0507, 8510.0508, 8510.0509, 8510.0510, 8510.0511, and 8510.0512. (Acts 56th Leg., R.S., Ch. 279, Sec. 14a (part).)

Sec. 8510.0310.  ADDITIONAL POWERS OF AUTHORITY AND OTHER PERSONS; BONDS. (a) In this section, "public agency" means an authority, district, municipality, other political subdivision, joint board, or other public agency created and operating under the laws of this state.

(b)  The authority and a person may:

(1)  contract, on terms to which the parties may agree, with respect to an authority power, function, or duty; and

(2)  execute appropriate documents and instruments in connection with a contract described by Subdivision (1).

(c)  The authority may issue bonds in the manner provided by Sections 8510.0504, 8510.0505, 8510.0506, 8510.0507, 8510.0508, 8510.0510, and 8510.0511 with respect to its powers, including the powers granted by this section, for the purpose of providing money:

(1)  to enable the authority to pay for the costs of engineering design and studies, surveys, title research, appraisals, options on property, and other related matters and activities in connection with planning and implementing various proposed projects or improvements; and

(2)  to operate and maintain a facility.

(d)  Notwithstanding any other provision of this chapter, the authority may undertake and carry out any activities, enter into loan agreements, leases, or installment sales agreements, and acquire, construct, own, operate, maintain, repair, improve, or extend and loan, lease, sell, or otherwise dispose of, on terms including rentals, sale price, or installment sale payments as the parties may agree, at any place or location inside the authority's boundaries, any and all money or bond proceeds, works, improvements, facilities, plants, buildings, structures, equipment, and appliances, and all property or any property interest, that is incident, helpful, or necessary.

(e)  The authority may exercise the powers provided by Subsection (d) to:

(1)  provide for the control, storage, preservation, transmission, treatment, distribution, and use of water, including storm water, floodwater, and the water of rivers and streams, for irrigation, electric energy, flood control, municipal, domestic, industrial, agricultural, and commercial uses and purposes and for all other beneficial purposes;

(2)  supply water for municipal, domestic, electric energy, industrial, irrigation, oil flooding, mining, agricultural, and commercial uses and purposes and for all other beneficial uses and purposes;

(3)  generate, produce, distribute, and sell electric energy; and

(4)  facilitate the carrying out of an authority power, duty, or function.

(f)  The purposes stated by Subsection (e) are for the conservation and development of the natural resources of this state within the meaning of Section 59, Article XVI, Texas Constitution.

(g)  A public agency may:

(1)  impose a fee, rate, charge, rental, or other amount, including a water charge, a sewage charge, a solid waste disposal system fee and a charge including garbage collection or handling fee, or another charge or fee, for a service or facility provided by a utility operated by the public agency, or provided pursuant to or in connection with a contract with the authority;

(2)  impose an amount described by Subdivision (1) on inhabitants, users, or beneficiaries of the utility, service, or facility described by that subdivision; and

(3)  use or pledge an amount described by Subdivision (1) to make a payment to the authority required under the contract and may pledge that amount in an amount sufficient to make all or any part of the payment to the authority when due.

(h)  If a public agency and the authority agree in a contract, the payment made by the public agency to the authority under the contract is an expense of operation of a facility or utility operated by the public agency.

(i)  This section does not compel a person or public agency to secure water, sewer service, or another service from the authority, except under a voluntarily executed contract. (Acts 56th Leg., R.S., Ch. 279, Secs. 14b(a)(part), (b), (d), (e), (f), (g), (h)(part), (j).)

Sec. 8510.0311.  POWERS RELATING TO CONTRACTS. (a) The authority may execute any contract and enter into any agreement necessary to accomplish the purpose for which it was created, including a contract with a municipality, corporation, or district, the United States, this state or an agency of this state, or the state of Oklahoma, Arkansas, or Louisiana, the confines of which are contiguous or adjacent to the Red River.

(b)  The authority may enter into a contract or execute an instrument necessary or convenient to the exercise of the authority's powers, rights, privileges, and functions granted by this chapter and general law pertaining to a water control and improvement district. (Acts 56th Leg., R.S., Ch. 279, Secs. 16, 22 (part).)

Sec. 8510.0312.  POWERS RELATING TO WATER DISTRIBUTION PLANTS OR SYSTEMS. (a) The authority may contract with a municipality located inside its boundaries for the purchase, lease, use, management, control, or operation of a water distribution plant or system owned by the municipality in accordance with the terms mutually agreed on by the governing bodies of the authority and the municipality.

(b)  The authority may acquire by a contract described by Subsection (a) rights in surface water or groundwater belonging to the municipality.

(c)  The authority may use water rights acquired from a municipality under Subsection (b) only for:

(1)  a purpose for which the municipality would be authorized to use them; and

(2)  the purposes of the municipality's water distribution plant or system. (Acts 56th Leg., R.S., Ch. 279, Sec. 16a.)

Sec. 8510.0313.  CONTRACTS FOR SALE AND DELIVERY OF WATER TO CERTAIN MUNICIPALITIES. The authority may enter into a contract necessary to provide for the sale and delivery of water to the City of Eldorado, Oklahoma. (Acts 56th Leg., R.S., Ch. 279, Sec. 16A.)

Sec. 8510.0314.  ACQUISITION OF PROPERTY BY GIFT, PURCHASE, OR EMINENT DOMAIN. (a) In this section, "property" means property of any kind, including a lighter, tug, barge, or other floating equipment of any nature.

(b)  The authority may acquire by gift or purchase property or a property interest located inside or outside the authority's boundaries necessary to the exercise of the powers, rights, privileges, and functions conferred on the authority by this chapter and by the exercise of the power of eminent domain in the manner provided by Subsection (c), provided that the authority is not required to give bond for appeal or bond for costs in a judicial proceeding.

(c)  The authority may exercise the power of eminent domain in the manner provided by the general law applicable to a water control and improvement district.

(d)  The authority may not exercise the power of eminent domain outside the authority's boundaries.

(e)  The authority's authority under this section to exercise the power of eminent domain expired on September 1, 2013, unless the authority submitted a letter to the comptroller in accordance with Section 2206.101(b), Government Code, not later than December 31, 2012. (Acts 56th Leg., R.S., Ch. 279, Secs. 14a (part), 18 (part), 19 (part); New.)

Sec. 8510.0315.  COST OF RELOCATING OR ALTERING PROPERTY. If the authority's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the authority's sole expense. (Acts 56th Leg., R.S., Ch. 279, Sec. 18 (part).)

Sec. 8510.0316.  ACQUISITION OR OPERATION OF PROPERTY. (a) In this section, "property" includes:

(1)  rights, including surface water rights and groundwater rights; and

(2)  land, tenements, easements, rights-of-way, improvements, reservoirs, dams, canals, laterals, plants, works, and facilities.

(b)  The authority may investigate, plan, acquire, construct, maintain, or operate any property the authority considers necessary or proper to accomplish the purposes for which the authority is created.

(c)  The power described by Subsection (b) includes the power to acquire, inside or outside the authority, property and all other rights that are incidental or helpful to carrying out the purposes for which the authority is created.

(d)  The authority may purchase groundwater rights only as provided by Section 8510.0317.

(e)  Notwithstanding the other provisions of this section, the authority may engage in the generation or distribution of electric energy only as provided by Section 8510.0310. (Acts 56th Leg., R.S., Ch. 279, Sec. 19 (part); New.)

Sec. 8510.0317.  LIMITATION ON PURCHASE OF GROUNDWATER RIGHTS. The authority may purchase groundwater rights in a county inside the authority's territory only if:

(1)  there is a groundwater conservation district that has jurisdiction over water wells located in the county; or

(2)  in a county that is not in the jurisdiction of a groundwater conservation district, the commissioners court of the county approves the purchase of groundwater rights by the authority in the county. (Acts 56th Leg., R.S., Ch. 279, Sec. 19a.)

Sec. 8510.0318.  LIMITATION ON POWERS OF AUTHORITY REGARDING GROUNDWATER. This chapter does not authorize the authority to:

(1)  acquire or regulate groundwater or groundwater rights by the exercise of the power of eminent domain; or

(2)  regulate the use of groundwater resources. (Acts 56th Leg., R.S., Ch. 279, Sec. 25.)

Sec. 8510.0319.  LIMITATION ON POWERS AND DUTIES OF AUTHORITY; COMMISSION APPROVAL OF CERTAIN PLANS. (a) The authority's powers and duties under this chapter are subject to all legislative declarations of public policy in the maximum use of the waters of the authority's watersheds for the purposes for which the authority was created.

(b)  The commission shall consider the adequacy and feasibility of, and approve or refuse to approve, each flood control or conservation plan that is devised to achieve a purpose for which the authority was created. (Acts 56th Leg., R.S., Ch. 279, Sec. 15 (part).)

Sec. 8510.0320.  LIMITATION ON POWER TO MANUFACTURE AND PRODUCE GASOHOL. The authority may manufacture and produce gasohol only:

(1)  to operate the authority's equipment in an emergency as determined by the authority's general manager; and

(2)  on obtaining any necessary authorization required by law. (Acts 56th Leg., R.S., Ch. 279, Sec. 14c(a).)

Sec. 8510.0321.  SEAL. The authority may use a corporate seal. (Acts 56th Leg., R.S., Ch. 279, Sec. 22 (part).)

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8510.0401.  PROCEDURE FOR PAYMENT. A warrant for the payment of money by the authority may be drawn and signed by two authority officers or employees, as designated by a standing order entered in the authority's minutes, if the account has been contracted and ordered paid by the board. (Acts 56th Leg., R.S., Ch. 279, Sec. 5 (part).)

Sec. 8510.0402.  RECEIPT OF MONEY. The treasurer shall receive and give a receipt for all money received and spent by the authority. (Acts 56th Leg., R.S., Ch. 279, Sec. 7 (part).)

Sec. 8510.0403.  FISCAL YEAR. The authority's fiscal year ends September 30 of each year. (Acts 56th Leg., R.S., Ch. 279, Sec. 9 (part).)

Sec. 8510.0404.  FILING OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be filed:

(1)  as required by Section 49.194, Water Code; and

(2)  in the office of the auditor. (Acts 56th Leg., R.S., Ch. 279, Sec. 9 (part); New.)

Sec. 8510.0405.  ASSET MANAGEMENT PLAN. (a) In this section, "system" means a system for the:

(1)  provision of water to the public for human consumption; or

(2)  collection and treatment of wastewater.

(b)  The authority shall adopt an asset management plan by:

(1)  preparing an asset inventory that identifies the assets of each system and the condition of the assets;

(2)  developing criteria to prioritize assets for repair or replacement, including:

(A)  the date by which the asset will need to be repaired or replaced;

(B)  the importance of the asset in providing safe drinking water and complying with regulatory standards;

(C)  the importance of the asset to the effective operation of the system; and

(D)  other criteria as determined by the authority;

(3)  estimating asset repair and replacement costs;

(4)  identifying and evaluating potential financing options; and

(5)  prioritizing systems that are not in compliance with federal or state regulatory standards, including water quality standards.

(c)  The authority shall review and revise the plan as necessary to account for regulatory changes and other developments.

(d)  The board shall approve the plan annually as part of its budgeting process. (Acts 56th Leg., R.S., Ch. 279, Sec. 14e.)

Sec. 8510.0406.  RATES AND CHARGES. (a) The authority shall impose rates and other charges for the sale or use of water or for services sold, provided, or supplied by the authority.

(b)  The rates and other charges must be reasonable and nondiscriminatory but sufficient to provide revenue adequate to:

(1)  pay the authority's expenses in carrying out the functions for which it is created; and

(2)  fulfill the terms of any agreements made with the holders of any of the authority's obligations. (Acts 56th Leg., R.S., Ch. 279, Sec. 20 (part).)

Sec. 8510.0407.  CHANGES TO RATES AND CHARGES. (a) In this section, "affected person" has the meaning assigned by Section 13.002, Water Code.

(b)  The board shall establish a process to ensure that, before the authority makes a significant change to a rate or charge for the sale and use of water, affected persons are provided:

(1)  notice of the proposed change; and

(2)  an opportunity to provide to the board comments regarding the proposed change.

(c)  The process established under Subsection (b) must include:

(1)  the provision of notice of a proposed change:

(A)  on the authority's website; and

(B)  in an affected person's utility bills; and

(2)  appropriate informational meetings or rate hearings that provide affected persons the opportunity to provide public comments about the proposed change to be held:

(A)  before sending a statement of intent required under Chapter 13, Water Code;

(B)  in locations as necessary to enable affected persons to attend; and

(C)  after the provision of notice under Subdivision (1).

(d)  The board by rule shall establish a percentage change in a rate or charge such that a change greater than or equal to that percentage is considered significant for purposes of Subsection (b). (Acts 56th Leg., R.S., Ch. 279, Sec. 20a (part).)

Sec. 8510.0408.  NOTICE OF RIGHT TO APPEAL CHANGES TO RATES. (a) In this section, "affected person" has the meaning assigned by Section 13.002, Water Code.

(b)  The authority shall notify affected persons of their right to appeal changes to rates:

(1)  in notices related to changes to rates;

(2)  in utility bills sent before the deadline for initiating an appeal under Chapter 13, Water Code; and

(3)  on the authority's website.

(c)  The notice required by Subsection (b) must include descriptions of:

(1)  the appeals process;

(2)  the requirements for an appeal, including the number of signatures needed on a petition; and

(3)  the methods available for obtaining additional information related to rates. (Acts 56th Leg., R.S., Ch. 279, Secs. 20a (part), 20b.)

Sec. 8510.0409.  DEPOSITORY. (a) The board shall designate one or more banks in the authority to serve as depository for the authority's money.

(b)  Authority money shall be deposited in a depository, except that:

(1)  money pledged to pay bonds may be deposited with the trustee bank named in the trust agreement; and

(2)  money shall be remitted to the bank of payment for the payment of the principal of and interest on bonds. (Acts 56th Leg., R.S., Ch. 279, Sec. 23 (part).)

Sec. 8510.0410.  TAX NOT AUTHORIZED BY CHAPTER. This chapter does not authorize the authority to impose any form of tax inside the authority. (Acts 56th Leg., R.S., Ch. 279, Sec. 24.)

SUBCHAPTER E. BORROWED MONEY OR GRANTS

Sec. 8510.0501.  POWER TO ISSUE OBLIGATIONS OR WARRANTS. The authority may issue obligations or warrants to obtain money. (Acts 56th Leg., R.S., Ch. 279, Sec. 21 (part).)

Sec. 8510.0502.  LOANS AND GRANTS. The authority may:

(1)  borrow money for its corporate purposes; and

(2)  borrow money or accept a grant from the United States, this state, or any other source, and in connection with the loan or grant, enter into any agreement or assume any obligation as may be required. (Acts 56th Leg., R.S., Ch. 279, Sec. 22 (part).)

Sec. 8510.0503.  POWER TO SEEK AND ACCEPT CONTRIBUTIONS. (a) The authority may seek and accept from any source a contribution to an authority fund for the purpose of funding:

(1)  necessary studies;

(2)  engineering and other services; and

(3)  the collection and computation of data respecting regional and general conditions that influence the character and extent of the improvements necessary to effect the authority's purposes to the greatest public advantage.

(b)  A grant or gratuity shall be strictly accounted for and is subject to the same rules and orders applicable to other money the authority handles or disburses. (Acts 56th Leg., R.S., Ch. 279, Sec. 17.)

Sec. 8510.0504.  POWER TO ISSUE BONDS. (a) The authority may issue bonds as authorized by this chapter for the purpose of providing money for any purpose authorized by this chapter.

(b)  The authority, without an election, may issue bonds payable from the authority's revenue pledged by board resolution.

(c)  The bonds must be authorized by a board resolution. (Acts 56th Leg., R.S., Ch. 279, Secs. 26(a), (b) (part).)

Sec. 8510.0505.  FORM OF BONDS. Authority bonds must be:

(1)  issued in the authority's name;

(2)  signed by the president or vice president; and

(3)  attested by the secretary. (Acts 56th Leg., R.S., Ch. 279, Sec. 26(b) (part).)

Sec. 8510.0506.  MATURITY. Authority bonds must mature not later than 50 years after the date of their issuance. (Acts 56th Leg., R.S., Ch. 279, Sec. 26(b) (part).)

Sec. 8510.0507.  BONDS PAYABLE FROM REVENUE. (a) In this section, "net revenue" means the authority's gross revenue less the amount necessary to pay the cost of maintaining and operating the authority and the authority's property.

(b)  Authority bonds may be secured by a pledge of:

(1)  all or part of the authority's net revenue;

(2)  the net revenue of a contract entered into at any time; or

(3)  other revenue specified by board resolution.

(c)  The pledge may reserve the right to issue additional bonds on a parity with or subordinate to the bonds being issued, subject to conditions specified by the pledge. (Acts 56th Leg., R.S., Ch. 279, Sec. 26(d).)

Sec. 8510.0508.  COMPENSATION RATES. (a) The board shall set and revise the rates of compensation for:

(1)  water the authority sells; and

(2)  services the authority renders.

(b)  The rates of compensation must be sufficient to:

(1)  pay the expense of operating and maintaining the authority's facilities;

(2)  pay the bonds as they mature and the interest as it accrues; and

(3)  maintain the reserve and other funds as provided in the resolution authorizing the bonds. (Acts 56th Leg., R.S., Ch. 279, Sec. 26(e).)

Sec. 8510.0509.  ADDITIONAL SECURITY. (a) Authority bonds, including refunding bonds, may be additionally secured by a deed of trust lien on the authority's physical property and all franchises, easements, water rights and appropriation permits, leases, and contracts, and all rights related to the property, vesting in the trustee power to:

(1)  sell the property for payment of the debt;

(2)  operate the property; and

(3)  take other action to further secure the bonds.

(b)  The deed of trust may:

(1)  contain any provision the board prescribes to secure the bonds and preserve the trust estate;

(2)  provide for amendment or modification of the deed of trust; and

(3)  provide for the issuance of bonds to replace lost or mutilated bonds.

(c)  A purchaser under a sale under the deed of trust is the owner of the dam and other property and facilities purchased and is entitled to maintain and operate the property and facilities, if the authority forfeits or defaults. (Acts 56th Leg., R.S., Ch. 279, Sec. 28.)

Sec. 8510.0510.  USE OF BOND PROCEEDS. (a) The authority may set aside an amount of proceeds from the sale of authority bonds for the payment of interest expected to accrue during construction and a reserve interest and sinking fund. The resolution authorizing the bonds may provide for setting aside and using the proceeds as provided by this subsection.

(b)  The authority may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the authority's purposes. (Acts 56th Leg., R.S., Ch. 279, Sec. 26(f).)

Sec. 8510.0511.  APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on authority bonds, a court may appoint a receiver for the authority on petition of the holders of 25 percent of the outstanding bonds of the issue in default or threatened with default.

(b)  The receiver may collect and receive all authority income, employ and discharge authority agents and employees, take charge of money on hand, and manage the authority's proprietary affairs without the board's consent or hindrance.

(c)  The receiver may be authorized to sell or contract for the sale of water or to renew those 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 bondholders. (Acts 56th Leg., R.S., Ch. 279, Sec. 26(g).)

Sec. 8510.0512.  REFUNDING BONDS. (a) The authority may issue refunding bonds to refund outstanding authority bonds and interest on those bonds.

(b)  Refunding bonds may:

(1)  be issued to refund bonds of more than one series;

(2)  combine the pledges for the outstanding bonds for the security of the refunding bonds; or

(3)  be secured by a pledge of other or additional revenue.

(c)  The provisions of this subchapter regarding the issuance of other bonds and the remedies of the holders apply to refunding bonds.

(d)  The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e)  Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the authority, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the concurrent surrender and cancellation of the bonds to be refunded. (Acts 56th Leg., R.S., Ch. 279, Sec. 27.)

CHAPTER 8511. NUECES RIVER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8511.0101.  DEFINITIONS

Sec. 8511.0102.  NATURE OF AUTHORITY

Sec. 8511.0103.  PURPOSE OF CHAPTER

Sec. 8511.0104.  REVIEW SCHEDULE UNDER SUNSET ACT

Sec. 8511.0105.  TERRITORY

Sec. 8511.0106.  LIBERAL CONSTRUCTION OF CHAPTER

SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS

Sec. 8511.0201.  MEMBERSHIP OF BOARD

Sec. 8511.0202.  TERMS

Sec. 8511.0203.  REMOVAL

Sec. 8511.0204.  VACANCY

Sec. 8511.0205.  BYLAWS

Sec. 8511.0206.  BOND REQUIREMENT FOR DIRECTORS

Sec. 8511.0207.  COMPENSATION OF DIRECTORS

Sec. 8511.0208.  OFFICERS

Sec. 8511.0209.  COMMITTEES

Sec. 8511.0210.  EXECUTIVE DIRECTOR

Sec. 8511.0211.  DIRECTOR TRAINING PROGRAM

Sec. 8511.0212.  INTEREST IN CONTRACT

Sec. 8511.0213.  SEPARATION OF POLICYMAKING AND

                   MANAGEMENT FUNCTIONS

Sec. 8511.0214.  PUBLIC TESTIMONY

Sec. 8511.0215.  DIRECTORS' AND EMPLOYEES' FIDELITY

                   BONDS

Sec. 8511.0216.  AUTHORITY'S OFFICE

Sec. 8511.0217.  COMPLAINTS

Sec. 8511.0218.  ALTERNATIVE DISPUTE RESOLUTION

                   PROCEDURES

Sec. 8511.0219.  FIVE-YEAR STRATEGIC PLAN

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8511.0301.  GENERAL POWERS AND DUTIES

Sec. 8511.0302.  CONTROL AND USE OF WATERS

Sec. 8511.0303.  USE OF BED AND BANKS OF NUECES RIVER

                   AND ITS TRIBUTARIES

Sec. 8511.0304.  MASTER PLAN

Sec. 8511.0305.  WATER CONSERVATION PROGRAM

Sec. 8511.0306.  FORESTATION AND REFORESTATION

Sec. 8511.0307.  GROUNDWATER

Sec. 8511.0308.  WATER QUALITY CONTROL

Sec. 8511.0309.  SOLID WASTE SERVICES

Sec. 8511.0310.  APPLICABILITY OF CERTAIN ENVIRONMENTAL

                   LAWS

Sec. 8511.0311.  PARKS AND RECREATIONAL FACILITIES

Sec. 8511.0312.  PERMITS AND LICENSES

Sec. 8511.0313.  SERVICE CONTRACTS AND CHARGES

Sec. 8511.0314.  USE OF REVENUE AND PROPERTY

Sec. 8511.0315.  ACQUISITION, MAINTENANCE, AND

                   OPERATION OF PROPERTY

Sec. 8511.0316.  ACQUISITION, CONSTRUCTION,

                   MAINTENANCE, AND OPERATION OF

                   FACILITIES

Sec. 8511.0317.  EMINENT DOMAIN

Sec. 8511.0318.  COST OF RELOCATING OR ALTERING

                   PROPERTY

Sec. 8511.0319.  DISPOSITION OF PROPERTY

Sec. 8511.0320.  GENERAL CONTRACT POWERS

Sec. 8511.0321.  AWARD OF CERTAIN CONTRACTS

Sec. 8511.0322.  CONSTRUCTION CONTRACTS: PAYMENT

Sec. 8511.0323.  CONFLICT OF INTEREST IN CERTAIN

                   CONTRACTS

Sec. 8511.0324.  SURVEYS AND ENGINEERING INVESTIGATIONS

Sec. 8511.0325.  PLANS

Sec. 8511.0326.  ACCESS TO AUTHORITY PROPERTY

Sec. 8511.0327.  LIMITATIONS ON POWERS AND DUTIES;

                   COMMISSION APPROVAL OF CERTAIN PLANS

SUBCHAPTER D. REGULATORY POWERS; ENFORCEMENT AND COURT REVIEW PROVISIONS

Sec. 8511.0401.  ADOPTION AND ENFORCEMENT OF RULES

Sec. 8511.0402.  CIVIL PENALTY; INJUNCTIVE RELIEF

Sec. 8511.0403.  COURT REVIEW

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8511.0501.  DISBURSEMENT OF MONEY

Sec. 8511.0502.  ACCOUNTS, CONTRACTS, AND OTHER

                   RECORDS; PUBLIC INSPECTION

Sec. 8511.0503.  FEES AND CHARGES

Sec. 8511.0504.  TRUST MONEY

Sec. 8511.0505.  DEPOSITORY

Sec. 8511.0506.  INVESTMENT OF AUTHORITY MONEY;

                   APPLICATION OF INCOME FROM

                   INVESTMENTS

Sec. 8511.0507.  FISCAL YEAR

Sec. 8511.0508.  AUDIT

SUBCHAPTER F. TAX PROVISIONS

Sec. 8511.0601.  MAINTENANCE AND ADMINISTRATION TAX

Sec. 8511.0602.  ELECTION FOR AD VALOREM TAX OR BONDS

                   PAYABLE FROM AD VALOREM TAXES

Sec. 8511.0603.  ASSESSMENT AND COLLECTION OF TAXES

Sec. 8511.0604.  MAXIMUM TAX RATE

Sec. 8511.0605.  POWERS RELATING TO IMPROVEMENTS

                   PECULIAR TO DEFINED AREA

SUBCHAPTER G. BONDS, BORROWED MONEY, AND GRANTS

Sec. 8511.0701.  BORROWING MONEY; GRANTS

Sec. 8511.0702.  POWER TO APPLY FOR MONEY FOR

                   ENGINEERING SURVEYS, INFORMATION

                   COMPILATION AND COLLECTION, AND

                   OTHER PURPOSES

Sec. 8511.0703.  POWER TO ISSUE BONDS

Sec. 8511.0704.  FORM OF BONDS

Sec. 8511.0705.  MATURITY

Sec. 8511.0706.  ELECTION FOR BONDS PAYABLE FROM AD

                   VALOREM TAXES

Sec. 8511.0707.  TRUST INDENTURE

Sec. 8511.0708.  ADDITIONAL BONDS

Sec. 8511.0709.  ADDITIONAL PROVISIONS IN RESOLUTION

                   AUTHORIZING BONDS OR TRUST INDENTURE

Sec. 8511.0710.  REFUNDING BONDS

CHAPTER 8511. NUECES RIVER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8511.0101.  DEFINITIONS. Unless the context otherwise requires, in this chapter:

(1)  "Authority" means the Nueces River Authority.

(2)  "Board" means the authority's board of directors.

(3)  "Commission" means the Texas Commission on Environmental Quality.

(4)  "Development board" means the Texas Water Development Board.

(5)  "Director" means a board member.

(6)  "State" means the State of Texas or any of its agencies, departments, boards, political subdivisions, or other entities.

(7)  "Waste" means sewage, industrial waste, municipal waste, recreational waste, agricultural waste, waste heat, solid waste, or any other waste. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 1.02(1), (2), (4), (6), (7), (8); New.)

Sec. 8511.0102.  NATURE OF AUTHORITY. (a) The authority is:

(1)  a conservation and reclamation district under Section 59, Article XVI, Texas Constitution; and

(2)  a municipality.

(b)  The authority's creation is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.01 (part).)

Sec. 8511.0103.  PURPOSE OF CHAPTER. The purpose of this chapter is to provide by the means and in the manner authorized in this chapter for the conservation and development of this state's natural resources inside the Nueces River Basin, including:

(1)  the control, storage, preservation, and distribution of this state's water for domestic and municipal uses, industrial uses, irrigation, mining and recovery of minerals, stock raising, underground water recharge, electric power generation, navigation, recreation and pleasure, and other beneficial uses and purposes;

(2)  the reclamation and irrigation of arid, semiarid, and other land needing irrigation;

(3)  the reclamation and drainage of overflowed land and other land needing drainage;

(4)  the maintenance and enhancement of the quality of the water in the Nueces River Basin;

(5)  the conservation and development of the forests, water, and hydroelectric power;

(6)  the navigation of inland and coastal water; and

(7)  the provision of systems, facilities, and procedures for the collection, transportation, handling, treatment, and disposal of waste. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 1.01.)

Sec. 8511.0104.  REVIEW SCHEDULE UNDER SUNSET ACT. A review of the authority under Section 325.025, Government Code, shall be conducted as if the authority were a state agency scheduled to be abolished September 1, 2031, and every 12th year after that year. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 1.02A(a) (part).)

Sec. 8511.0105.  TERRITORY. (a) The authority is composed of the territory described by Section 2.02(a), Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935, as that territory may have been modified under:

(1)  Subsection (c) or its predecessor statute, Section 2.02(c), Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935;

(2)  Subchapter J, Chapter 49, Water Code; or

(3)  other law.

(b)  The board shall record in the authority's minutes the written description of the boundaries in Section 2.02(a), Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935.

(c)  If the directors find any land included in the field notes, other than land in San Patricio, Nueces, and Jim Wells Counties, that is not actually included in the watershed of the Nueces River, the board shall exclude the land from the authority and file a certificate of exclusion with the county clerk of the county in which the land is located. The certificate of exclusion must describe the boundaries of the land excluded so that the land remaining in the authority may be adequately identified.

(d)  The boundaries and field notes of the authority form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1)  the authority's organization, existence, or validity;

(2)  the authority's right to issue any type of bond for a purpose for which the authority is created or to pay the principal of or interest on the bond;

(3)  the right to impose a tax; or

(4)  the legality or operation of the authority or its governing body. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 2.02(b), (c); Acts 64th Leg., R.S., Ch. 699, Sec. 5; Acts 69th Leg., R.S., Ch. 665, Sec. 3; New.)

Sec. 8511.0106.  LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve its purposes. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 1.03 (part).)

SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS

Sec. 8511.0201.  MEMBERSHIP OF BOARD. (a) The board consists of 21 directors appointed by the governor with the advice and consent of the senate.

(b)  Each director must be a qualified voter and a resident of a county that is wholly or partly inside the authority as described by Section 2.02(a), Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935.

(c)  Four directors must be residents of Nueces County. Two directors must be residents of San Patricio County. Two directors must be residents of Jim Wells County.

(d)  Not more than four persons who reside in Nueces County and not more than two persons who reside in any other county that is wholly or partly inside the authority may be appointed to or serve on the board at the same time. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 2.03(a), (b).)

Sec. 8511.0202.  TERMS. Directors serve staggered terms of six years, with one-third of the directors taking office February 1 of each odd-numbered year. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.03(c).)

Sec. 8511.0203.  REMOVAL. (a) The governor may remove a director from office for:

(1)  inefficiency;

(2)  neglect of duty;

(3)  misconduct in office; or

(4)  absence from three consecutive regular board meetings.

(b)  Before a director is removed from office, the board shall conduct a hearing on the charges against the director, and the director is entitled to appear at the hearing and present evidence to show why the director should not be removed from office.

(c)  At least 30 days before the date of the hearing, the director shall be given notice of:

(1)  the charges against the director; and

(2)  the time and place for the hearing.

(d)  An affirmative vote of not fewer than 11 of the directors is required to approve a removal recommendation.

(e)  A removal recommendation shall be forwarded to the governor for the governor's consideration and action in accordance with this section. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.03(f).)

Sec. 8511.0204.  VACANCY. A board vacancy shall be filled in the manner provided by Section 8511.0201 for making the original appointment. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.03(e).)

Sec. 8511.0205.  BYLAWS. The board shall adopt necessary bylaws for the conduct of the authority's business. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.03(h).)

Sec. 8511.0206.  BOND REQUIREMENT FOR DIRECTORS. (a) As a qualification for office, a director must execute a bond in an amount determined by the board conditioned on the faithful performance of the director's duties.

(b)  The authority shall pay the premiums on the bond. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 2.03(d), 2.08(b) (part).)

Sec. 8511.0207.  COMPENSATION OF DIRECTORS. (a) A director is entitled to receive an allowance in an amount not to exceed that provided under Section 49.060, Water Code.

(b)  A director is not entitled to receive a per diem allowance for more than 50 days in a calendar year.

(c)  In all areas of conflict with this section, Section 49.060, Water Code, takes precedence. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.05.)

Sec. 8511.0208.  OFFICERS. (a) The governor shall designate a director as board president to serve in that capacity at the governor's pleasure.

(b)  The board shall elect one or more vice presidents, a secretary, a treasurer, and any other officers as the directors may determine in the bylaws or otherwise.

(c)  Each vice president, the secretary, and the treasurer must be a director, but other officers are not required to be directors.

(d)  The offices of secretary and treasurer may be combined, and the offices of assistant secretary and assistant treasurer may be combined. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.03(i).)

Sec. 8511.0209.  COMMITTEES. (a) The board may appoint or establish an executive committee and appoint or provide for the appointment of other committees as necessary or desirable to assist in conducting the authority's business.

(b)  Subject to the applicable rules of law on delegation of powers, the board may assign or delegate or provide for the assignment or delegation of any powers, duties, and functions to its committees as the board may prescribe.

(c)  A committee member who is not a director may not vote on a matter coming before the committee unless specifically authorized by the board to do so. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.06.)

Sec. 8511.0210.  EXECUTIVE DIRECTOR. (a) The board may employ an executive director and set the executive director's salary and other compensation by a majority vote of all the qualified directors.

(b)  The executive director is the authority's chief executive officer.

(c)  Under policies the board and the executive committee establish, the executive director is responsible to the board and the executive committee for:

(1)  administering the directives of the board and the executive committee;

(2)  keeping the authority's records, including minutes of meetings of the board and the executive committee;

(3)  coordinating with state, federal, and local agencies;

(4)  developing plans and programs for the approval of the board or the executive committee;

(5)  hiring, supervising, training, and discharging the authority's employees, as authorized by the board or the executive committee;

(6)  contracting for or retaining technical, scientific, legal, fiscal, and other professional services, as authorized by the board or the executive committee; and

(7)  performing any other duties assigned to the executive director by the board or the executive committee.

(d)  The board may discharge the executive director by a majority vote of all the qualified directors. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.07.)

Sec. 8511.0211.  DIRECTOR TRAINING PROGRAM. (a) A person who is appointed to and qualifies for office as a director may not vote, deliberate, or be counted as a director in attendance at a board meeting until the person completes a training program that complies with this section.

(b)  The training program must provide the person with information regarding:

(1)  the law governing authority operations;

(2)  the authority's programs, functions, rules, and budget;

(3)  the results of the authority's most recent formal audit;

(4)  the requirements of:

(A)  laws relating to open meetings, public information, administrative procedure, and disclosure of conflicts of interest; and

(B)  other laws applicable to members of the governing body of a river authority in performing their duties; and

(5)  any applicable ethics policies adopted by the authority or the Texas Ethics Commission.

(c)  A person appointed to the board is entitled to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d)  The executive director shall create a training manual that includes the information required by Subsection (b). The executive director shall distribute a copy of the training manual annually to each director. Each director shall sign and submit to the executive director a statement acknowledging that the director has received and reviewed the training manual. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.03A.)

Sec. 8511.0212.  INTEREST IN CONTRACT. (a) A director who is financially interested in a contract to be executed by the authority for the purchase, sale, lease, rental, or supply of property, including supplies, materials, and equipment, or the construction of facilities shall disclose that fact to the other directors and may not vote on or participate in discussions during board meetings on the acceptance of the contract.

(b)  An interest described by Subsection (a) does not affect the validity of a contract if the disclosure is made and the interested director does not vote on the question of entering into the contract. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.04.)

Sec. 8511.0213.  SEPARATION OF POLICYMAKING AND MANAGEMENT FUNCTIONS. The board shall develop and implement policies that clearly separate the board's policymaking responsibilities and the executive director's and staff's management responsibilities. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.08A.)

Sec. 8511.0214.  PUBLIC TESTIMONY. (a) The board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the authority's jurisdiction.

(b)  At each regular board meeting, the board shall include public testimony as a meeting agenda item and allow members of the public to comment on other agenda items and other matters under the authority's jurisdiction. The board may not deliberate on or decide a matter not included in the meeting agenda, except that the board may discuss including the matter on the agenda for a subsequent meeting. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.06A.)

Sec. 8511.0215.  DIRECTORS' AND EMPLOYEES' FIDELITY BONDS. (a) The executive director, the treasurer, and each of the authority's officers, agents, or employees who is charged with the collection, custody, or payment of authority money shall execute a fidelity bond.

(b)  The board must approve the bond's form, amount, and surety.

(c)  The authority shall pay the premiums on the bond. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 2.08(a), (b) (part).)

Sec. 8511.0216.  AUTHORITY'S OFFICE. The authority shall maintain its principal office inside its boundaries. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 2.09.)

Sec. 8511.0217.  COMPLAINTS. (a) The authority shall maintain a system to act promptly and efficiently on complaints filed with the authority.

(b)  The authority shall maintain information about:

(1)  the parties to the complaint;

(2)  the subject matter of the complaint;

(3)  a summary of the results of the review or investigation of the complaint; and

(4)  the complaint's disposition.

(c)  The authority shall periodically notify the parties to the complaint of the complaint's status until final disposition.

(d)  The authority shall make information available describing its procedures for complaint investigation and resolution. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.27.)

Sec. 8511.0218.  ALTERNATIVE DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop a policy to encourage the use of appropriate alternative dispute resolution procedures under Chapter 2009, Government Code, to assist in the resolution of internal and external disputes under the authority's jurisdiction.

(b)  The authority's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c)  The authority shall:

(1)  coordinate the implementation of the policy adopted under Subsection (a);

(2)  provide training as needed to implement the procedures for alternative dispute resolution; and

(3)  collect data concerning the effectiveness of those procedures. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.18A.)

Sec. 8511.0219.  FIVE-YEAR STRATEGIC PLAN. (a) The authority shall adopt and promptly publish on the authority's Internet website a written strategic plan that:

(1)  sets the authority's goals for the following five years;

(2)  establishes the authority's mission; and

(3)  describes the anticipated activities that the authority will perform in the Nueces River Basin over the following five years.

(b)  The authority shall update the strategic plan regularly and publish the updated versions of the plan on the authority's Internet website. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.28.)

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8511.0301.  GENERAL POWERS AND DUTIES. (a) The authority shall:

(1)  administer this chapter; and

(2)  use its facilities and powers to accomplish the purposes of this chapter.

(b)  The authority may:

(1)  exercise the powers, rights, privileges, and functions in this chapter;

(2)  exercise all powers, rights, and privileges necessary or convenient for accomplishing the purposes of this chapter; and

(3)  perform any other act necessary or convenient to the exercise of the powers, rights, privileges, or functions conferred by this chapter or other laws.

(c)  The board may provide for any expenditures it considers essential or useful in the authority's maintenance, operation, and administration. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 2.01 (part), 3.01(a), (b), 3.24.)

Sec. 8511.0302.  CONTROL AND USE OF WATERS. (a) The authority may exercise power over the storm water and floodwater of the Nueces River Basin.

(b)  The authority may exercise the powers of control and use of this state's water in the following manner and for the following purposes:

(1)  to provide for the control and coordination of water use in the Nueces River Basin as a unit;

(2)  to provide for the preservation of the rights of the people of the different sections of the Nueces River Basin in the beneficial use of water by adequate organization and administration;

(3)  to provide for conserving storm water, floodwater, and unappropriated flow water of the Nueces River Basin, including the storage, control, transportation, treatment, and distribution of that water, and the prevention of the escape of any of that water without the maximum of public service;

(4)  to provide for the prevention of the devastation of land from recurrent overflows;

(5)  to provide for the protection of life and property in the Nueces River Basin from uncontrolled floodwater;

(6)  to provide for the conservation of water essential for domestic and other water uses of the people of the Nueces River Basin, including all necessary water supplies for municipalities and industrial districts;

(7)  to provide for the irrigation of land in the Nueces River Basin where irrigation is required for agricultural purposes or may be considered helpful to more profitable agricultural production;

(8)  to provide for the equitable distribution of storm water, floodwater, and unappropriated flow water to meet the regional potential requirements for all uses;

(9)  to provide for the encouragement and development of drainage systems and provisions for the drainage of land in the valleys of the Nueces River and its tributary streams needing drainage for profitable agricultural and livestock production and industrial activities and the drainage of other land in the authority's watershed area requiring drainage for the most advantageous use;

(10)  to provide for the conservation of soil against destructive erosion to prevent the increased flood menace incident to erosion;

(11)  to control and make available for use storm water, floodwater, and unappropriated flow water as may be authorized by the commission in the development of commercial and industrial enterprises in all sections of the authority's watershed area;

(12)  to provide for the control, storage, and use of storm water, floodwater, and unappropriated flow water in the development and distribution of hydroelectric power, if that use may be economically coordinated with other and superior uses and subordinated to the uses declared by law to be superior; and

(13)  to provide for each purpose and use for which storm water, floodwater, and unappropriated flow water when controlled and conserved may be used in the performance of a useful service as contemplated and authorized by the provisions of the constitution and statutes.

(c)  The authority may:

(1)  control, store, and preserve the water of the Nueces River and its tributaries inside the authority's boundaries for a useful purpose;

(2)  use, distribute, and sell the water for a beneficial purpose inside and outside the authority; and

(3)  acquire water and water rights inside and outside the authority.

(d)  All plans and works provided by the authority and all works that may be provided under the authority's authorization should have primary regard to the necessity and potential needs for water by or in the respective areas constituting the watershed of the Nueces River and its tributary streams. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.02.)

Sec. 8511.0303.  USE OF BED AND BANKS OF NUECES RIVER AND ITS TRIBUTARIES. Subject to the commission's approval, the authority may use the bed and banks of the Nueces River and its tributary streams for any purpose necessary to accomplish the authority's plans for storing, controlling, conserving, transporting, and distributing storm water, floodwater, and appropriated flow waters for useful purposes. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.21.)

Sec. 8511.0304.  MASTER PLAN. (a) The authority shall prepare and file with the commission a master plan for the maximum development of the soil and water resources of the entire Nueces River watershed, including plans for the complete use, for all economically beneficial purposes, of the watershed's water resources. The authority may amend the master plan as appropriate to accomplish the purposes of this section.

(b)  After the master plan or any amendments to the plan have been filed with the commission, notice of the application of any person who desires to acquire the right to use state water that is in the Nueces River watershed shall be provided to the authority. After public hearing as provided by law, the commission may grant or deny the proposed application in the manner required by law, notwithstanding any contrary provision of the master plan or any amendments to the plan.

(c)  Each work constructed by the authority shall be constructed and operated in a manner that, in the greatest practicable degree, conforms to the master plan and any amendments to the plan.

(d)  This section may not be construed to interfere with any improvement of the Nueces River or its tributaries or with a grant or loan in aid of any improvement made by the United States or by this state. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.22.)

Sec. 8511.0305.  WATER CONSERVATION PROGRAM. The board shall adopt and implement a program of water conservation that:

(1)  incorporates the practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future or alternative uses; and

(2)  the commission and development board determine meets reasonably anticipated local needs and conditions. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.22A.)

Sec. 8511.0306.  FORESTATION AND REFORESTATION. The authority may forest, reforest, or aid in foresting or reforesting the watershed of the Nueces River and its tributaries. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.03.)

Sec. 8511.0307.  GROUNDWATER. (a) The authority may conduct surveys and studies of the groundwater supplies in the authority to:

(1)  determine the location and quantity of groundwater available for irrigation and other purposes; and

(2)  develop and ascertain other information that in the authority's judgment may be necessary to fully develop irrigation and other water uses from the groundwater in the authority.

(b)  With the approval and under the supervision of the commission, the authority may appropriate storm water and floodwater to recharge underground freshwater-bearing sand and aquifers in the Nueces River Basin.

(c)  The authority shall cooperate with the Edwards Aquifer Authority, or its lawful successor, and any other groundwater conservation district inside the authority's boundaries in any groundwater recharge project in an area where a groundwater conservation district has jurisdiction. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.04.)

Sec. 8511.0308.  WATER QUALITY CONTROL. (a) The authority may exercise the powers vested in a river authority by Chapters 5, 7, 17, 26, and 30, Water Code, and Chapter 366, Health and Safety Code.

(b)  The authority may perform the licensing and other functions authorized to be delegated to a local government by the commission in connection with the regulation of private sewage facilities under Chapter 366, Health and Safety Code.

(c)  The authority may serve as the entity to provide regional or area-wide waste collection, treatment, and disposal systems as provided by Subchapter C, Chapter 26, Water Code. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.05.)

Sec. 8511.0309.  SOLID WASTE SERVICES. The authority may acquire, construct, maintain, and provide facilities, equipment, and disposal sites to provide solid waste collection, transportation, treatment, and disposal services inside the authority, charge for the services, and enter into a contract for the services with any person. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.06.)

Sec. 8511.0310.  APPLICABILITY OF CERTAIN ENVIRONMENTAL LAWS. The authority may exercise the powers and functions vested in a river authority by Chapter 383, Health and Safety Code. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.26.)

Sec. 8511.0311.  PARKS AND RECREATIONAL FACILITIES. The authority may:

(1)  acquire land adjacent to or in the vicinity of the Nueces River or any of its tributaries for park and recreational purposes; and

(2)  acquire, construct, and maintain park and recreational facilities on the land. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.07.)

Sec. 8511.0312.  PERMITS AND LICENSES. In the manner provided by Chapters 5, 11, and 12, Water Code, the authority may apply for any permit, license, franchise, or other grant of authority it may require from the commission, the development board, or any other federal, state, or local governmental agency in exercising its powers and accomplishing the purposes under this chapter. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.08.)

Sec. 8511.0313.  SERVICE CONTRACTS AND CHARGES. (a) The authority may enter into a service contract and may adopt resolutions and orders establishing rates and providing for the collection of fees and charges for:

(1)  the sale or use of water;

(2)  water transmission, treatment, and storage facility services;

(3)  solid and liquid waste collection, treatment, and disposal services and facilities;

(4)  the use of park and recreational facilities;

(5)  the sale of power and electric energy; and

(6)  other services or facilities sold, provided, or supplied by the authority.

(b)  The fees and charges must be sufficient to produce revenue adequate to:

(1)  pay expenses necessary for the operation and maintenance of the authority's properties and facilities;

(2)  pay the principal of or the interest on any bonds or other obligations issued by the authority when due and payable;

(3)  fulfill any reserve or other fund obligations of the authority in connection with the bonds or other obligations; and

(4)  pay any other expenses the board may consider necessary and proper for the authority's operations. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.09.)

Sec. 8511.0314.  USE OF REVENUE AND PROPERTY. The use of any authority money or property for any purpose not provided by this chapter is prohibited. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 4.06(b).)

Sec. 8511.0315.  ACQUISITION, MAINTENANCE, AND OPERATION OF PROPERTY. The authority may purchase, lease, acquire by gift, maintain, use, and operate property of any kind inside or outside the authority that is appropriate for the exercise of its functions. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.11(a).)

Sec. 8511.0316.  ACQUISITION, CONSTRUCTION, MAINTENANCE, AND OPERATION OF FACILITIES. The authority may acquire in any manner, construct, extend, improve, maintain, reconstruct, use, and operate facilities inside or outside the authority that are necessary or convenient for the exercise of its powers, rights, duties, and functions. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.12.)

Sec. 8511.0317.  EMINENT DOMAIN. (a) The authority may exercise the power of eminent domain under Chapter 21, Property Code, to acquire property of any kind inside or outside the authority that is appropriate for the exercise of its functions.

(b)  The authority's authority under this section to exercise the power of eminent domain expired on September 1, 2013, unless the authority submitted a letter to the comptroller in accordance with Section 2206.101(b), Government Code, not later than December 31, 2012. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.10; New.)

Sec. 8511.0318.  COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.

(b)  If the authority's exercise of the power of eminent domain, the power of relocation, or any other power makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the authority's sole expense. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.14.)

Sec. 8511.0319.  DISPOSITION OF PROPERTY. The authority may:

(1)  sell any property or interest in property of any kind owned by the authority by installments or otherwise, including a sale in any manner prescribed or permitted by:

(A)  Chapter 383, Health and Safety Code;

(B)  Section 552.014, Local Government Code; or

(C)  Chapter 30, Water Code; or

(2)  lease, exchange, or otherwise dispose of any property described by Subdivision (1) or interest in property. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.11(b).)

Sec. 8511.0320.  GENERAL CONTRACT POWERS. The authority may enter into a contract or execute an instrument that is necessary or convenient for the exercise of its powers, rights, duties, and functions. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.15(a).)

Sec. 8511.0321.  AWARD OF CERTAIN CONTRACTS. (a) Any construction, maintenance, operation, or repair contract, or contract for the purchase of material, equipment, or supplies, or any contract for services other than technical, scientific, legal, fiscal, or other professional services, which will require an estimated expenditure of more than $10,000, or is for a term of six months or more, shall be awarded to the lowest and best bidder.

(b)  In the event of a catastrophe or calamity of any kind, the authority may award a contract necessary to protect and preserve the public health and welfare or the authority's property without using bidding procedures.

(c)  The authority:

(1)  shall publish notice:

(A)  to bidders once each week for three consecutive weeks before the date set for awarding the contract; and

(B)  in a newspaper having general circulation in the county or counties in which the contract is to be performed; and

(2)  may publish notice in any other appropriate publication.

(d)  The notice is sufficient if it states the time and place when and where the bids will be opened, the general nature of the work to be done, or the material, equipment, or supplies to be purchased, or the nonprofessional services to be rendered, and states the terms upon which copies of the plans, specifications, or other pertinent information may be obtained.

(e)  A person who desires to bid on the construction of any advertised work shall, on written application to the authority, be provided a copy of the plans and specifications or other engineering and architectural documents showing all of the details of the work to be done. A charge may be made to cover the cost of making the copy.

(f)  A bid must be:

(1)  in writing;

(2)  sealed and delivered to the authority; and

(3)  accompanied by a certified check drawn on a responsible bank in this state or, at the discretion of the authority, a bid bond from a company approved by the authority, in an amount equal to at least one percent of the total amount bid.

(g)  The authority shall open bids at the place specified in the published notice and shall announce the bids. The place where the bids are opened and announced must be open to the public. The award of the contract shall be made by:

(1)  the board; or

(2)  the executive committee, if authorized by the board.

(h)  The person with whom a contract is made shall provide the performance and payment bonds required by law.

(i)  The amount of a check or bond provided under Subsection (f) is forfeited to the authority if the successful bidder fails or refuses to:

(1)  enter into a proper contract; or

(2)  provide a bond as required by law.

(j)  The authority may reject any or all bids.

(k)  The authority may waive any informality in the bids.

(l)  This section does not prohibit the authority from taking the following actions by negotiated contract and without necessity for advertising for bids:

(1)  purchasing or acquiring land or an interest in land from any person;

(2)  acquiring, constructing, or improving pollution control or waste collection and disposal facilities in accordance with Chapter 30, Water Code, Chapter 383, Health and Safety Code, or other applicable statutes; or

(3)  purchasing or acquiring surplus property from a governmental entity. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 3.15(b), (c), (d), (e), (f), (h), (i).)

Sec. 8511.0322.  CONSTRUCTION CONTRACTS: PAYMENT. (a) The contract price of any construction contract of the authority may be paid in partial payments as the work progresses, but the payments may not exceed 90 percent of the amount due at the time of the payments as shown by the authority engineer's report.

(b)  The executive director shall, at all times during the progress of the work, inspect the work or have the work inspected by the authority engineer or the engineer's assistants.

(c)  On certification of the executive director and the authority engineer of the completion of the contract in accordance with its terms and, in the case of any construction contract for which notice to bidders is required by Section 8511.0321(c), on board approval, the authority shall draw a warrant on its depository to pay the balance due on the contract. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.15(g).)

Sec. 8511.0323.  CONFLICT OF INTEREST IN CERTAIN CONTRACTS. An officer, agent, or employee of the authority who is financially interested in a contract of a type described by Section 8511.0321(a) shall disclose that fact to the board before the board votes on the acceptance of the contract. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.15(j).)

Sec. 8511.0324.  SURVEYS AND ENGINEERING INVESTIGATIONS. The authority shall conduct surveys and engineering investigations to develop information for its use. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.19 (part).)

Sec. 8511.0325.  PLANS. The board may:

(1)  make and determine plans necessary to accomplish the purposes for which the authority is created; and

(2)  perform all actions useful and helpful in carrying out the plans described by Subdivision (1) and accomplishing the authority's purposes. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.19 (part).)

Sec. 8511.0326.  ACCESS TO AUTHORITY PROPERTY. (a) To provide for the safety and welfare of persons and their property or for the protection and security of authority property and facilities, the board may adopt rules with respect to authority property and any water reservoir or dam the construction, operation, or management of which is participated in by the authority to control and regulate:

(1)  ingress, egress, and use; and

(2)  the operation of land and water vehicles.

(b)  All public roads, streets, and state highways that as of September 1, 1975, traversed the areas to be covered by any impounded water shall remain open as a way of public passing to and from the lakes created, unless changed by lawful authority. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.20.)

Sec. 8511.0327.  LIMITATIONS ON POWERS AND DUTIES; COMMISSION APPROVAL OF CERTAIN PLANS. (a) The powers granted and duties prescribed by this chapter are subject to all legislative declarations of public policy in the maximum use of the storm water, floodwater, and unappropriated flow water of the Nueces River Basin for the purposes for which the authority is created.

(b)  The commission shall consider the adequacy of, and approve or refuse to approve, any flood control or conservation improvement plan that:

(1)  is devised by the authority to achieve a plan or purpose for which the authority was created; and

(2)  contemplates improvements that are to be supervised by the commission under general law. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 3.25(a) (part), (b).)

SUBCHAPTER D. REGULATORY POWERS; ENFORCEMENT AND COURT REVIEW PROVISIONS

Sec. 8511.0401.  ADOPTION AND ENFORCEMENT OF RULES. (a) The authority may adopt and enforce rules reasonably required to effectuate this chapter.

(b)  In adopting rules, the board shall comply, as appropriate, with the requirements of Chapters 2001 and 2002, Government Code.

(c)  The board shall print its rules and provide copies to any person on written request. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.16.)

Sec. 8511.0402.  CIVIL PENALTY; INJUNCTIVE RELIEF. (a) A person who violates an authority rule or order is subject to a civil penalty of not less than $50 or more than $1,000 for each day of violation.

(b)  The authority may sue to recover the penalty in a district court in the county in which the violation occurred. A penalty shall be paid to the authority.

(c)  The authority may sue for injunctive relief in a district court in the county in which a violation of a rule or order occurred or is threatened.

(d)  The authority may sue for injunctive relief and a penalty in the same proceeding. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.17.)

Sec. 8511.0403.  COURT REVIEW. (a) A person adversely affected by an authority rule or order may sue the authority in a district court to set aside the rule or order before the 31st day after the date on which the rule or order took effect.

(b)  Venue for a suit under Subsection (a) is in:

(1)  a county located wholly or partly in the authority in which the plaintiff resides; or

(2)  the county in which the authority maintains its principal office. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.18.)

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8511.0501.  DISBURSEMENT OF MONEY. The authority may disburse its money only by a check, draft, order, or other instrument signed by a person authorized to do so in the board's bylaws or by board resolution. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 4.01.)

Sec. 8511.0502.  ACCOUNTS, CONTRACTS, AND OTHER RECORDS; PUBLIC INSPECTION. (a) The authority shall keep complete and accurate accounts of its business transactions in accordance with generally accepted methods of accounting.

(b)  The authority shall keep its accounts, contracts, documents, minutes, and other records at its principal office.

(c)  Except as otherwise required by law, the authority may not disclose a record that it has relating to a trade secret or the economics of operation of business or industry.

(d)  Except as provided by Subsection (c), the authority shall permit reasonable public inspection of its records during regular business hours. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 2.10(a), (c), (d), (e).)

Sec. 8511.0503.  FEES AND CHARGES. (a) The authority shall establish fees and charges.

(b)  The fees and charges may not exceed the amount necessary to fulfill the obligations imposed on the authority by this chapter. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 4.02.)

Sec. 8511.0504.  TRUST MONEY. Money collected by or donated, granted, loaned, or advanced to the authority is trust money for the purposes provided by this chapter. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 4.05.)

Sec. 8511.0505.  DEPOSITORY. (a) The board shall designate one or more banks inside or outside the authority to serve as a depository for authority money.

(b)  Authority money shall be deposited in a depository designated by the board, except that the following may be handled as provided in a trust indenture or bond resolution:

(1)  bond proceeds;

(2)  money pledged to pay bonds;

(3)  money placed in special funds; and

(4)  money remitted to a bank of payment for the payment of the principal of and interest on bonds.

(c)  The board shall prescribe the term of service for a depository.

(d)  Before designating a depository, the board shall:

(1)  publish notice one time in one or more newspapers of general circulation in the authority that are specified by the board; or

(2)  mail a copy of the notice to each bank inside the authority.

(e)  The notice must:

(1)  state the time and place at which the board will meet to designate a depository; and

(2)  invite the banks inside the authority to submit applications to be designated a depository.

(f)  At the time stated in the notice, the board shall:

(1)  consider the application and the management and condition of each bank that applies; and

(2)  designate as a depository the bank or banks:

(A)  that offer the most favorable terms for handling authority money; and

(B)  that the board finds have proper management and are in condition to handle authority money.

(g)  Membership on the board of an officer or director of a bank does not disqualify the bank from being designated as a depository.

(h)  If the board does not receive any applications before the time stated in the notice, the board shall designate one or more banks inside or outside the authority on terms that the board finds advantageous to the authority. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 4.09(a) (part), (b), (c), (d).)

Sec. 8511.0506.  INVESTMENT OF AUTHORITY MONEY; APPLICATION OF INCOME FROM INVESTMENTS. (a) Money in the authority's treasury that is not required for the current payment of obligations of the authority or for sinking funds and that the board considers available for investment may be invested or reinvested by the authority in:

(1)  direct obligations of the United States;

(2)  obligations the principal and interest of which are guaranteed by the United States;

(3)  direct obligations of or participation certificates guaranteed by:

(A)  a farm credit bank;

(B)  the Federal National Mortgage Association;

(C)  a federal home loan bank;

(D)  a bank for cooperatives; or

(E)  the successor or successors to any of the entities listed in this subdivision;

(4)  certificates of deposit of a bank or trust company the deposits of which are fully secured by a pledge of securities of any of the kind specified by Subdivision (3);

(5)  other securities made eligible for investment under this section by other laws and constitutional provisions; or

(6)  a combination of the investments listed in this subsection.

(b)  The board shall determine the type and maturity of investments made under this section.

(c)  A resolution relating to the issuance of bonds must provide appropriate recitals with regard to the investment of money in funds established in connection with the authorization of the bonds.

(d)  The board shall direct the application of income from investments made under this section. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 4.07.)

Sec. 8511.0507.  FISCAL YEAR. The authority's fiscal year ends on August 31 of each year. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 4.08(a).)

Sec. 8511.0508.  AUDIT. (a) In addition to including the information required by Subchapter G, Chapter 49, Water Code, the audit report prepared under that subchapter must state:

(1)  the amount of money received by the authority under this chapter during the preceding fiscal year; and

(2)  how, to whom, and for what purpose the money was spent.

(b)  A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be filed:

(1)  as required by Section 49.194, Water Code;

(2)  with the governor;

(3)  with the lieutenant governor;

(4)  with the speaker of the house of representatives; and

(5)  with the comptroller. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 4.08(b) (part), (c); New.)

SUBCHAPTER F. TAX PROVISIONS

Sec. 8511.0601.  MAINTENANCE AND ADMINISTRATION TAX. (a) The board may impose ad valorem taxes in amounts approved at an election held in accordance with Section 8511.0602 for:

(1)  the maintenance of the authority and its improvements; or

(2)  the authority's administrative expenses.

(b)  The maintenance tax and administration tax may not exceed the maximum rate approved at the election, and the rate remains in effect until changed by a subsequent election. The tax rate may not exceed the limit specified by Section 8511.0604. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 5.05.)

Sec. 8511.0602.  ELECTION FOR AD VALOREM TAX OR BONDS PAYABLE FROM AD VALOREM TAXES. (a) An ad valorem tax for a purpose authorized by this chapter may not be imposed and bonds payable wholly or partly from ad valorem taxes, other than refunding bonds, may not be issued unless the taxes or bonds are approved by a majority of the authority's voters voting at an election held in the authority.

(b)  The election must be ordered by resolution of the board. The election resolution must include:

(1)  the date of the election;

(2)  the proposition to be submitted and voted on;

(3)  the polling places; and

(4)  any other matters the board considers advisable.

(c)  There must be at least two polling places in each county that is wholly inside the authority, one of which must be at the county seat. There must be at least one polling place in that part of each county that is partly inside the authority.

(d)  Notice of the election must be given by publishing a substantial copy of the resolution ordering the election in one or more newspapers of general circulation in the authority. The notice must be published at least twice in each newspaper. The first publication in each newspaper must occur at least 14 days before the date set for the election, and the interval between the publications in each newspaper must be at least one week. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 5.06 (part).)

Sec. 8511.0603.  ASSESSMENT AND COLLECTION OF TAXES. (a) Concurrently with the imposition of county taxes by the commissioners courts, the board shall impose a tax for the authority on all taxable property in the authority that is subject to taxation. The board shall immediately certify the tax rate to the assessor-collector of each county located wholly or partly inside the authority.

(b)  The tax assessor-collector of each county located wholly or partly inside the authority shall act as the tax assessor-collector for the authority for property in the authority located in that county.

(c)  The fee of each county tax assessor-collector for assessing and collecting the authority's taxes may not exceed one percent of the taxes collected, to be paid over and disbursed in each county in the same manner as other fees of office. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 5.07(b) (part), (c) (part), (f).)

Sec. 8511.0604.  MAXIMUM TAX RATE. Except as provided by Section 8511.0605, the maximum tax rate that may be imposed for any year for all purposes is 15 cents on each $100 of assessed valuation of taxable property. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 5.08; New.)

Sec. 8511.0605.  POWERS RELATING TO IMPROVEMENTS PECULIAR TO DEFINED AREA. (a) The authority may exercise the powers specified by Sections 51.510 through 51.530, Water Code, relating to improvements peculiar to defined areas inside the authority.

(b)  The tax rate limit specified by Section 8511.0604 does not apply with respect to an improvement constructed in exercise of a power authorized by this section. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 5.09 (part).)

SUBCHAPTER G. BONDS, BORROWED MONEY, AND GRANTS

Sec. 8511.0701.  BORROWING MONEY; GRANTS. (a) The authority may:

(1)  borrow money or accept a grant or donation for its corporate purposes from any person, including a private source, the United States, this state, or a local government; and

(2)  enter into an agreement in connection with a loan, grant, or donation accepted under Subdivision (1).

(b)  The source of any money accepted by the authority is public information, both as to amount and any restrictions placed by the donor on its expenditure. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 4.03.)

Sec. 8511.0702.  POWER TO APPLY FOR MONEY FOR ENGINEERING SURVEYS, INFORMATION COMPILATION AND COLLECTION, AND OTHER PURPOSES. (a) The authority may apply to any person, including this state and the United States, for money necessary to:

(1)  secure engineering surveys and the compilation and collection of information relating to regional and general conditions entering into and influencing the character and extent of the improvements necessary to accomplish the storage, control, transportation, treatment, conservation, and equitable distribution to the greatest public advantage of the floodwater, normal flow water, and storm water that is stored and controlled; or

(2)  accomplish or carry out any purpose of this chapter.

(b)  The authority:

(1)  shall request an amount it considers sufficient;

(2)  may make the necessary agreements with the party providing the money; and

(3)  may appropriate the amount of the estimated equitable contribution of the costs of developing essential engineering information. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 4.04.)

Sec. 8511.0703.  POWER TO ISSUE BONDS. (a) For the purpose of carrying out any power conferred by this chapter, including preparation of the master plan and payment of engineering and related expenses, the authority may issue bonds in three general classes:

(1)  bonds secured by ad valorem taxes;

(2)  bonds secured by a pledge of all or part of the revenue accruing to the authority from any source other than ad valorem taxes, including the revenue received from:

(A)  the sale of water or other products;

(B)  the rendition of services;

(C)  tolls; and

(D)  charges; and

(3)  bonds secured by a combination pledge of:

(A)  taxes; and

(B)  all or part of the revenue described by Subdivision (2).

(b)  The bonds must be authorized by a board resolution. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 5.01(a), (b) (part).)

Sec. 8511.0704.  FORM OF BONDS. Authority bonds must be:

(1)  in the form the board prescribes;

(2)  issued in the authority's name;

(3)  signed by the president or a vice president; and

(4)  attested by the secretary. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 5.01(b) (part).)

Sec. 8511.0705.  MATURITY. Authority bonds must mature not later than 50 years after the date of their issuance. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 5.01(b) (part).)

Sec. 8511.0706.  ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Authority bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by an election at which a majority of the votes cast favor the bond issuance. The election must be held in accordance with Section 8511.0602.

(b)  The authority may issue bonds not payable wholly or partly from ad valorem taxes without an election. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 5.04.)

Sec. 8511.0707.  TRUST INDENTURE. Authority bonds may be further secured by a trust indenture with a corporate trustee. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 5.01(b) (part).)

Sec. 8511.0708.  ADDITIONAL BONDS. A pledge of revenue may reserve the right, under conditions specified by the pledge, to issue additional bonds that will be on a parity with or subordinate to the bonds then being issued. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 5.01(c) (part).)

Sec. 8511.0709.  ADDITIONAL PROVISIONS IN RESOLUTION AUTHORIZING BONDS OR TRUST INDENTURE. (a) The resolution authorizing the bonds or the trust indenture further securing the bonds may specify additional provisions that constitute a contract between the authority and its bondholders.

(b)  The board has full discretion in providing for the additional provisions, including the authority to provide for a corporate trustee or receiver to take possession of authority facilities if the authority defaults in fulfilling the covenants made in the resolution or trust indenture. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 5.01(d).)

Sec. 8511.0710.  REFUNDING BONDS. (a) The authority may issue refunding bonds to refund outstanding authority bonds and interest on the bonds.

(b)  Refunding bonds may:

(1)  be issued to refund bonds of one or more series;

(2)  combine the pledges for the outstanding bonds for the security of the refunding bonds; or

(3)  be secured by a pledge of other or additional revenue.

(c)  The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

(d)  The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e)  Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the authority, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the concurrent surrender and cancellation of the bonds to be refunded. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 5.02.)

SECTION 1.04.  WATER CONTROL AND IMPROVEMENT DISTRICT. Subtitle I, Title 6, Special District Local Laws Code, is amended by adding Chapter 9088 to read as follows:

CHAPTER 9088. CALHOUN COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9088.0101.  DEFINITIONS

Sec. 9088.0102.  NATURE AND PURPOSE OF DISTRICT

Sec. 9088.0103.  FINDINGS OF PURPOSE AND BENEFIT

Sec. 9088.0104.  DISTRICT TERRITORY

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9088.0201.  WATER CONTROL AND IMPROVEMENT DISTRICT

                   POWERS

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 9088.0301.  TAX METHOD

CHAPTER 9088. CALHOUN COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9088.0101.  DEFINITIONS. In this chapter:

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

(2)  "District" means the Calhoun County Water Control and Improvement District No. 1 in Calhoun County. (Acts 56th Leg., R.S., Ch. 472, Sec. 1 (part); Acts 71st Leg., R.S., Ch. 518, Sec. 1; New.)

Sec. 9088.0102.  NATURE AND PURPOSE OF DISTRICT. (a) The district is:

(1)  a conservation and reclamation district under Section 59, Article XVI, Texas Constitution;

(2)  a water control and improvement district; and

(3)  a municipal corporation.

(b)  The district's sole purpose is reclaiming and draining the district's overflowed land and other land needing drainage. (Acts 56th Leg., R.S., Ch. 472, Secs. 1 (part), 4 (part).)

Sec. 9088.0103.  FINDINGS OF PURPOSE AND BENEFIT. (a) The district is essential to the accomplishment of the purposes of Section 59, Article XVI, Texas Constitution.

(b)  All land and other property in the district benefit from the district and improvements and facilities the district constructs and acquires. (Acts 56th Leg., R.S., Ch. 472, Secs. 3 (part), 4 (part).)

Sec. 9088.0104.  DISTRICT TERRITORY. The district has the area and boundaries described by the board's order adopted on March 23, 1959, as that area and those boundaries may have been modified under:

(1)  Subchapter J, Chapter 49, Water Code;

(2)  Subchapter O, Chapter 51, Water Code; or

(3)  other law. (Acts 56th Leg., R.S., Ch. 472, Sec. 1 (part); New.)

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9088.0201.  WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. To accomplish the sole purpose of reclaiming and draining the district's overflowed land and other land needing drainage, the district has all of the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water Code. (Acts 56th Leg., R.S., Ch. 472, Sec. 1 (part); New.)

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 9088.0301.  TAX METHOD. (a) The district shall use the ad valorem basis or plan of taxation.

(b)  The board is not required to hold a hearing on the adoption of a plan of taxation. (Acts 56th Leg., R.S., Ch. 472, Sec. 3 (part).)

ARTICLE 2. CONFORMING AMENDMENT

SECTION 2.01.  NUECES RIVER AUTHORITY. Section 2.02(a), Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935, is amended to read as follows:

(a)  The Nueces River Authority [~~authority~~] includes all counties which lie wholly within the Nueces River Basin, all of San Patricio, Nueces, and Jim Wells counties, and generally the in-basin parts of other counties, except Webb County, which lie partially within the basin. The actual boundaries of the area within the authority may be described by metes and bounds as follows: Beginning at a point in the boundary of the State of Texas offshore of the City of Port Aransas at the Northeast corner of Nueces County and the most southerly Southeast corner of Aransas County; thence along the common line between Nueces County and Aransas County in a westerly and then northerly direction to a point in the center of the Intracoastal Canal cutoff between Rockport and Aransas Pass, Texas; thence southerly along the centerline of the said Intracoastal Canal to its point of intersection with an extension of the boundary line between Aransas County and San Patricio County for the northernmost Southeast corner of San Patricio County and the Southwest corner of Aransas County for an angle point; thence along the common line between San Patricio County and Aransas County in a northwesterly direction approximately 14 miles to a point on the Aransas River on the South line of Refugio County for the Northeast corner of San Patricio County and the West corner of Aransas County; thence along the Aransas River and the common line between Refugio County and San Patricio County in a west-northwesterly direction approximately 19 miles to a point on the Southeast line of Bee County for the Southwest corner of Refugio County; thence along the common line between Bee County and San Patricio County in a southwesterly direction approximately 3 miles to a point for the Southeast corner of Bee County; thence along the common line between Bee County and San Patricio County in a west-northwesterly direction approximately 16 miles to the common corner of Live Oak, Bee, and San Patricio Counties; thence in a northwesterly direction with the line between Live Oak and Bee Counties approximately 14 miles; thence N. approximately 25 miles to the most northern corner of Bee County; thence N. 40° W. at approximately 19 1/2 miles the Karnes-Wilson Counties line, at about 31 miles a point in the S.W. line of Bexar County; thence approximately North 77 1/2° W. approximately 28 miles, to the S.W. corner of Bexar County; thence N.W. along the northwest extension of the common boundary between Bexar and Atascosa Counties 3 1/2 miles to a point; thence N. 30° W. approximately 28 miles to a point in the North line of Medina County; then North 64° W. approximately 34 miles to a point in the west line of Bandera County; thence North approximately 3 miles to the northwest corner of Bandera County; thence West with the line of Real and Kerr Counties approximately 5 miles to S.W. corner of Kerr County; thence North with the line between Kerr and Real Counties approximately 13 miles to the N.E. corner of Real County; thence West, North and West, with the north line of Real County, approximately 18 miles to the Northwest corner of Real County; thence South 75° west approximately 15 miles to the Court House in Rock Springs in Edwards County; thence N. 68° W. approximately 15 miles to a point; thence S. 34° W. approximately 19 miles to a point; thence S. 35° E. at 21 miles pass a point in the South line of Edwards County, 34 miles to a point; thence S. 23 1/2° W. approximately 14 miles to a point; thence S. approximately 8 miles to Spofford Junction; thence South with the Eagle Pass branch of G. H. & S. A. R. R. at 15 miles a point; thence South 12 miles to a point; thence S. 41 1/2° E. 42 miles to the village of Dentonia in Dimmit County; thence S. 27 1/2 d. E. approximately 10 miles to the Dimmit and Webb Counties line; thence E. with said Dimmit-Webb County line approximately 25 miles to the west line of La Salle County; thence South with west line of La Salle County approximately 5 miles to the S.W. corner of La Salle County, a common corner with Webb County; thence E. with the Webb-La Salle County line approximately 30 miles to the N.E. corner of Webb County, the common corner of Webb, La Salle, McMullen and Duval Counties; thence S. with the Webb-Duval County line approximately 27 miles to a point in the E. line of Webb County; thence N. 35 d. E. 33 miles to a point on the 28 d. North Parallel; thence East along the 28 degrees North Parallel approximately 17 miles to a point on the East line of Duval County and the West line of Jim Wells County for an interior corner; thence along the common line between Duval County and Jim Wells County, South approximately 55 miles to a point on the North line of Brooks County for the Southwest corner of Jim Wells County and the Southeast corner of Duval County; thence along the common line between Jim Wells County and Brooks County, East approximately 11 miles to a point for the northernmost Southwest corner of Kleberg County and the southernmost Southeast corner of Jim Wells County; thence along the common line between Jim Wells County and Kleberg County, North approximately 25.5 miles to the Northwest corner of Kleberg County and an interior corner of Jim Wells County; thence along the common line between Jim Wells County and Kleberg County, East approximately 7.25 miles to a point in the center of San Fernando Creek for the northernmost Southeast corner of Jim Wells County and the northernmost Southwest corner of Nueces County; thence along the centerline of San Fernando Creek and along the common line between Kleberg County and Nueces County in a southeasterly direction approximately 9 miles to a point for the southernmost Southwest corner of Nueces County; thence along the common line between Kleberg County and Nueces County, East approximately 32 miles to a point on the shoreline of Laguna Madre for an angle point; thence along the common line between Kleberg County and Nueces County in an east-northeasterly direction across Laguna Madre approximately 5.25 miles to a point on the Northwest line of Padre Island for an angle point; thence along the common line between Kleberg County and Nueces County in a southeasterly direction to a point on the boundary of the State of Texas in the Gulf of Mexico off North Padre Island at the Northeast corner of Kleberg County and the Southeast corner of Nueces County; thence along the boundary of the State of Texas in the Gulf of Mexico and along the Southeast line of Nueces County in a northeasterly direction to the point of beginning; being all of Live Oak County, 1116 square miles, McMullen County 1302 square miles, La Salle County 1561 square miles, Frio County 1124 square miles, Zavala County 1348 square miles, Atascosa County, 1358 square miles, Real County 619 square miles, Uvalde County 1589 square miles, San Patricio County 680 square miles, Nueces County 838 square miles, and Jim Wells County 846 square miles, and parts of the following Counties with the number of square miles included in the authority:

Duval 378 square miles.

Dimmit 1200 square miles.

Maverick 574 square miles.

Kinney 602 square miles.

Medina 1113 square miles.

Bandera 224 square miles.

Edwards 922 square miles.

Bexar 84 square miles.

Wilson 98 square miles.

Karnes 85 square miles.

Bee 135 square miles.

ARTICLE 3. REPEALERS

SECTION 3.01.  DENTON COUNTY LEVEE IMPROVEMENT DISTRICT NO. 1 OF DENTON AND DALLAS COUNTIES, TEXAS. The following statutes are repealed:

(1)  Chapter 473, Acts of the 69th Legislature, Regular Session, 1985; and

(2)  Section 6, Chapter 962, Acts of the 80th Legislature, Regular Session, 2007.

SECTION 3.02.  SEBASTIAN MUNICIPAL UTILITY DISTRICT. Chapter 516, Acts of the 75th Legislature, Regular Session, 1997, is repealed.

SECTION 3.03.  RED RIVER AUTHORITY OF TEXAS. The following statutes are repealed:

(1)  Chapter 279, Acts of the 56th Legislature, Regular Session, 1959;

(2)  Section 3, Chapter 504 Acts of the 57th Legislature, Regular Session, 1961;

(3)  Section 2, Chapter 570, Acts of the 60th Legislature, Regular Session, 1967;

(4)  Section 2, Chapter 217, Acts of the 64th Legislature, Regular Session, 1975;

(5)  Section 3, Chapter 529, Acts of the 65th Legislature, Regular Session, 1977;

(6)  Section 4, Chapter 86, Acts of the 67th Legislature, Regular Session, 1981;

(7)  Section 3, Chapter 870, Acts of the 67th Legislature, Regular Session, 1981;

(8)  Section 5, Chapter 696, Acts of the 68th Legislature, Regular Session, 1983; and

(9)  Sections 12 and 14, Chapter 23, Acts of the 86th Legislature, Regular Session, 2019.

SECTION 3.04.  NUECES RIVER AUTHORITY. The following statutes are repealed:

(1)  Sections 1.01, 1.02, 1.02A, 1.03, 2.01, 2.02(b) and (c), 2.03, 2.03A, 2.04, 2.05, 2.06, 2.06A, 2.07, 2.08, 2.08A, 2.09, 2.10, 2.11, 2.12, 3.01, 3.02, 3.03, 3.04, 3.05, 3.06, 3.07, 3.08, 3.09, 3.10, 3.11, 3.12, 3.13, 3.14, 3.15, 3.16, 3.17, 3.18, 3.18A, 3.19, 3.20, 3.21, 3.22, 3.22A, 3.23, 3.24, 3.25, 3.26, 3.27, 3.28, 4.01, 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 5.01, 5.02, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, and 5.10, Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935;

(2)  Sections 2, 3, 4, 5, 6, and 7, Chapter 699, Acts of the 64th Legislature, Regular Session, 1975;

(3)  Section 3, Chapter 665, Acts of the 69th Legislature, Regular Session, 1985; and

(4)  Sections 16 and 18, Chapter 21, Acts of the 86th Legislature, Regular Session, 2019.

SECTION 3.05.  CALHOUN COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1. The following statutes are repealed:

(1)  Chapter 472, Acts of the 56th Legislature, Regular Session, 1959; and

(2)  Chapter 518, Acts of the 71st Legislature, Regular Session, 1989.

ARTICLE 4. GENERAL MATTERS

SECTION 4.01.  LEGISLATIVE INTENT OF NO SUBSTANTIVE CHANGE. This Act is enacted under Section 43, Article III, Texas Constitution. This Act is intended as a codification only, and no substantive change in law is intended by this Act. This Act does not increase or decrease the territory of any special district of the state as those boundaries exist on the effective date of this Act.

SECTION 4.02.  PRESERVATION OF VALIDATION MADE BY PREVIOUS LAW. (a) The repeal of a law, including a validating law, by this Act does not remove, void, or otherwise affect in any manner a validation under the repealed law. The validation is preserved and continues to have the same effect that it would have if the law were not repealed.

(b)  Subsection (a) of this section does not diminish the saving provisions prescribed by Section 311.031, Government Code.

SECTION 4.03.  EFFECTIVE DATE. This Act takes effect April 1, 2023.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

    President of the Senate Speaker of the House

I certify that H.B. No. 3530 was passed by the House on April 30, 2021, by the following vote:  Yeas 139, Nays 2, 2 present, not voting.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chief Clerk of the House

I certify that H.B. No. 3530 was passed by the Senate on May 27, 2021, by the following vote:  Yeas 31, Nays 0.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Secretary of the Senate

APPROVED:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

                    Date

           \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

                  Governor