

By: Moody

H.B. No. 3530

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the nonsubstantive revision of certain local laws
3 concerning water and wastewater special districts, including a
4 conforming amendment.

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

6 ARTICLE 1. NONSUBSTANTIVE REVISION OF LOCAL LAWS

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

10 CHAPTER 7817. DENTON COUNTY LEVEE IMPROVEMENT DISTRICT NO. 1

11 OF DENTON AND DALLAS COUNTIES, TEXAS

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 7817.0101. DEFINITIONS

14 Sec. 7817.0102. NATURE OF DISTRICT

15 Sec. 7817.0103. TERRITORY

16 Sec. 7817.0104. ANNEXATION OF TERRITORY

17 Sec. 7817.0105. APPLICABILITY OF OTHER LAW

18 SUBCHAPTER B. POWERS AND DUTIES

19 Sec. 7817.0201. AUTHORITY TO UNDERTAKE IMPROVEMENT

20 PROJECTS OR SERVICES

21 Sec. 7817.0202. COMPACTED FILL AUTHORITY

22 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

23 Sec. 7817.0301. ASSESSMENTS; LIENS FOR ASSESSMENTS

1 Sec. 7817.0302. AUTHORITY TO IMPOSE SPECIAL
2 ASSESSMENTS FOR CERTAIN IMPROVEMENT
3 PROJECTS OR SERVICES

4 Sec. 7817.0303. PETITION REQUIRED FOR FINANCING
5 IMPROVEMENT PROJECTS OR SERVICES
6 THROUGH ASSESSMENTS

7 Sec. 7817.0304. IMPACT FEE AND ASSESSMENT EXEMPTIONS

8 Sec. 7817.0305. BONDS AND OTHER OBLIGATIONS

9 CHAPTER 7817. DENTON COUNTY LEVEE IMPROVEMENT DISTRICT NO. 1
10 OF DENTON AND DALLAS COUNTIES, TEXAS
11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 7817.0101. DEFINITIONS. In this chapter:

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

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

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

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

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

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

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

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

5 (1) be in writing;

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

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

10 (4) include a copy of the petition.

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

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

18 SUBCHAPTER B. POWERS AND DUTIES

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

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

27 (1) a drainage facility;

- 1 (2) a hiking and cycling trail;
- 2 (3) a pedestrian walkway along or across a street, at
- 3 grade or above or below the surface;
- 4 (4) landscaping; and
- 5 (5) other development. (Acts 69th Leg., R.S., Ch.
- 6 473, Secs. 6A(a), (c).)

7 Sec. 7817.0202. COMPACTED FILL AUTHORITY. The district may

8 include compacted fill in the district's reclamation plan and may

9 spend money and issue bonds to the full extent otherwise authorized

10 by Chapters 49 and 57, Water Code, for payment of compacted fill.

11 (Acts 69th Leg., R.S., Ch. 473, Sec. 4.)

12 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

13 Sec. 7817.0301. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)

14 The board by resolution may impose an assessment for any purpose

15 authorized by this chapter.

16 (b) An assessment, including an assessment resulting from

17 an addition to or correction of the assessment roll by the district,

18 a reassessment, penalties and interest on an assessment or

19 reassessment, an expense of collection, and reasonable attorney's

20 fees incurred by the district are:

- 21 (1) a first and prior lien against the property
- 22 assessed;
- 23 (2) superior to any other lien or claim other than a
- 24 lien or claim for county, school district, or municipal ad valorem
- 25 taxes; and
- 26 (3) the personal liability of and a charge against the
- 27 property owners even if the owners are not named in the assessment

1 proceedings.

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

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

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

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

23 (b) The petition must be signed by:

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

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

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

6 (1) single-family residential property; or

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

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

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

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

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

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

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

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

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

7 CHAPTER 7886. SEBASTIAN MUNICIPAL UTILITY DISTRICT

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 7886.0101. DEFINITIONS

10 SUBCHAPTER B. POWERS AND DUTIES

11 Sec. 7886.0201. QUALIFIED WATER SUPPLY CORPORATION

12 Sec. 7886.0202. PETITION TO DISSOLVE DISTRICT

13 Sec. 7886.0203. ELECTION RELATING TO DISSOLUTION OF
14 DISTRICT

15 Sec. 7886.0204. ELECTION RESULTS

16 Sec. 7886.0205. AGREEMENT AND ORDER RELATING TO
17 DISSOLUTION OF DISTRICT

18 Sec. 7886.0206. AGREEMENT AND ORDER RELATING TO WATER
19 AND WASTEWATER SERVICE

20 Sec. 7886.0207. FILING REQUIREMENT

21 CHAPTER 7886. SEBASTIAN MUNICIPAL UTILITY DISTRICT

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Sec. 7886.0101. DEFINITIONS. In this chapter:

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

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

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

1 District.

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

4 SUBCHAPTER B. POWERS AND DUTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

22 "By voting YES on this ballot, you are voting in favor of
23 requiring the Sebastian Municipal Utility District to enter into an
24 agreement with a qualified water supply corporation in which the
25 district's debts, liabilities, obligations, assets, and facilities
26 are transferred to the corporation and the district is dissolved.
27 By voting NO on this ballot, you are voting against requiring the

1 Sebastian Municipal Utility District to enter into such an
2 agreement." (Acts 75th Leg., R.S., Ch. 516, Secs. 5(a), (b), (c),
3 (d) (part), (e).)

4 Sec. 7886.0204. ELECTION RESULTS. (a) If a majority of the
5 voters vote in favor of the ballot proposition stated in Section
6 7886.0203(e), the board shall enter into an agreement described by
7 Section 7886.0205(a) if:

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

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

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

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

22 (1) accept assignment of the district's certificate of
23 public convenience and necessity obtained under Section [13.246](#),
24 Water Code, and any right obtained under the certificate, after the
25 utility commission determines that the corporation is capable of
26 rendering adequate and continuous service as required by Section
27 [13.251](#), Water Code;

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

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

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

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

10 (c) The district's dissolution becomes effective on the
11 30th day after the date the board issues the order dissolving the
12 district.

13 (d) On the effective date of the dissolution:

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

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

18 (3) the district's certificate of public convenience
19 and necessity and any right obtained under the certificate is
20 assigned to the corporation in the manner prescribed by Section
21 [13.251](#), Water Code. (Acts 75th Leg., R.S., Ch. 516, Sec. 2.)

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

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

27 (2) assume ownership of the district's assets and

1 facilities relating to water and wastewater service;

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

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

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

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

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

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

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

1 board issues the order:

2 (1) with the Texas Commission on Environmental
3 Quality;

4 (2) with the utility commission; and

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

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

12 (1) with the Texas Commission on Environmental
13 Quality;

14 (2) with the utility commission; and

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

17 SECTION 1.03. RIVER AUTHORITIES. Subtitle G, Title 6,
18 Special District Local Laws Code, is amended by adding Chapters
19 8510 and 8511 to read as follows:

20 CHAPTER 8510. RED RIVER AUTHORITY OF TEXAS

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 8510.0101. DEFINITIONS

23 Sec. 8510.0102. NATURE OF AUTHORITY

24 Sec. 8510.0103. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

25 Sec. 8510.0104. REVIEW SCHEDULE UNDER SUNSET ACT

26 Sec. 8510.01045. SUNSET REPORT AUDIT

27 Sec. 8510.0105. TERRITORY

- 1 Sec. 8510.0106. EFFECT OF OVERLAPPING TERRITORY
- 2 Sec. 8510.0107. APPLICABILITY OF CHAPTER TO CERTAIN
- 3 COUNTY
- 4 Sec. 8510.0108. APPLICABILITY OF CHAPTER TO BOWIE
- 5 COUNTY
- 6 Sec. 8510.0109. LIBERAL CONSTRUCTION OF CHAPTER
- 7 SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS
- 8 Sec. 8510.0201. MEMBERSHIP OF BOARD
- 9 Sec. 8510.0202. TERMS
- 10 Sec. 8510.0203. REMOVAL
- 11 Sec. 8510.0204. VACANCY
- 12 Sec. 8510.0205. OATH AND BOND REQUIREMENT FOR
- 13 DIRECTORS
- 14 Sec. 8510.0206. COMPENSATION OF DIRECTORS
- 15 Sec. 8510.0207. VOTING REQUIREMENT
- 16 Sec. 8510.0208. OFFICERS
- 17 Sec. 8510.0209. DIRECTOR TRAINING PROGRAM
- 18 Sec. 8510.0210. MEETINGS
- 19 Sec. 8510.0211. SEPARATION OF POLICYMAKING AND
- 20 MANAGEMENT FUNCTIONS
- 21 Sec. 8510.0212. ATTORNEYS, AGENTS, AND EMPLOYEES
- 22 Sec. 8510.0213. GENERAL MANAGER
- 23 Sec. 8510.0214. DIRECTOR'S, OFFICER'S, OR EMPLOYEE'S
- 24 SURETY BOND
- 25 Sec. 8510.0215. AUTHORITY'S OFFICE
- 26 Sec. 8510.0216. RECORDS
- 27 Sec. 8510.0217. COMPLAINTS

- 1 Sec. 8510.0218. ALTERNATIVE DISPUTE RESOLUTION
2 PROCEDURES
- 3 Sec. 8510.0219. PUBLIC TESTIMONY
- 4 SUBCHAPTER C. POWERS AND DUTIES
- 5 Sec. 8510.0301. GENERAL POWERS
- 6 Sec. 8510.0302. POWERS RELATING TO CONSERVATION AND
7 BENEFICIAL USE OF WATER
- 8 Sec. 8510.0303. POWERS REGARDING CANALS, WATERWAYS,
9 AND RELATED FACILITIES
- 10 Sec. 8510.0304. FEDERALLY CONSTRUCTED OR MAINTAINED
11 CANALS, WATERWAYS, AND FACILITIES
- 12 Sec. 8510.0305. POWER TO CONTROL, DEVELOP, STORE, AND
13 USE WATER FOR NAVIGATIONAL USE
- 14 Sec. 8510.0306. POWERS RELATING TO FLOODING
- 15 Sec. 8510.0307. MASTER PLAN FOR DEVELOPMENT OF SOIL
16 AND WATER RESOURCES
- 17 Sec. 8510.0308. POWERS RELATING TO PARKS AND
18 RECREATIONAL FACILITIES
- 19 Sec. 8510.0309. POWERS RELATING TO WASTE FACILITIES;
20 BONDS
- 21 Sec. 8510.0310. ADDITIONAL POWERS OF AUTHORITY AND
22 OTHER PERSONS; BONDS
- 23 Sec. 8510.0311. POWERS RELATING TO CONTRACTS
- 24 Sec. 8510.0312. POWERS RELATING TO WATER DISTRIBUTION
25 PLANTS OR SYSTEMS
- 26 Sec. 8510.0313. CONTRACTS FOR SALE AND DELIVERY OF
27 WATER TO CERTAIN MUNICIPALITIES

- 1 Sec. 8510.0314. ACQUISITION OF PROPERTY BY GIFT,
2 PURCHASE, OR EMINENT DOMAIN
- 3 Sec. 8510.0315. COST OF RELOCATING OR ALTERING
4 PROPERTY
- 5 Sec. 8510.0316. ACQUISITION OR OPERATION OF PROPERTY
- 6 Sec. 8510.0317. LIMITATION ON PURCHASE OF GROUNDWATER
7 RIGHTS
- 8 Sec. 8510.0318. LIMITATION ON POWERS OF AUTHORITY
9 REGARDING GROUNDWATER
- 10 Sec. 8510.0319. LIMITATION ON POWERS AND DUTIES OF
11 AUTHORITY; COMMISSION APPROVAL OF
12 CERTAIN PLANS
- 13 Sec. 8510.0320. LIMITATION ON POWER TO MANUFACTURE AND
14 PRODUCE GASOHOL
- 15 Sec. 8510.0321. SEAL
- 16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
- 17 Sec. 8510.0401. PROCEDURE FOR PAYMENT
- 18 Sec. 8510.0402. RECEIPT OF MONEY
- 19 Sec. 8510.0403. FISCAL YEAR
- 20 Sec. 8510.0404. FILING OF AUDIT REPORT
- 21 Sec. 8510.0405. ASSET MANAGEMENT PLAN
- 22 Sec. 8510.0406. RATES AND CHARGES
- 23 Sec. 8510.0407. CHANGES TO RATES AND CHARGES
- 24 Sec. 8510.0408. NOTICE OF RIGHT TO APPEAL CHANGES TO
25 RATES
- 26 Sec. 8510.0409. DEPOSITORY
- 27 Sec. 8510.0410. TAX NOT AUTHORIZED BY CHAPTER

1 SUBCHAPTER E. BORROWED MONEY OR GRANTS

2 Sec. 8510.0501. POWER TO ISSUE OBLIGATIONS OR WARRANTS

3 Sec. 8510.0502. LOANS AND GRANTS

4 Sec. 8510.0503. POWER TO SEEK AND ACCEPT CONTRIBUTIONS

5 Sec. 8510.0504. POWER TO ISSUE BONDS

6 Sec. 8510.0505. FORM OF BONDS

7 Sec. 8510.0506. MATURITY

8 Sec. 8510.0507. BONDS PAYABLE FROM REVENUE

9 Sec. 8510.0508. COMPENSATION RATES

10 Sec. 8510.0509. ADDITIONAL SECURITY

11 Sec. 8510.0510. USE OF BOND PROCEEDS

12 Sec. 8510.0511. APPOINTMENT OF RECEIVER

13 Sec. 8510.0512. REFUNDING BONDS

14 CHAPTER 8510. RED RIVER AUTHORITY OF TEXAS

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 8510.0101. DEFINITIONS. In this chapter:

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

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

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

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

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

1 Sec. 8510.0103. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

2 (a) The authority is:

3 (1) essential to accomplish the purposes of Section
4 59, Article XVI, Texas Constitution; and

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

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

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

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

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

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

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

1 December 1, 2022.

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

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

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

- 11 (1) Subchapter J, Chapter 49, Water Code;
- 12 (2) Subchapter O, Chapter 51, Water Code;
- 13 (3) Subchapter H, Chapter 62, Water Code; or
- 14 (4) other law.

15 (b) The authority is composed of:

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

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

23 (c) A defect or irregularity in the boundary or an overlap
24 or conflict of the boundary with another authority or district does
25 not affect the authority's validity. (Acts 56th Leg., R.S., Ch.
26 279, Sec. 2 (part); New.)

27 Sec. 8510.0106. EFFECT OF OVERLAPPING TERRITORY. (a) An

1 overlap of the authority's territory with another district's or
2 authority's territory or watershed does not affect the powers,
3 affairs, duties, or functions of another district or authority,
4 including the Canadian River Municipal Water Authority.

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

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

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

16 Sec. 8510.0108. APPLICABILITY OF CHAPTER TO BOWIE COUNTY.

17 (a) In this section, "project" means the United States Army Corps
18 of Engineers' Red River Bank Stabilization and Navigation Project,
19 from Index, Arkansas, to Denison Dam.

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

24 (c) Bowie County is liable only for debt incurred by the
25 authority directly in connection with the project. The board may
26 exercise the powers and duties, including the power of eminent
27 domain, under this chapter with relation to Bowie County only to the

1 extent necessary to accomplish the project. (Acts 56th Leg., R.S.,
2 Ch. 279, Secs. 2 (part), 14d; New.)

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

6 SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS

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

10 (b) Each director must be:

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

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

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

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

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

24 (3) director district no. 3 includes Bowie, Cooke,
25 Fannin, Grayson, Lamar, Montague, and Red River Counties. (Acts
26 56th Leg., R.S., Ch. 279, Secs. 4(a) (part), (b), (c), (d), (e).)

27 Sec. 8510.0202. TERMS. Directors serve staggered six-year

1 terms. (Acts 56th Leg., R.S., Ch. 279, Sec. 4(f) (part).)

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

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

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

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

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

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

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

20 (c) If the general manager has knowledge that a potential
21 ground for removal exists, the general manager shall notify the
22 board president of the potential ground. The president shall then
23 notify the governor and the attorney general that a potential
24 ground for removal exists. If the potential ground for removal
25 involves the president, the general manager shall notify the next
26 highest ranking director, who shall then notify the governor and
27 the attorney general that a potential ground for removal exists.

1 (Acts 56th Leg., R.S., Ch. 279, Sec. 4a.)

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

6 Sec. 8510.0205. OATH AND BOND REQUIREMENT FOR DIRECTORS.

7 (a) Not later than the 15th day after the date of appointment, a
8 director shall qualify by:

9 (1) taking the constitutional oath of office; and

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

13 (b) The bond must be:

14 (1) in the amount of \$5,000;

15 (2) payable to the authority; and

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

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

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

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

3 (d) In all areas of conflict with this section, Section
4 49.060, Water Code, takes precedence. (Acts 56th Leg., R.S., Ch.
5 279, Secs. 10(a) (part), (b).)

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

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

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

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

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

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

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

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

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

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

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

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

13 (4) the requirements of:

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

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

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

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

25 (d) The general manager shall create a training manual that
26 includes the information required by Subsection (b). The general
27 manager shall distribute a copy of the training manual annually to

1 each director. Each director shall sign and submit to the general
2 manager a statement acknowledging that the director has received
3 and reviewed the training manual. (Acts 56th Leg., R.S., Ch. 279,
4 Sec. 4b.)

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

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

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

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

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

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

23 Sec. 8510.0211. SEPARATION OF POLICYMAKING AND MANAGEMENT
24 FUNCTIONS. The board shall develop and implement policies that
25 clearly separate the board's policymaking responsibilities and the
26 general manager's and staff's management responsibilities. (Acts
27 56th Leg., R.S., Ch. 279, Sec. 11a.)

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

4 (b) The board may remove an authority employee.

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

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

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

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

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

18 (b) The authority shall pay the premium on the bond. (Acts
19 56th Leg., R.S., Ch. 279, Sec. 12.)

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

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

27 Sec. 8510.0217. COMPLAINTS. (a) The authority shall

1 maintain a system to promptly and efficiently act on complaints
2 filed with the authority.

3 (b) The authority shall maintain:

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

6 (2) information about the parties to the complaint;

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

9 (4) the disposition of the complaint.

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

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

15 Sec. 8510.0218. ALTERNATIVE DISPUTE RESOLUTION PROCEDURES.

16 (a) The board shall develop a policy to encourage the use of
17 appropriate alternative dispute resolution procedures under
18 Chapter 2009, Government Code, to assist in the resolution of
19 internal and external disputes under the authority's jurisdiction.

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

25 (c) The authority shall:

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

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

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

6 Sec. 8510.0219. PUBLIC TESTIMONY. The board shall develop
7 and implement policies that provide the public with a reasonable
8 opportunity to appear before the board and to speak on any issue
9 under the authority's jurisdiction. (Acts 56th Leg., R.S., Ch.
10 279, Sec. 34(a).)

11 SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

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

1 (part), 31; New.)

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

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

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

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

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

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

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

26 (2) the control, conservation, and orderly
27 development of the watershed and water of the Red River and its

1 tributaries in this state through all practical and legal means;

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

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

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

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

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

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

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

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

27 (11) any purpose for which waters when controlled and

1 conserved may be used in the performance of a useful service as
2 authorized by the constitution of this state.

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

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

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

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

9 (A) fines not to exceed \$1,000;

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

12 (C) both the fine and confinement.

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

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

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

24 (1) promote, construct, maintain and operate, or aid
25 and encourage, the construction, maintenance, and operation of
26 navigable canals or waterways and all navigational systems or
27 facilities auxiliary to navigable canals or waterways using the

1 natural bed and banks of the Red River, where practicable, and then
2 traversing a route the authority may find to be more feasible and
3 practicable to connect the Red River in this state with any new
4 navigation canals to be constructed in the lower reaches of the Red
5 River or to connect the Red River with the Gulf Intracoastal
6 Waterway;

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

11 (A) navigation canals or waterways; and

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

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

20 (b) A power described by Subsection (a)(3) applies with
21 respect to a facility or aid described by that subdivision only if
22 the facility or aid is in a county located inside the authority.

23 (Acts 56th Leg., R.S., Ch. 279, Sec. 14a (part).)

24 Sec. 8510.0304. FEDERALLY CONSTRUCTED OR MAINTAINED
25 CANALS, WATERWAYS, AND FACILITIES. If the construction or
26 maintenance and operation of navigable canals or waterways and all
27 navigational systems or facilities auxiliary to navigable canals or

1 waterways on the Red River in this state is taken over or performed
2 by the federal government or an agency of the federal government,
3 then the authority may:

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

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

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

15 (1) navigable canals or waterways; and

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

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

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

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

27 (2) protect life and property in the watershed of the

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

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

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

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

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

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

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

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

26 (b) The authority may provide recreational facilities and
27 services and may enter into a contract or agreement with any person

1 for the construction, operation, or maintenance of a park or
2 recreational facility.

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

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

10 Sec. 8510.0309. POWERS RELATING TO WASTE FACILITIES; BONDS.

11 (a) As a necessary aid to the conservation, control, preservation,
12 and distribution of the water of the Red River and its tributaries
13 for beneficial use, the authority may:

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

18 (2) issue bonds for a purpose described by Subdivision
19 (1).

20 (b) The authority may contract with:

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

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

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

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

3 (2) in the form and issued in the manner prescribed by
4 law for other revenue bonds and as provided by Sections 8510.0504,
5 8510.0505, 8510.0506, 8510.0507, 8510.0508, 8510.0509, 8510.0510,
6 8510.0511, and 8510.0512. (Acts 56th Leg., R.S., Ch. 279, Sec. 14a
7 (part).)

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

13 (b) The authority and a person may:

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

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

18 (c) The authority may issue bonds in the manner provided by
19 Sections 8510.0504, 8510.0505, 8510.0506, 8510.0507, 8510.0508,
20 8510.0510, and 8510.0511 with respect to its powers, including the
21 powers granted by this section, for the purpose of providing money:

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

27 (2) to operate and maintain a facility.

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

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

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

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

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

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

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

4 (g) A public agency may:

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

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

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

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

22 (i) This section does not compel a person or public agency
23 to secure water, sewer service, or another service from the
24 authority, except under a voluntarily executed contract. (Acts
25 56th Leg., R.S., Ch. 279, Secs. 14b(a)(part), (b), (d), (e), (f),
26 (g), (h)(part), (j).)

27 Sec. 8510.0311. POWERS RELATING TO CONTRACTS. (a) The

1 authority may execute any contract and enter into any agreement
2 necessary to accomplish the purpose for which it was created,
3 including a contract with a municipality, corporation, or district,
4 the United States, this state or an agency of this state, or the
5 state of Oklahoma, Arkansas, or Louisiana, the confines of which
6 are contiguous or adjacent to the Red River.

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

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

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

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

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

27 (2) the purposes of the municipality's water

1 distribution plant or system. (Acts 56th Leg., R.S., Ch. 279, Sec.
2 16a.)

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

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

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

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

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

24 (e) The authority's authority under this section to
25 exercise the power of eminent domain expired on September 1, 2013,
26 unless the authority submitted a letter to the comptroller in
27 accordance with Section [2206.101\(b\)](#), Government Code, not later

1 than December 31, 2012. (Acts 56th Leg., R.S., Ch. 279, Secs. 14a
2 (part), 18 (part), 19 (part); New.)

3 Sec. 8510.0315. COST OF RELOCATING OR ALTERING PROPERTY.

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

12 Sec. 8510.0316. ACQUISITION OR OPERATION OF PROPERTY. (a)

13 In this section, "property" includes:

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

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

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

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

27 (d) The authority may purchase groundwater rights only as

1 provided by Section 8510.0317.

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

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

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

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

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

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

19 (2) regulate the use of groundwater resources. (Acts
20 56th Leg., R.S., Ch. 279, Sec. 25.)

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

27 (b) The commission shall consider the adequacy and

1 feasibility of, and approve or refuse to approve, each flood
2 control or conservation plan that is devised to achieve a purpose
3 for which the authority was created. (Acts 56th Leg., R.S., Ch.
4 279, Sec. 15 (part).)

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

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

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

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

14 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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

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

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

27 Sec. 8510.0404. FILING OF AUDIT REPORT. A copy of the audit

1 report prepared under Subchapter G, Chapter 49, Water Code, shall
2 be filed:

- 3 (1) as required by Section 49.194, Water Code; and
- 4 (2) in the office of the auditor. (Acts 56th Leg.,
5 R.S., Ch. 279, Sec. 9 (part); New.)

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

- 8 (1) provision of water to the public for human
9 consumption; or
- 10 (2) collection and treatment of wastewater.

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

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

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

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

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

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

22 (D) other criteria as determined by the
23 authority;

24 (3) estimating asset repair and replacement costs;

25 (4) identifying and evaluating potential financing
26 options; and

27 (5) prioritizing systems that are not in compliance

1 with federal or state regulatory standards, including water quality
2 standards.

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

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

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

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

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

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

17 Sec. 8510.0407. CHANGES TO RATES AND CHARGES. (a) In this
18 section, "affected person" has the meaning assigned by Section
19 [13.002](#), Water Code.

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

23 (1) notice of the proposed change; and

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

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

- 1 (1) the provision of notice of a proposed change:
2 (A) on the authority's website; and
3 (B) in an affected person's utility bills; and

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

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

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

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

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

17 Sec. 8510.0408. NOTICE OF RIGHT TO APPEAL CHANGES TO RATES.

18 (a) In this section, "affected person" has the meaning assigned by
19 Section 13.002, Water Code.

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

- 22 (1) in notices related to changes to rates;
23 (2) in utility bills sent before the deadline for
24 initiating an appeal under Chapter 13, Water Code; and
25 (3) on the authority's website.

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

1 (1) the appeals process;

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

4 (3) the methods available for obtaining additional
5 information related to rates. (Acts 56th Leg., R.S., Ch. 279, Secs.
6 20a (part), 20b.)

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

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

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

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

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

20 SUBCHAPTER E. BORROWED MONEY OR GRANTS

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

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

25 (1) borrow money for its corporate purposes; and

26 (2) borrow money or accept a grant from the United
27 States, this state, or any other source, and in connection with the

1 loan or grant, enter into any agreement or assume any obligation as
2 may be required. (Acts 56th Leg., R.S., Ch. 279, Sec. 22 (part).)

3 Sec. 8510.0503. POWER TO SEEK AND ACCEPT CONTRIBUTIONS.

4 (a) The authority may seek and accept from any source a contribution
5 to an authority fund for the purpose of funding:

6 (1) necessary studies;

7 (2) engineering and other services; and

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

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

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

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

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

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

24 (1) issued in the authority's name;

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

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

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

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

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

- 9 (1) all or part of the authority's net revenue;
10 (2) the net revenue of a contract entered into at any
11 time; or
12 (3) other revenue specified by board resolution.

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

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

- 19 (1) water the authority sells; and
20 (2) services the authority renders.

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

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

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

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

1 279, Sec. 26(e).)

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

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

11 (b) The deed of trust may:

- 12 (1) contain any provision the board prescribes to
13 secure the bonds and preserve the trust estate;
- 14 (2) provide for amendment or modification of the deed
15 of trust; and
- 16 (3) provide for the issuance of bonds to replace lost
17 or mutilated bonds.

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

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

1 proceeds as provided by this subsection.

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

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

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

14 (c) The receiver may be authorized to sell or contract for
15 the sale of water or to renew those contracts with the approval of
16 the court that appointed the receiver.

17 (d) The court may vest the receiver with any other power or
18 duty the court finds necessary to protect the bondholders. (Acts
19 56th Leg., R.S., Ch. 279, Sec. 26(g).)

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

23 (b) Refunding bonds may:

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

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

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

1 revenue.

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

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

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

18 CHAPTER 8511. NUECES RIVER AUTHORITY

19 SUBCHAPTER A. GENERAL PROVISIONS

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17 AUTHORIZING BONDS OR TRUST INDENTURE

18 Sec. 8511.0710. REFUNDING BONDS

19 CHAPTER 8511. NUECES RIVER AUTHORITY

20 SUBCHAPTER A. GENERAL PROVISIONS

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

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

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

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

27 (4) "Development board" means the Texas Water

1 Development Board.

2 (5) "Director" means a board member.

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

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

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

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

13 (2) a municipality.

14 (b) The authority's creation is essential to accomplish the
15 purposes of Section 59, Article XVI, Texas Constitution. (Acts
16 44th Leg., 1st C.S., Ch. 427, Sec. 2.01 (part).)

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

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

27 (2) the reclamation and irrigation of arid, semiarid,

1 and other land needing irrigation;

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

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

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

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

9 (7) the provision of systems, facilities, and
10 procedures for the collection, transportation, handling,
11 treatment, and disposal of waste. (Acts 44th Leg., 1st C.S., Ch.
12 427, Sec. 1.01.)

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

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

22 (1) Subsection (c) or its predecessor statute, Section
23 2.02(c), Chapter 427, Acts of the 44th Legislature, 1st Called
24 Session, 1935;

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

26 (3) other law.

27 (b) The board shall record in the authority's minutes the

1 written description of the boundaries in Section 2.02(a), Chapter
2 427, Acts of the 44th Legislature, 1st Called Session, 1935.

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

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

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

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

19 (3) the right to impose a tax; or

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

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

1 SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS

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

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

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

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

17 Sec. 8511.0202. TERMS. Directors serve staggered terms of
18 six years, with one-third of the directors taking office February 1
19 of each odd-numbered year. (Acts 44th Leg., 1st C.S., Ch. 427, Sec.
20 2.03(c).)

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

- 23 (1) inefficiency;
24 (2) neglect of duty;
25 (3) misconduct in office; or
26 (4) absence from three consecutive regular board
27 meetings.

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

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

7 (1) the charges against the director; and

8 (2) the time and place for the hearing.

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

11 (e) A removal recommendation shall be forwarded to the
12 governor for the governor's consideration and action in accordance
13 with this section. (Acts 44th Leg., 1st C.S., Ch. 427, Sec.
14 2.03(f).)

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

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

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

25 (b) The authority shall pay the premiums on the bond. (Acts
26 44th Leg., 1st C.S., Ch. 427, Secs. 2.03(d), 2.08(b) (part).)

27 Sec. 8511.0207. COMPENSATION OF DIRECTORS. (a) A director

1 is entitled to receive an allowance in an amount not to exceed that
2 provided under Section 49.060, Water Code.

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

5 (c) In all areas of conflict with this section, Section
6 49.060, Water Code, takes precedence. (Acts 44th Leg., 1st C.S.,
7 Ch. 427, Sec. 2.05.)

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

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

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

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

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

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

1 (c) A committee member who is not a director may not vote on
2 a matter coming before the committee unless specifically authorized
3 by the board to do so. (Acts 44th Leg., 1st C.S., Ch. 427, Sec.
4 2.06.)

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (1) the law governing authority operations;

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

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

18 (4) the requirements of:

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

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

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

26 (c) A person appointed to the board is entitled to
27 reimbursement for the travel expenses incurred in attending the

1 training program regardless of whether the attendance at the
2 program occurs before or after the person qualifies for office.

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

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

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

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

26 Sec. 8511.0214. PUBLIC TESTIMONY. (a) The board shall
27 develop and implement policies that provide the public with a

1 reasonable opportunity to appear before the board and to speak on
2 any issue under the authority's jurisdiction.

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

10 Sec. 8511.0215. DIRECTORS' AND EMPLOYEES' FIDELITY BONDS.

11 (a) The executive director, the treasurer, and each of the
12 authority's officers, agents, or employees who is charged with the
13 collection, custody, or payment of authority money shall execute a
14 fidelity bond.

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

17 (c) The authority shall pay the premiums on the bond. (Acts
18 44th Leg., 1st C.S., Ch. 427, Secs. 2.08(a), (b) (part).)

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

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

25 (b) The authority shall maintain information about:

26 (1) the parties to the complaint;

27 (2) the subject matter of the complaint;

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

3 (4) the complaint's disposition.

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

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

9 Sec. 8511.0218. ALTERNATIVE DISPUTE RESOLUTION PROCEDURES.

10 (a) The board shall develop a policy to encourage the use of
11 appropriate alternative dispute resolution procedures under
12 Chapter 2009, Government Code, to assist in the resolution of
13 internal and external disputes under the authority's jurisdiction.

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

19 (c) The authority shall:

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

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

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

26 Sec. 8511.0219. FIVE-YEAR STRATEGIC PLAN. (a) The
27 authority shall adopt and promptly publish on the authority's

1 Internet website a written strategic plan that:

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

4 (2) establishes the authority's mission; and

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

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

11 SUBCHAPTER C. POWERS AND DUTIES

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

14 (1) administer this chapter; and

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

17 (b) The authority may:

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

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

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

26 (c) The board may provide for any expenditures it considers
27 essential or useful in the authority's maintenance, operation, and

1 administration. (Acts 44th Leg., 1st C.S., Ch. 427, Secs. 2.01
2 (part), 3.01(a), (b), 3.24.)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (c) The authority may:

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

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

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

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

20 Sec. 8511.0303. USE OF BED AND BANKS OF NUECES RIVER AND ITS
21 TRIBUTARIES. Subject to the commission's approval, the authority
22 may use the bed and banks of the Nueces River and its tributary
23 streams for any purpose necessary to accomplish the authority's
24 plans for storing, controlling, conserving, transporting, and
25 distributing storm water, floodwater, and appropriated flow waters
26 for useful purposes. (Acts 44th Leg., 1st C.S., Ch. 427, Sec.
27 3.21.)

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

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

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

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

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

26 (1) incorporates the practices, techniques, and
27 technologies that will reduce water consumption, reduce water loss

1 or waste, improve efficiency in water use, or increase water
2 recycling and reuse so that a water supply is available for future
3 or alternative uses; and

4 (2) the commission and development board determine
5 meets reasonably anticipated local needs and conditions. (Acts
6 44th Leg., 1st C.S., Ch. 427, Sec. 3.22A.)

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

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

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

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

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

24 (c) The authority shall cooperate with the Edwards Aquifer
25 Authority, or its lawful successor, and any other groundwater
26 conservation district inside the authority's boundaries in any
27 groundwater recharge project in an area where a groundwater

1 conservation district has jurisdiction. (Acts 44th Leg., 1st C.S.,
2 Ch. 427, Sec. 3.04.)

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

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

11 (c) The authority may serve as the entity to provide
12 regional or area-wide waste collection, treatment, and disposal
13 systems as provided by Subchapter C, Chapter 26, Water Code. (Acts
14 44th Leg., 1st C.S., Ch. 427, Sec. 3.05.)

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

22 Sec. 8511.0310. APPLICABILITY OF CERTAIN ENVIRONMENTAL
23 LAWS. The authority may exercise the powers and functions vested in
24 a river authority by Chapter 383, Health and Safety Code. (Acts
25 44th Leg., 1st C.S., Ch. 427, Sec. 3.26.)

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

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

4 (2) acquire, construct, and maintain park and
5 recreational facilities on the land. (Acts 44th Leg., 1st C.S., Ch.
6 427, Sec. 3.07.)

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

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

- 18 (1) the sale or use of water;
- 19 (2) water transmission, treatment, and storage
20 facility services;
- 21 (3) solid and liquid waste collection, treatment, and
22 disposal services and facilities;
- 23 (4) the use of park and recreational facilities;
- 24 (5) the sale of power and electric energy; and
- 25 (6) other services or facilities sold, provided, or
26 supplied by the authority.

27 (b) The fees and charges must be sufficient to produce

1 revenue adequate to:

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

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

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

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

12 Sec. 8511.0314. USE OF REVENUE AND PROPERTY. The use of any
13 authority money or property for any purpose not provided by this
14 chapter is prohibited. (Acts 44th Leg., 1st C.S., Ch. 427, Sec.
15 4.06(b).)

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

21 Sec. 8511.0316. ACQUISITION, CONSTRUCTION, MAINTENANCE,
22 AND OPERATION OF FACILITIES. The authority may acquire in any
23 manner, construct, extend, improve, maintain, reconstruct, use,
24 and operate facilities inside or outside the authority that are
25 necessary or convenient for the exercise of its powers, rights,
26 duties, and functions. (Acts 44th Leg., 1st C.S., Ch. 427, Sec.
27 3.12.)

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

5 (b) The authority's authority under this section to
6 exercise the power of eminent domain expired on September 1, 2013,
7 unless the authority submitted a letter to the comptroller in
8 accordance with Section 2206.101(b), Government Code, not later
9 than December 31, 2012. (Acts 44th Leg., 1st C.S., Ch. 427, Sec.
10 3.10; New.)

11 Sec. 8511.0318. COST OF RELOCATING OR ALTERING PROPERTY.

12 (a) In this section, "sole expense" means the actual cost of
13 relocating, raising, rerouting, changing the grade of, or altering
14 the construction of a facility described by Subsection (b) in
15 providing comparable replacement without enhancement of the
16 facility, after deducting from that cost the net salvage value
17 derived from the old facility.

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

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

27 (1) sell any property or interest in property of any

1 kind owned by the authority by installments or otherwise, including
2 a sale in any manner prescribed or permitted by:

3 (A) Chapter 383, Health and Safety Code;

4 (B) Section 552.014, Local Government Code; or

5 (C) Chapter 30, Water Code; or

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

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

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

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

24 (c) The authority:

25 (1) shall publish notice:

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

1 and

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

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

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

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

18 (f) A bid must be:

19 (1) in writing;

20 (2) sealed and delivered to the authority; and

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

25 (g) The authority shall open bids at the place specified in
26 the published notice and shall announce the bids. The place where
27 the bids are opened and announced must be open to the public. The

1 award of the contract shall be made by:

2 (1) the board; or

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

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

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

10 (1) enter into a proper contract; or

11 (2) provide a bond as required by law.

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

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

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

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

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

23 (3) purchasing or acquiring surplus property from a
24 governmental entity. (Acts 44th Leg., 1st C.S., Ch. 427, Secs.
25 3.15(b), (c), (d), (e), (f), (h), (i).)

26 Sec. 8511.0322. CONSTRUCTION CONTRACTS: PAYMENT. (a) The
27 contract price of any construction contract of the authority may be

1 paid in partial payments as the work progresses, but the payments
2 may not exceed 90 percent of the amount due at the time of the
3 payments as shown by the authority engineer's report.

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

7 (c) On certification of the executive director and the
8 authority engineer of the completion of the contract in accordance
9 with its terms and, in the case of any construction contract for
10 which notice to bidders is required by Section 8511.0321(c), on
11 board approval, the authority shall draw a warrant on its
12 depository to pay the balance due on the contract. (Acts 44th Leg.,
13 1st C.S., Ch. 427, Sec. 3.15(g).)

14 Sec. 8511.0323. CONFLICT OF INTEREST IN CERTAIN CONTRACTS.
15 An officer, agent, or employee of the authority who is financially
16 interested in a contract of a type described by Section
17 8511.0321(a) shall disclose that fact to the board before the board
18 votes on the acceptance of the contract. (Acts 44th Leg., 1st C.S.,
19 Ch. 427, Sec. 3.15(j).)

20 Sec. 8511.0324. SURVEYS AND ENGINEERING INVESTIGATIONS.
21 The authority shall conduct surveys and engineering investigations
22 to develop information for its use. (Acts 44th Leg., 1st C.S., Ch.
23 427, Sec. 3.19 (part).)

24 Sec. 8511.0325. PLANS. The board may:

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

27 (2) perform all actions useful and helpful in carrying

1 out the plans described by Subdivision (1) and accomplishing the
2 authority's purposes. (Acts 44th Leg., 1st C.S., Ch. 427, Sec. 3.19
3 (part).)

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

11 (1) ingress, egress, and use; and

12 (2) the operation of land and water vehicles.

13 (b) All public roads, streets, and state highways that as of
14 September 1, 1975, traversed the areas to be covered by any
15 impounded water shall remain open as a way of public passing to and
16 from the lakes created, unless changed by lawful authority. (Acts
17 44th Leg., 1st C.S., Ch. 427, Sec. 3.20.)

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

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

27 (1) is devised by the authority to achieve a plan or

1 purpose for which the authority was created; and

2 (2) contemplates improvements that are to be
3 supervised by the commission under general law. (Acts 44th Leg.,
4 1st C.S., Ch. 427, Secs. 3.25(a) (part), (b).)

5 SUBCHAPTER D. REGULATORY POWERS; ENFORCEMENT AND COURT REVIEW

6 PROVISIONS

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

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

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

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

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

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

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

1 Sec. 3.17.)

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

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

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

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

11 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

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

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

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

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

26 (d) Except as provided by Subsection (c), the authority
27 shall permit reasonable public inspection of its records during

1 regular business hours. (Acts 44th Leg., 1st C.S., Ch. 427, Secs.
2 2.10(a), (c), (d), (e).)

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

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

8 Sec. 8511.0504. TRUST MONEY. Money collected by or
9 donated, granted, loaned, or advanced to the authority is trust
10 money for the purposes provided by this chapter. (Acts 44th Leg.,
11 1st C.S., Ch. 427, Sec. 4.05.)

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

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

- 18 (1) bond proceeds;
19 (2) money pledged to pay bonds;
20 (3) money placed in special funds; and
21 (4) money remitted to a bank of payment for the payment
22 of the principal of and interest on bonds.

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

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

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

1 board; or

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

4 (e) The notice must:

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

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

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

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

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

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

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

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

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

25 Sec. 8511.0506. INVESTMENT OF AUTHORITY MONEY; APPLICATION
26 OF INCOME FROM INVESTMENTS. (a) Money in the authority's treasury
27 that is not required for the current payment of obligations of the

1 authority or for sinking funds and that the board considers
2 available for investment may be invested or reinvested by the
3 authority in:

4 (1) direct obligations of the United States;

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

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

9 (A) a farm credit bank;

10 (B) the Federal National Mortgage Association;

11 (C) a federal home loan bank;

12 (D) a bank for cooperatives; or

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

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

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

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

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

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

1 (d) The board shall direct the application of income from
2 investments made under this section. (Acts 44th Leg., 1st C.S., Ch.
3 427, Sec. 4.07.)

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

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

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

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

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

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

17 (2) with the governor;

18 (3) with the lieutenant governor;

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

20 and

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

23 SUBCHAPTER F. TAX PROVISIONS

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

27 (1) the maintenance of the authority and its

1 improvements; or

2 (2) the authority's administrative expenses.

3 (b) The maintenance tax and administration tax may not
4 exceed the maximum rate approved at the election, and the rate
5 remains in effect until changed by a subsequent election. The tax
6 rate may not exceed the limit specified by Section 8511.0604. (Acts
7 44th Leg., 1st C.S., Ch. 427, Sec. 5.05.)

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

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

- 17 (1) the date of the election;
18 (2) the proposition to be submitted and voted on;
19 (3) the polling places; and
20 (4) any other matters the board considers advisable.

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

25 (d) Notice of the election must be given by publishing a
26 substantial copy of the resolution ordering the election in one or
27 more newspapers of general circulation in the authority. The

1 notice must be published at least twice in each newspaper. The
2 first publication in each newspaper must occur at least 14 days
3 before the date set for the election, and the interval between the
4 publications in each newspaper must be at least one week. (Acts
5 44th Leg., 1st C.S., Ch. 427, Sec. 5.06 (part).)

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

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

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

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

27 Sec. 8511.0605. POWERS RELATING TO IMPROVEMENTS PECULIAR TO

1 DEFINED AREA. (a) The authority may exercise the powers specified
2 by Sections 51.510 through 51.530, Water Code, relating to
3 improvements peculiar to defined areas inside the authority.

4 (b) The tax rate limit specified by Section 8511.0604 does
5 not apply with respect to an improvement constructed in exercise of
6 a power authorized by this section. (Acts 44th Leg., 1st C.S., Ch.
7 427, Sec. 5.09 (part).)

8 SUBCHAPTER G. BONDS, BORROWED MONEY, AND GRANTS

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

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

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

16 (b) The source of any money accepted by the authority is
17 public information, both as to amount and any restrictions placed
18 by the donor on its expenditure. (Acts 44th Leg., 1st C.S., Ch.
19 427, Sec. 4.03.)

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

24 (1) secure engineering surveys and the compilation and
25 collection of information relating to regional and general
26 conditions entering into and influencing the character and extent
27 of the improvements necessary to accomplish the storage, control,

1 transportation, treatment, conservation, and equitable
2 distribution to the greatest public advantage of the floodwater,
3 normal flow water, and storm water that is stored and controlled; or
4 (2) accomplish or carry out any purpose of this
5 chapter.

6 (b) The authority:

7 (1) shall request an amount it considers sufficient;

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

10 (3) may appropriate the amount of the estimated
11 equitable contribution of the costs of developing essential
12 engineering information. (Acts 44th Leg., 1st C.S., Ch. 427, Sec.
13 4.04.)

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

19 (1) bonds secured by ad valorem taxes;

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

23 (A) the sale of water or other products;

24 (B) the rendition of services;

25 (C) tolls; and

26 (D) charges; and

27 (3) bonds secured by a combination pledge of:

1 (A) taxes; and
2 (B) all or part of the revenue described by
3 Subdivision (2).

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

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

7 (1) in the form the board prescribes;

8 (2) issued in the authority's name;

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

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

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

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

21 (b) The authority may issue bonds not payable wholly or
22 partly from ad valorem taxes without an election. (Acts 44th Leg.,
23 1st C.S., Ch. 427, Sec. 5.04.)

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

27 Sec. 8511.0708. ADDITIONAL BONDS. A pledge of revenue may

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

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

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

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

19 (b) Refunding bonds may:

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

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

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

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

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

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

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

17 CHAPTER 9088. CALHOUN COUNTY WATER CONTROL AND IMPROVEMENT

18 DISTRICT NO. 1

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 9088.0101. DEFINITIONS

21 Sec. 9088.0102. NATURE AND PURPOSE OF DISTRICT

22 Sec. 9088.0103. FINDINGS OF PURPOSE AND BENEFIT

23 Sec. 9088.0104. DISTRICT TERRITORY

24 SUBCHAPTER B. POWERS AND DUTIES

25 Sec. 9088.0201. WATER CONTROL AND IMPROVEMENT DISTRICT

26 POWERS

1 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

2 Sec. 9088.0301. TAX METHOD

3 CHAPTER 9088. CALHOUN COUNTY WATER CONTROL AND IMPROVEMENT

4 DISTRICT NO. 1

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Sec. 9088.0101. DEFINITIONS. In this chapter:

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

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

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

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

16 (2) a water control and improvement district; and

17 (3) a municipal corporation.

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

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

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

1 Sec. 9088.0104. DISTRICT TERRITORY. The district has the
2 area and boundaries described by the board's order adopted on March
3 23, 1959, as that area and those boundaries may have been modified
4 under:

- 5 (1) Subchapter J, Chapter 49, Water Code;
6 (2) Subchapter O, Chapter 51, Water Code; or
7 (3) other law. (Acts 56th Leg., R.S., Ch. 472, Sec. 1
8 (part); New.)

9 SUBCHAPTER B. POWERS AND DUTIES

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

18 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

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

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

24 ARTICLE 2. CONFORMING AMENDMENT

25 SECTION 2.01. NUECES RIVER AUTHORITY. Section 2.02(a),
26 Chapter 427, Acts of the 44th Legislature, 1st Called Session,
27 1935, is amended to read as follows:

1 (a) The Nueces River Authority [~~authority~~] includes all
2 counties which lie wholly within the Nueces River Basin, all of San
3 Patricio, Nueces, and Jim Wells counties, and generally the
4 in-basin parts of other counties, except Webb County, which lie
5 partially within the basin. The actual boundaries of the area
6 within the authority may be described by metes and bounds as
7 follows: Beginning at a point in the boundary of the State of Texas
8 offshore of the City of Port Aransas at the Northeast corner of
9 Nueces County and the most southerly Southeast corner of Aransas
10 County; thence along the common line between Nueces County and
11 Aransas County in a westerly and then northerly direction to a point
12 in the center of the Intracoastal Canal cutoff between Rockport and
13 Aransas Pass, Texas; thence southerly along the centerline of the
14 said Intracoastal Canal to its point of intersection with an
15 extension of the boundary line between Aransas County and San
16 Patricio County for the northernmost Southeast corner of San
17 Patricio County and the Southwest corner of Aransas County for an
18 angle point; thence along the common line between San Patricio
19 County and Aransas County in a northwesterly direction
20 approximately 14 miles to a point on the Aransas River on the South
21 line of Refugio County for the Northeast corner of San Patricio
22 County and the West corner of Aransas County; thence along the
23 Aransas River and the common line between Refugio County and San
24 Patricio County in a west-northwesterly direction approximately 19
25 miles to a point on the Southeast line of Bee County for the
26 Southwest corner of Refugio County; thence along the common line
27 between Bee County and San Patricio County in a southwesterly

1 direction approximately 3 miles to a point for the Southeast corner
2 of Bee County; thence along the common line between Bee County and
3 San Patricio County in a west-northwesterly direction
4 approximately 16 miles to the common corner of Live Oak, Bee, and
5 San Patricio Counties; thence in a northwesterly direction with the
6 line between Live Oak and Bee Counties approximately 14 miles;
7 thence N. approximately 25 miles to the most northern corner of Bee
8 County; thence N. 40° W. at approximately 19 1/2 miles the
9 Karnes-Wilson Counties line, at about 31 miles a point in the S.W.
10 line of Bexar County; thence approximately North 77 1/2° W.
11 approximately 28 miles, to the S.W. corner of Bexar County; thence
12 N.W. along the northwest extension of the common boundary between
13 Bexar and Atascosa Counties 3 1/2 miles to a point; thence N. 30° W.
14 approximately 28 miles to a point in the North line of Medina
15 County; then North 64° W. approximately 34 miles to a point in the
16 west line of Bandera County; thence North approximately 3 miles to
17 the northwest corner of Bandera County; thence West with the line of
18 Real and Kerr Counties approximately 5 miles to S.W. corner of Kerr
19 County; thence North with the line between Kerr and Real Counties
20 approximately 13 miles to the N.E. corner of Real County; thence
21 West, North and West, with the north line of Real County,
22 approximately 18 miles to the Northwest corner of Real County;
23 thence South 75° west approximately 15 miles to the Court House in
24 Rock Springs in Edwards County; thence N. 68° W. approximately 15
25 miles to a point; thence S. 34° W. approximately 19 miles to a point;
26 thence S. 35° E. at 21 miles pass a point in the South line of
27 Edwards County, 34 miles to a point; thence S. 23 1/2° W.

1 approximately 14 miles to a point; thence S. approximately 8 miles
2 to Spofford Junction; thence South with the Eagle Pass branch of G.
3 H. & S. A. R. R. at 15 miles a point; thence South 12 miles to a
4 point; thence S. $41\frac{1}{2}^{\circ}$ E. 42 miles to the village of Dentonia in
5 Dimmit County; thence S. $27\frac{1}{2}$ d. E. approximately 10 miles to the
6 Dimmit and Webb Counties line; thence E. with said Dimmit-Webb
7 County line approximately 25 miles to the west line of La Salle
8 County; thence South with west line of La Salle County
9 approximately 5 miles to the S.W. corner of La Salle County, a
10 common corner with Webb County; thence E. with the Webb-La Salle
11 County line approximately 30 miles to the N.E. corner of Webb
12 County, the common corner of Webb, La Salle, McMullen and Duval
13 Counties; thence S. with the Webb-Duval County line approximately
14 27 miles to a point in the E. line of Webb County; thence N. 35 d. E.
15 33 miles to a point on the 28 d. North Parallel; thence East along
16 the 28 degrees North Parallel approximately 17 miles to a point on
17 the East line of Duval County and the West line of Jim Wells County
18 for an interior corner; thence along the common line between Duval
19 County and Jim Wells County, South approximately 55 miles to a point
20 on the North line of Brooks County for the Southwest corner of Jim
21 Wells County and the Southeast corner of Duval County; thence along
22 the common line between Jim Wells County and Brooks County, East
23 approximately 11 miles to a point for the northernmost Southwest
24 corner of Kleberg County and the southernmost Southeast corner of
25 Jim Wells County; thence along the common line between Jim Wells
26 County and Kleberg County, North approximately 25.5 miles to the
27 Northwest corner of Kleberg County and an interior corner of Jim

1 Wells County; thence along the common line between Jim Wells County
2 and Kleberg County, East approximately 7.25 miles to a point in the
3 center of San Fernando Creek for the northernmost Southeast corner
4 of Jim Wells County and the northernmost Southwest corner of Nueces
5 County; thence along the centerline of San Fernando Creek and along
6 the common line between Kleberg County and Nueces County in a
7 southeasterly direction approximately 9 miles to a point for the
8 southernmost Southwest corner of Nueces County; thence along the
9 common line between Kleberg County and Nueces County, East
10 approximately 32 miles to a point on the shoreline of Laguna Madre
11 for an angle point; thence along the common line between Kleberg
12 County and Nueces County in an east-northeasterly direction across
13 Laguna Madre approximately 5.25 miles to a point on the Northwest
14 line of Padre Island for an angle point; thence along the common
15 line between Kleberg County and Nueces County in a southeasterly
16 direction to a point on the boundary of the State of Texas in the
17 Gulf of Mexico off North Padre Island at the Northeast corner of
18 Kleberg County and the Southeast corner of Nueces County; thence
19 along the boundary of the State of Texas in the Gulf of Mexico and
20 along the Southeast line of Nueces County in a northeasterly
21 direction to the point of beginning; being all of Live Oak County,
22 1116 square miles, McMullen County 1302 square miles, La Salle
23 County 1561 square miles, Frio County 1124 square miles, Zavala
24 County 1348 square miles, Atascosa County, 1358 square miles, Real
25 County 619 square miles, Uvalde County 1589 square miles, San
26 Patricio County 680 square miles, Nueces County 838 square miles,
27 and Jim Wells County 846 square miles, and parts of the following

1	Counties with the number of square miles included in the authority:	
2	Duval	378 square miles.
3	Dimmit	1200 square miles.
4	Maverick	574 square miles.
5	Kinney	602 square miles.
6	Medina	1113 square miles.
7	Bandera	224 square miles.
8	Edwards	922 square miles.
9	Bexar	84 square miles.
10	Wilson	98 square miles.
11	Karnes	85 square miles.
12	Bee	135 square miles.

13 ARTICLE 3. REPEALERS

14 SECTION 3.01. DENTON COUNTY LEVEE IMPROVEMENT DISTRICT NO.
15 1 OF DENTON AND DALLAS COUNTIES, TEXAS. The following statutes are
16 repealed:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (1) Sections 1.01, 1.02, 1.02A, 1.03, 2.01, 2.02(b)
20 and (c), 2.03, 2.03A, 2.04, 2.05, 2.06, 2.06A, 2.07, 2.08, 2.08A,
21 2.09, 2.10, 2.11, 2.12, 3.01, 3.02, 3.03, 3.04, 3.05, 3.06, 3.07,
22 3.08, 3.09, 3.10, 3.11, 3.12, 3.13, 3.14, 3.15, 3.16, 3.17, 3.18,
23 3.18A, 3.19, 3.20, 3.21, 3.22, 3.22A, 3.23, 3.24, 3.25, 3.26, 3.27,
24 3.28, 4.01, 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 5.01,
25 5.02, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, and 5.10, Chapter 427,
26 Acts of the 44th Legislature, 1st Called Session, 1935;

27 (2) Sections 2, 3, 4, 5, 6, and 7, Chapter 699, Acts of

1 the 64th Legislature, Regular Session, 1975;

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

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

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

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

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

12 ARTICLE 4. GENERAL MATTERS

13 SECTION 4.01. LEGISLATIVE INTENT OF NO SUBSTANTIVE CHANGE.

14 This Act is enacted under Section 43, Article III, Texas
15 Constitution. This Act is intended as a codification only, and no
16 substantive change in law is intended by this Act. This Act does
17 not increase or decrease the territory of any special district of
18 the state as those boundaries exist on the effective date of this
19 Act.

20 SECTION 4.02. PRESERVATION OF VALIDATION MADE BY PREVIOUS

21 LAW. (a) The repeal of a law, including a validating law, by this
22 Act does not remove, void, or otherwise affect in any manner a
23 validation under the repealed law. The validation is preserved and
24 continues to have the same effect that it would have if the law were
25 not repealed.

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

H.B. No. 3530

1 SECTION 4.03. EFFECTIVE DATE. This Act takes effect April
2 1, 2023.