

By: Guillen

H.B. No. 2692

Substitute the following for H.B. No. 2692:

By: Martinez

C.S.H.B. No. 2692

A BILL TO BE ENTITLED

AN ACT

relating to the San Antonio River Authority.

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

SECTION 1. Subtitle G, Title 6, Special District Local Laws Code, is amended by adding Chapter 8513 to read as follows:

CHAPTER 8513. SAN ANTONIO RIVER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8513.0101. DEFINITIONS. In this chapter:

(1) "Authority" means the San Antonio River Authority.

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

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

(4) "Director" means a board member.

(5) "Flood plain" means the area of the channel of a river or stream and those portions of land abutting and adjacent to the channel that are reasonably required to carry floodwaters.

(6) "San Antonio River Basin" means all of the area except for Bander, Real, and Kerr Counties that has topographic characteristics causing surface waters to flow into the San Antonio River and its tributaries.

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

Sec. 8513.0102. NATURE OF AUTHORITY. (a) The authority is

1 a conservation and reclamation district under Section 59, Article
2 XVI, Texas Constitution.

3 (b) The authority's creation is essential to accomplish the
4 purposes of Section 59, Article XVI, Texas Constitution, including:

5 (1) construction, maintenance, and operation of
6 navigable canals and waterways; and

7 (2) control of the waters of all rivers, streams, and
8 tributaries of rivers and streams inside the authority.

9 Sec. 8513.0103. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

10 All land included in the authority will benefit by the exercise of
11 power conferred by this chapter.

12 Sec. 8513.0104. REVIEW SCHEDULE UNDER SUNSET ACT. A review
13 of the authority under Section 325.025, Government Code, shall be
14 conducted as if the authority were a state agency scheduled to be
15 abolished September 1, 2035, and every 12th year after that year.

16 Sec. 8513.0105. TERRITORY. Unless modified under
17 Subchapter J, Chapter 49, Water Code, or other law, the authority's
18 territory includes all of that part of this state in the boundaries
19 of Bexar, Wilson, Karnes, and Goliad Counties.

20 Sec. 8513.0106. EFFECT OF CHAPTER ON CERTAIN PERSONS OR
21 ENTITIES. (a) If any power granted to the authority by this
22 chapter overlaps or conflicts with any power of the
23 Guadalupe-Blanco River Authority, the power granted to the
24 Guadalupe-Blanco River Authority supersedes the power granted to
25 the authority by this chapter, unless the Guadalupe-Blanco River
26 Authority consents to the authority's exercise of the power.

27 (b) No provision of this chapter divests any person of any

vested:

(1) riparian right;

(2) right derived under an existing permit for the appropriation and use of public waters issued by the commission; or

(3) right derived under any certified filing with the commission.

Sec. 8513.0107. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes.

Sec. 8513.0108. CORRECTION OF INVALID PROCEDURES. If the board determines that any procedure under this chapter violates the Texas Constitution or the United States Constitution, the board by ordinance may provide an alternative procedure that conforms with the constitution.

SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS

Sec. 8513.0201. DIRECTORS; TERMS; QUALIFICATIONS. (a) The board consists of 12 directors elected as follows:

(1) two directors elected at large from Goliad County;

(2) two directors elected at large from Karnes County;

(3) two directors elected at large from Wilson County;

(4) two directors elected at large from Bexar County;

and

(5) one director elected from each single-member district representing the four county commissioner precincts in Bexar County.

(b) Directors serve staggered four-year terms. An elected director's term begins January 1 following the date of the director's election.

1 (c) A director must:

2 (1) be at least 21 years of age;

3 (2) reside within the authority;

4 (3) reside in the county from which the director is
5 elected or appointed; and

6 (4) possess the qualifications of a juror.

7 (d) A director elected from a single-member district must
8 reside in the district from which the director is elected.

9 Sec. 8513.0202. DIRECTOR ELECTIONS. (a) The authority
10 shall hold an election to elect the appropriate number of directors
11 on the uniform election date in November of each odd-numbered year.

12 (b) The placing of the names of the candidates on the
13 ballots shall be determined by lot. A candidate or a designated
14 representative of the candidate may be present at the drawing.

15 (c) In the event of a tie for any director position, the
16 winner shall be determined by a majority of the board.

17 (d) Directors serving from single-member districts at the
18 time new single-member districts are adopted shall serve for the
19 remainder of the terms to which they were elected regardless of the
20 redistricting.

21 Sec. 8513.02025. CERTAIN DIRECTOR TERMS. (a) This section
22 applies only to the term of a director who is appointed or elected
23 on or after May 24, 2023.

24 (b) The two at-large director positions for Bexar County
25 shall be scheduled for election on the November uniform election
26 date in 2023. The person who receives the highest number of votes
27 shall be elected to the first at-large Bexar County director

position and shall serve a four-year term beginning January 1, 2024, and ending December 31, 2027. An election shall be scheduled for that position on the November uniform election date in 2027 and every four years thereafter. The person who receives the second highest number of votes shall be elected to the second at-large Bexar County director position and shall serve a two-year term beginning January 1, 2024, and ending December 31, 2025. An election shall be scheduled for that position on the November uniform election date in 2025 and every four years thereafter for a four-year term beginning on January 1 of the year following each election.

(c) The following director positions shall be scheduled for election on the November uniform election date in 2025 and every four years thereafter, and the directors elected to each position shall serve four-year terms beginning January 1 of the year following each election:

(1) the single-member district director elected from Bexar County commissioners court precinct 1;

(2) the single-member district director elected from Bexar County commissioners court precinct 2;

(3) the at-large director position for Karnes County for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2019;

(4) the at-large director position for Goliad County for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2019; and

(5) the at-large director position for Wilson County

for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2019.

(d) The following director positions shall be scheduled for election on the November uniform election date in 2027 and every four years thereafter, and the directors elected to those director positions shall serve four-year terms beginning January 1 of the year following each election:

(1) the single-member district director elected from Bexar County commissioners court precinct 3;

(2) the single-member district director elected from Bexar County commissioners court precinct 4;

(3) the at-large director position for Karnes County for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2021;

(4) the at-large director position for Goliad County for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2021; and

(5) the at-large director position for Wilson County for which an election was held, or scheduled to be held but canceled because of an unopposed candidate, in November 2021.

(e) The members of the board of directors serving in the director positions described by Subsections (b), (c), and (d) on May 23, 2023, shall continue to serve until their successors have been elected and qualified.

(f) This section expires September 1, 2029.

Sec. 8513.0203. SUSPENSION AND REMOVAL. (a) A director or officer may be suspended or removed from office for:

1 (1) incompetency;
2 (2) official misconduct;
3 (3) official gross negligence;
4 (4) habitual drunkenness; or
5 (5) nonattendance at six consecutive regular board
6 meetings.

7 (b) A director or officer may not be suspended or removed
8 from office unless:

9 (1) charges against the director or officer are filed
10 in writing; and

11 (2) the director or officer is given an opportunity
12 for a fair hearing before the board.

13 (c) An affirmative vote of not fewer than eight of the
14 directors is required to suspend or remove a director or officer.

15 Sec. 8513.0204. VACANCY. The governor, with the advice and
16 consent of the senate, shall fill a vacancy on the board for the
17 unexpired term.

18 Sec. 8513.0205. BYLAWS. The board shall adopt bylaws for
19 the management of the authority's affairs.

20 Sec. 8513.0206. ORDINANCES. (a) The board may, by a
21 majority and to the extent necessary to exercise the authority's
22 powers and rights, adopt an ordinance:

23 (1) not adequately provided by Chapter 49 or 51, Water
24 Code;

25 (2) germane and appropriate to the accomplishment and
26 purposes of this chapter; and

27 (3) consistent with a specific power conferred on a

1 county, municipality, water improvement district, water control
2 and improvement district, drainage district, navigation district,
3 canal corporation, channel and dock corporation, deep water
4 corporation, railway corporation, terminal railway corporation,
5 telegraph and telephone corporation, or other similar entity.

6 (b) The board is not required to provide notice before
7 adopting an ordinance, except as otherwise required for a regular
8 or special board meeting.

9 (c) The board:

10 (1) shall file an adopted ordinance in the authority's
11 official records; and

12 (2) may, if the board considers it necessary and
13 proper:

14 (A) file certified copies of the ordinance in the
15 office of the county clerk in each county in the authority where the
16 ordinance applies; or

17 (B) publish the ordinance at least once per week
18 for two weeks in a newspaper of general circulation in each county
19 where the ordinance applies.

20 (d) An adopted ordinance takes effect after the filing
21 requirements of Subsection (c) are met.

22 (e) After an ordinance takes effect, a county clerk with
23 whom a certified copy of the ordinance is filed under Subsection
24 (c)(2)(A) shall record the certified copy. The county clerk shall
25 charge the same fee for recording the certified copy as for
26 recording a deed of conveyance.

27 (f) An ordinance granting a power or mode of procedure

adopted under this section does not limit the accomplishment of the purposes of this chapter.

Sec. 8513.0207. BOND REQUIREMENT FOR DIRECTORS AND OFFICERS. (a) Not later than the 15th day after the date of an election or appointment of a director or officer, the director or officer shall file a good and sufficient bond with the board secretary.

(b) The bond must be:

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

(2) payable to the authority;

(3) conditioned on the faithful performance of duties as a director or officer; and

(4) subject to approval by the board secretary.

Sec. 8513.0208. FILING OF OATH. Before assuming the duties of office, each director shall file with the board secretary a copy of the constitutional oath of office taken by the director.

Sec. 8513.0209. COMPENSATION OF DIRECTORS. (a) A director is entitled to receive reimbursement for reasonable expenses and an allowance as provided under Section 49.060, Water Code.

(b) A director is not entitled to receive a per diem allowance for more than 60 days in a fiscal year.

(c) In all areas of conflict with this section, Section 49.060, Water Code, takes precedence.

Sec. 8513.0210. CERTAIN INTERESTS PROHIBITED. (a) A director may not engage in a transaction with the authority for gain or profit.

(b) An officer of the authority may not have any interest,

1 direct or indirect, in any contract awarded by the authority.

2 Sec. 8513.0211. OFFICERS. (a) The board shall appoint by
3 majority vote a chair, a vice chair, a secretary, a treasurer, and
4 other officers or assistant officers the board considers necessary.

5 (b) The chair, the vice chair, the secretary, and the
6 treasurer must each be a director. Assistant officers are not
7 required to be directors.

8 (c) An officer shall serve a term of two years.

9 (d) A non-director assistant officer:

10 (1) holds office at the pleasure of the board; and

11 (2) may be granted limited powers in the authority
12 bylaws.

13 (e) The authority may appoint officers, prescribe their
14 duties, and set their compensation.

15 Sec. 8513.0212. DIRECTOR TRAINING PROGRAM. (a) A person
16 who is elected or appointed to and qualifies for office as a
17 director may not vote, deliberate, or be counted as a director in
18 attendance at a board meeting until the person completes a training
19 program that complies with this section.

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

22 (1) the law governing authority operations;

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

25 (3) the scope of and limitations on the board's
26 rulemaking authority;

27 (4) the results of the authority's most recent formal

1 audit;

2 (5) the requirements of:

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

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

8 (6) any applicable ethics policies adopted by the
9 authority or the Texas Ethics Commission.

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

14 (d) The manager of the authority shall create a training
15 manual that includes the information required by Subsection (b).
16 The manager shall distribute a copy of the training manual annually
17 to each director. Each director shall sign and submit to the
18 manager a statement acknowledging that the director has received
19 and reviewed the training manual.

20 Sec. 8513.0213. MEETINGS. (a) Regular and special board
21 meetings shall be held as provided by general law and the bylaws.

22 (b) Notice of regular and special board meetings shall be
23 given as required by general law and the bylaws.

24 (c) All meetings of the board shall be open to the public.

25 Sec. 8513.0214. POLICIES TO SEPARATE POLICY-MAKING AND
26 STAFF FUNCTIONS. The board shall develop and implement policies
27 that clearly separate the board's policy-making responsibilities

1 and the management responsibilities of the manager and authority
2 staff.

3 Sec. 8513.0215. AGENTS, EMPLOYEES, AND PROFESSIONAL
4 CONSULTANTS. (a) The authority may appoint agents, employees, and
5 professional consultants, prescribe their duties, and set their
6 compensation.

7 (b) An agent, employee, or professional consultant may not
8 have any interest, direct or indirect, in any contract awarded by
9 the authority.

10 Sec. 8513.0216. MANAGER. (a) The board may employ a
11 manager to be the authority's chief executive officer.

12 (b) The board shall set the compensation to be paid to the
13 manager.

14 (c) The manager shall employ and supervise, subject to
15 policies promulgated by the board, all employees, agents,
16 accountants, attorneys, engineers, and others rendering
17 professional services necessary to accomplish the purposes of this
18 chapter.

19 (d) The manager may execute on behalf of the authority,
20 without specific board authorization, a contract for which
21 competitive bidding is not required. The manager may execute any
22 other contract with specific board authorization.

23 Sec. 8513.0217. AUTHORITY'S DOMICILE AND OFFICE. The
24 general office and place of domicile of the authority shall be in
25 the City of San Antonio, Bexar County.

26 Sec. 8513.0218. COMPLAINTS. (a) The authority shall
27 maintain a system to act promptly and efficiently on complaints

1 filed with the authority.

2 (b) The authority shall maintain information about:

3 (1) the parties to the complaint;

4 (2) the subject matter of the complaint;

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

7 (4) the complaint's disposition.

8 (c) The authority shall periodically notify the parties to
9 the complaint of the complaint's status until final disposition
10 unless the notice would jeopardize an investigation.

11 (d) The authority shall make information available
12 describing its procedures for complaint investigation and
13 resolution.

14 Sec. 8513.0219. PUBLIC TESTIMONY AT BOARD MEETINGS. The
15 board shall develop and implement policies that provide the public
16 with a reasonable opportunity to appear before the board and to
17 speak on any issue under the jurisdiction of the authority.

18 Sec. 8513.0220. CONTRACT WITH BEXAR COUNTY. (a) This
19 section applies only to a contract between the authority and the
20 Commissioners Court of Bexar County entered into before May 26,
21 1961, to finance the construction of certain flood control and soil
22 conservation works of improvement in Bexar County.

23 (b) Except as provided by Subsection (c), the authority may
24 not spend any income or revenue derived from the contract for a
25 purpose other than a purpose specifically provided for by the
26 contract.

27 (c) The board may allocate a reasonable amount of income or

revenue derived from the contract to pay for:

(1) authority overhead costs;

(2) operational costs; and

(3) fees of directors who reside in Bexar County.

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8513.0301. GENERAL POWERS. (a) The authority shall:

(1) administer this chapter; and

(2) use the authority's facilities and powers to
accomplish the purposes of this chapter.

(b) The authority may:

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

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

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

(c) The authority has the powers and rights and is subject
to the regulations for government and procedure contained in
Chapters 49 and 51, Water Code.

(d) The authority may spend any amount reasonably necessary
or expedient for seeking cooperation from the federal government or
any other person in accomplishing the purposes of this chapter.

Sec. 8513.0302. TITLE AND RIGHT OF CONTROL; TRUST. (a) The
authority is vested with such title and right of control to the
extent the state has, or may have, title and right of control of:

1 (1) the natural bed and banks of the entirety of the
2 San Antonio River;

3 (2) a tributary of the San Antonio River inside the
4 authority; and

5 (3) the natural beds and banks of any navigable stream
6 or tributary inside the authority.

7 (b) The authority's title and right of control shall be in
8 trust for the accomplishment of the purposes of this chapter.

9 (c) The authority may use or dispose of land or rights,
10 including any proceeds, income, revenue, or trading values received
11 from the use or disposition, that may be reasonably required for or
12 aid the accomplishment of the purposes of this chapter.

13 Sec. 8513.0303. POWERS RELATING TO CONSERVATION AND
14 BENEFICIAL USE OF WATER. (a) The authority has the powers of this
15 state under Section 59, Article XVI, Texas Constitution, to:

16 (1) effectuate:

17 (A) the construction, maintenance, and operation
18 of navigable canals or waterways;

19 (B) flood control;

20 (C) the conservation and use of ground, storm,
21 flood, and unappropriated flow waters in the authority for all
22 beneficial purposes;

23 (D) irrigation;

24 (E) soil conservation;

25 (F) sewage treatment;

26 (G) pollution prevention; and

27 (H) forestation and reforestation;

1 (2) encourage and develop parks and recreational
2 facilities;
3 (3) preserve fish; and
4 (4) do all things that are required to accomplish the
5 purposes of this section.

6 (b) The powers described by Subsection (a) are subject only
7 to:

8 (1) the legislature's policy declarations regarding
9 water use;

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

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

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

16 (c) The authority shall store and conserve to the greatest
17 beneficial use the storm, flood, and unappropriated flow waters of
18 any river or stream or tributary of a river or stream within the
19 authority to prevent the escape of water without maximum beneficial
20 use inside or outside the authority's boundaries.

21 Sec. 8513.0304. POWERS REGARDING CANALS, WATERWAYS, AND
22 RELATED FACILITIES. The authority may:

23 (1) promote, construct, maintain and operate, make
24 practicable, or aid and encourage the construction, maintenance,
25 and operation of navigable canals or waterways and all navigational
26 systems or facilities auxiliary to navigable canals or waterways
27 using the natural bed and banks of the San Antonio River, where

1 practicable, and then traversing a route the authority may find to
2 be more feasible and practicable to connect the San Antonio River
3 with any new navigable canals to be constructed in the lower reaches
4 of the San Antonio River or to connect the San Antonio River with
5 the Gulf Intracoastal Waterway, the San Antonio Bay, or the Gulf of
6 Mexico;

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) navigable canals or waterways; and

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

14 (3) in the case of construction of navigable canals or
15 waterways and all auxiliary navigational systems or facilities by
16 the federal government or otherwise:

17 (A) construct, maintain, and operate lateral
18 connecting canals and turning basins to serve local needs; and

19 (B) provide, construct, acquire, take over,
20 maintain, operate, develop, lease, regulate, or by franchise
21 control wharves, docks, warehouses, grain elevators, bunkering
22 facilities, belt or terminal railroads, floating plants,
23 lighterage, towing facilities, and all other facilities incident to
24 or in aid of the efficient operation and development of canals or
25 waterways and all navigational systems or auxiliary facilities and
26 ports, whether on land or water.

27 Sec. 8513.0305. FEDERALLY CONSTRUCTED OR MAINTAINED

CANALS, WATERWAYS, AND FACILITIES. If the construction or maintenance and operation of navigable canals or waterways and all navigational systems or facilities auxiliary to navigable canals or waterways on the San Antonio River is taken over by the federal government or an agency of the federal government, the authority may:

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

(2) take any other action required by the federal government or an agency of the federal government.

Sec. 8513.0306. POWER TO CONTROL, DEVELOP, STORE, AND USE WATER FOR NAVIGATIONAL USE. (a) The authority may control, develop, store, and use the natural flow and floodwaters of the San Antonio River and its tributaries for the purpose of operating and maintaining:

(1) navigable canals or waterways; and

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

(b) The navigational use of water authorized by Subsection (a) is subordinate and incidental to consumptive use of water.

Sec. 8513.0307. POWERS RELATING TO PARKS, RECREATIONAL FACILITIES, AND PRESERVATION OF FISH AND WILDLIFE. (a) The authority may acquire:

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

1 (2) necessary rights-of-way to construct, operate,
2 and maintain roads necessary for ingress and egress to an area
3 described by Subdivision (1) or to a fish or wildlife preserve or
4 reserve.

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

9 (c) The preservation of fish shall be in accordance with any
10 rules prescribed by the Parks and Wildlife Department.

11 Sec. 8513.0308. POWERS RELATING TO FLOOD CONTROL AND FLOOD
12 PLAIN MANAGEMENT. (a) The authority shall prevent and aid in the
13 prevention of damage to persons and property by the overflow of any
14 rivers, streams, or tributaries of those rivers and streams within
15 the authority.

16 (b) The authority may study, designate, and regulate flood
17 plains within the authority.

18 Sec. 8513.0309. ACQUISITION OF WATER OR WATER RIGHTS. (a)
19 The authority may acquire water appropriation permits or certified
20 filings within or outside the authority directly from the
21 commission or from permit owners.

22 (b) The authority may purchase water, water supply
23 facilities, or conservation storage capacity from any person.

24 Sec. 8513.0310. GENERAL WATER SUPPLY POWERS. (a) The
25 authority, inside or outside its boundaries, may:

26 (1) construct, acquire, equip, acquire storage rights
27 at, operate, or maintain a dam or reservoir;

1 (2) construct, operate, maintain, or otherwise
2 provide water supply lines, water purification, and water pumping
3 systems and facilities;

4 (3) provide water supply for municipalities,
5 including selling water and standby service to any person;

6 (4) provide water for irrigation of lands and the
7 development of commercial and industrial enterprises; and

8 (5) acquire storage capacity in any dam constructed or
9 to be constructed by or with the assistance of this state or the
10 United States from any person, this state, or the United States.

11 (b) The authority may bring water into the authority.

12 (c) It is the intent of this chapter that the authority is
13 primarily concerned with the conservation, control, storage,
14 distribution, and sale of water in bulk quantities in the public
15 interest and only incidentally with the retail sale of water
16 insofar as it does not compete with municipal water distributors
17 and then only when necessary or convenient as a service to the
18 public.

19 Sec. 8513.0311. CONTRACTS TO SUPPLY WATER AND OPERATE
20 FACILITIES. (a) The authority may contract with a user of water
21 inside or outside the authority for services for which the
22 authority may charge, including standby service and delivery of
23 water.

24 (b) The authority may contract with any person in the manner
25 provided by Section 552.020, Local Government Code, for:

26 (1) constructing:

27 (A) reservoirs;

1 (B) dams;
2 (C) water supply lines; and
3 (D) water purification and pumping facilities;
4 and
5 (2) furnishing water supply service.

6 (c) A contract under Subsection (b) may provide for the
7 operation, maintenance, and ownership of property subject to the
8 contract.

9 Sec. 8513.0312. POWERS RELATING TO SOIL CONSERVATION. (a)
10 The authority may act as a local sponsoring agent for or otherwise
11 aid and supplement upstream soil and water conservation and flood
12 prevention projects authorized by a state or federal agency in
13 conjunction with a soil and water conservation district.

14 (b) The authority may make arrangements satisfactory to the
15 United States Secretary of Agriculture to defray the cost of
16 maintaining or operating a project under Subsection (a). An
17 arrangement made under this section must be in accordance with
18 regulations presented by the secretary of agriculture.

19 (c) Any portion of the total construction costs of a project
20 described by Subsection (a) allocable to flood control or soil
21 conservation shall be paid for or financed by money originating in
22 the county in which the project is situated. The money may be of any
23 kind, except from a tax imposed under Subchapter F.

24 Sec. 8513.0313. WASTE MANAGEMENT. (a) As a necessary aid
25 to the conservation, control, preservation, purification, and
26 distribution of surface water and groundwater within the authority,
27 the authority may, within the San Antonio River Basin:

1 (1) construct, own, operate, maintain, or otherwise
2 provide sewage gathering, treatment, and disposal services,
3 including solid waste disposal services;

4 (2) charge for services described by Subdivision (1);
5 and

6 (3) make contracts with counties, municipalities, and
7 others regarding services described by Subdivision (1) or charges
8 described by Subdivision (2).

9 (b) The authority may not exercise the powers described by
10 Subsection (a) in Kerr, Real, or Bandera County unless consented to
11 by a majority vote of the commissioners court of that county.

12 Sec. 8513.0314. POLLUTION PREVENTION. (a) The authority
13 may study, correct, and control pollution, including natural,
14 artificial, organic, inorganic, and thermal pollution, of the
15 groundwater and surface water within the San Antonio River Basin.

16 (b) The authority may not adopt or enforce an ordinance
17 regarding pollution in any county outside the authority's
18 boundaries.

19 Sec. 8513.0315. FORESTATION AND REFORESTATION. The
20 authority may forest, reforest, or aid in foresting or reforesting
21 of all areas within the authority.

22 Sec. 8513.0316. GENERAL AUTHORITY TO MAKE CONTRACTS AND
23 EXECUTE INSTRUMENTS. The authority may enter into a contract or
24 execute an instrument necessary or convenient to exercising a
25 power, right, privilege, or function conferred on the authority by
26 this chapter.

27 Sec. 8513.0317. AWARD OF CERTAIN WATER SUPPLY CONTRACTS.

1 (a) This section applies to:

2 (1) a wholesale contract for:

3 (A) the sale, purchase, procurement,
4 distribution, or supply of water or conservation storage capacity;
5 or

6 (B) construction of a navigable canal or
7 waterway; or

8 (2) a contract authorized under Section 561.003, Local
9 Government Code.

10 (b) Before entering into a contract under this section, the
11 manager shall publish notice describing the general nature of the
12 contract in a newspaper of general circulation in each county
13 within the authority where the contract is to have effect.

14 (c) The board may consider and act on a contract at any
15 regular board meeting following the last date of publication of
16 notice required under this section.

17 (d) The board shall confirm or ratify a contract by a
18 majority vote.

19 (e) A contract may be the sole basis or a supplement to the
20 basis for securing a bond of the authority.

21 Sec. 8513.0318. AWARD OF CERTAIN CONSTRUCTION AND SERVICE
22 CONTRACTS. (a) The board shall award any construction,
23 maintenance, operation, or repair contract, contract for the
24 purchase of material, equipment, or supplies, or contract for
25 services if the contract will require an estimated expenditure of
26 more than the maximum amount for which competitive bidding is
27 required by Chapter 49, Water Code, to the lowest and best bidder.

1 (b) The board:

2 (1) shall:

3 (A) before awarding a contract under this
4 section, publish notice to bidders once each week for two
5 consecutive weeks; and

6 (B) adopt bylaws for the publication of notice to
7 bidders and any related procedures; and

8 (2) may prescribe the amount of estimated expenditures
9 subject to competitive bidding.

10 (c) In the event of an emergency, the authority may award a
11 contract necessary to protect and preserve the public health and
12 welfare or the authority's property without using bidding
13 procedures.

14 (d) A director is ineligible to submit a bid for a contract
15 under this section.

16 (e) Notwithstanding this section, the authority may:

17 (1) purchase surplus property from the United States
18 by negotiated contract and without advertising for bids; and

19 (2) use any procurement method under:

20 (A) Chapter 49, Water Code; or

21 (B) other applicable general law.

22 (f) This section does not apply to a purchase contract, a
23 procurement contract, or a contract described by Section 49.278,
24 Water Code.

25 Sec. 8513.0319. ACQUISITION, MAINTENANCE, AND OPERATION OF
26 PROPERTY; EMINENT DOMAIN. (a) The authority may acquire by
27 purchase, lease, gift, or any other manner and maintain, use, and

1 operate property of any kind inside or outside the authority
2 necessary to the exercise of the powers, rights, privileges, and
3 functions conferred on the authority by this chapter and by the
4 exercise of the power of eminent domain in the manner provided by
5 Subsection (b).

6 (b) The authority may exercise the power of eminent domain
7 in the manner provided by the general law applicable to a district
8 created under Section 59, Article XVI, Texas Constitution.

9 (c) The authority's authority under this section to
10 exercise the power of eminent domain expired on September 1, 2013,
11 unless the authority submitted a letter to the comptroller in
12 accordance with Section 2206.101(b), Government Code, not later
13 than December 31, 2012.

14 Sec. 8513.0320. PRELIMINARY INVESTIGATIONS AND SURVEYS.

15 (a) The authority may make preliminary investigations and surveys
16 in the manner and for the purposes specified in Chapters 49 and 51,
17 Water Code, or other applicable general law.

18 (b) The authority may make a preliminary investigation or
19 survey independently at its own cost or jointly with others or may
20 contribute to the cost of a preliminary investigation or survey
21 made by another.

22 (c) For purposes of procuring cooperation by the federal
23 government, any project lawfully within the scope of the purposes
24 of this chapter may be approved for construction as a federal
25 project under such contractual terms as may be demanded by the
26 United States Congress.

27 Sec. 8513.0321. SALE, LEASE, MORTGAGE, OR OTHER DISPOSITION

1 OF AUTHORITY PROPERTY. (a) The authority may not:

2 (1) mortgage or otherwise encumber authority property
3 of any kind, or any interest in authority property; or

4 (2) acquire any property or interest in property
5 subject to a mortgage or conditional sale.

6 (b) Subsection (a) does not prevent pledging authority
7 revenue or income of any kind, except an ad valorem tax imposed by
8 the authority under Section 8513.0601.

9 (c) This chapter does not authorize the sale, lease, or
10 other disposition of authority property of any kind, or an interest
11 in authority property, by the authority or a receiver of any
12 authority property unless authorized under this chapter or
13 applicable general law.

14 (d) Notwithstanding Subsection (c), the authority may sell
15 or otherwise dispose of authority property of any kind, or an
16 interest in authority property, if the board, by the affirmative
17 vote of a majority of members of the board present at a regular or
18 special meeting, determines that the property or interest is not
19 convenient to the business of the authority and is surplus.

20 (e) The board shall publish notice of a proposed sale once
21 each week for two consecutive weeks in a newspaper of general
22 circulation in the county or counties where the property or
23 interest is located if:

24 (1) the appraised value of the property or interest
25 exceeds \$5,000; and

26 (2) the property or interest is not partial or total
27 consideration in a transaction for the exchange of property.

1 (f) Authority property is exempt from forced sale. The sale
2 of authority property under a judgment rendered in a suit is
3 prohibited.

4 Sec. 8513.0322. OVERFLOW OR INUNDATION OF PUBLIC PROPERTY;
5 RELOCATION OF ROADS. The authority may overflow and inundate any
6 public land or public property and require the relocation of a road
7 or highway in the manner and to the extent permitted to a district
8 organized under general law pursuant to Section 59, Article XVI,
9 Texas Constitution.

10 Sec. 8513.0323. COST OF RELOCATING OR ALTERING PROPERTY.
11 If the authority's exercise of the power of eminent domain, the
12 power of relocation, or any other power granted by this chapter
13 makes necessary relocating, raising, rerouting, changing the grade
14 of, or altering the construction of a railroad or street railway,
15 the necessary action shall be accomplished at the authority's sole
16 expense.

17 Sec. 8513.0324. CONSTRUCTION, MAINTENANCE, AND OPERATION
18 OF FACILITIES. The authority may construct, extend, improve,
19 maintain, and reconstruct, cause to be constructed, extended,
20 improved, maintained, and reconstructed, and use and operate
21 facilities of any kind necessary or convenient to the exercise of
22 the authority's powers, rights, privileges, and functions.

23 Sec. 8513.0325. FRANCHISES AND RIGHTS RELATING TO NAVIGABLE
24 CANALS AND WATERWAYS. (a) The authority may grant a franchise or
25 right to any person for the use of navigable canals or waterways and
26 all auxiliary navigational systems or facilities to aid navigation
27 of navigable canals or waterways of the San Antonio River.

1 (b) Unless granted a franchise by the authority, a person
2 may not provide, maintain, or operate a facility or aid of
3 navigation connected with a navigable canal or waterway described
4 by Subsection (a) or an auxiliary navigational system or facility
5 that is intended for public use.

6 (c) The board may grant a franchise by ordinance. A
7 franchise:

8 (1) may not exceed a term of 50 years; and

9 (2) may be for the design, construction, repair,
10 enlargement, alteration, maintenance, operation of, and service
11 from or use of any facility to be provided for use in navigation on
12 navigable canals or waterways and all auxiliary navigational
13 systems or facilities, whether on land or in or on water.

14 (d) An ordinance granting a franchise:

15 (1) must:

16 (A) contain provisions:

17 (i) adequate to regulate the fees, tolls,
18 rates, or exactions to be demanded for the use of, or service to be
19 rendered by any means or facility to be provided or operated under,
20 the franchise; and

21 (ii) reasonably required to procure service
22 adequate to serve the public necessity and convenience; and

23 (B) be uniform, reasonable, and without
24 discrimination against any person with regard to any charges or
25 conditions of use or service; and

26 (2) may:

27 (A) contain provisions for the payment of

1 reasonable fees or other charges to be paid to the authority; and
2 (B) provide reasonable and commensurate
3 penalties as provided by Section 49.004, Water Code, to procure
4 observance of the conditions of a franchise granted or compliance
5 with the rules established by the ordinance.

6 (e) The board may:

7 (1) require uniform and adequate analytic accounting
8 systems and forms and periodic reports based on those systems and
9 forms;

10 (2) audit a franchise holder;

11 (3) provide for other reasonable regulations designed
12 to protect the public; and

13 (4) by ordinance:

14 (A) establish rules necessary or designed to:

15 (i) protect physical property owned by the
16 authority or owned or operated by a franchise holder; or

17 (ii) effect the safety or efficient use of
18 property described by Subparagraph (i); and

19 (B) provide for reasonable and commensurate
20 penalties for a violation of this section, as provided by Section
21 49.004, Water Code.

22 (f) Unless otherwise provided, a franchise granted under
23 this section may be revoked or suspended only by order of a district
24 court within the county in which the authority may maintain its
25 general office.

26 Sec. 8513.0326. CONCESSIONS AND FRANCHISES RELATING TO
27 WORKS OF IMPROVEMENT, PARKS, RECREATIONAL FACILITIES, AND FISH OR

1 WILDLIFE PRESERVES AND RESERVES. The authority may grant to any
2 person a concession or franchise on the premises of any work of
3 improvement, park, recreational facility, or fish or wildlife
4 preserve or reserve.

5 Sec. 8513.0327. OFFICIAL NEWSPAPER. The authority may
6 designate an official newspaper in each county in the authority. An
7 official newspaper must have general circulation in the county in
8 which the newspaper is situated.

9 Sec. 8513.0328. AUTHORITY CONSTABULARY. (a) The authority
10 may constitute and maintain an independent constabulary.

11 (b) A constabulary constituted under this section is
12 subject to the oath and bond requirements of a county sheriff under
13 Section 85.001, Local Government Code.

14 (c) A constabulary shall police authority property and
15 facilities controlled by the authority.

16 (d) A constabulary may make arrests:

17 (1) to prevent injury to authority property and
18 facilities controlled by the authority or for a violation of a penal
19 ordinance of the authority; and

20 (2) inside or outside the authority, upon complaint or
21 indictment for a violation of a penal ordinance of the authority.

22 Sec. 8513.0329. STATE SUPERVISION AND APPROVAL. (a) The
23 commission shall cooperate with the authority to:

24 (1) make investigations and plans; and

25 (2) to the extent provided by Subsection (b), approve
26 investigations and plans for improvements provided by the
27 authority.

1 (b) This section applies only to commission approval of
2 plans that are appropriate under general law.

3 (c) Except for a plan regarding the use of water that is
4 permitted by the state, a plan for improvements adopted by the
5 federal government controls.

6 Sec. 8513.0330. COORDINATION WITH NONPROFIT ORGANIZATION.

7 (a) In this section, "affiliated nonprofit organization" means a
8 nonprofit organization:

9 (1) created by the authority; or

10 (2) for which the authority, board, or authority
11 employees have a right to appoint one or more of the members of the
12 nonprofit organization's governing body.

13 (b) The authority may contract or otherwise coordinate with
14 a nonprofit organization, including an affiliated nonprofit
15 organization, to accomplish the purposes of the authority.

16 (c) Directors may not constitute a majority of the board of
17 directors or other governing body of an affiliated nonprofit
18 organization. An authority employee may not serve on the board of
19 directors or other governing body of an affiliated nonprofit
20 organization.

21 (d) The board shall develop a policy regarding fund-raising
22 activities of a nonprofit organization that enters into a contract
23 or otherwise coordinates with the authority. The policy must:

24 (1) include acceptable and prohibited fund-raising
25 activities;

26 (2) specify how fund-raising is conducted and
27 supervised; and

(3) include criteria for seeking and selecting corporate sponsors to ensure that sponsorships serve the public interest and are consistent with the purposes of the authority.

(e) A memorandum of understanding between the authority and an affiliated nonprofit organization entered into under this section must include the policy developed under Subsection (d).

SUBCHAPTER D. REGULATORY POWERS; ENFORCEMENT AND COURT REVIEW

PROVISIONS

Sec. 8513.0401. ADOPTION OF RULES. The authority may by ordinance adopt reasonable rules to:

(1) carry out this chapter;

(2) protect and secure authority property and works of
improvement; and

(3) regulate pollution, residence, hunting, fishing, boating, and camping, and any other recreational and business privileges on any navigable river or reservoir in the authority or on any land owned by the authority.

Sec. 8513.0402. ENFORCEMENT OF RULES; PENALTY. The authority by rule may prescribe reasonable and commensurate penalties for the violation of an authority rule, as provided by Section 49.004, Water Code.

Sec. 8513.0403. NOTICE OF RULE PROVIDING PENALTY. (a) If the authority adopts a rule that provides a penalty, the authority must publish a substantive statement of the rule and the penalty once a week for two consecutive weeks in a newspaper of general circulation in each county in which the rule applies.

(b) The substantive statement must be as condensed as

1 possible so that the act prohibited by the rule can be easily
2 understood.

3 (c) The substantive statement may include notice of any
4 number of rules.

5 (d) The notice must state that:

6 (1) a person who violates the rule is subject to a
7 penalty; and

8 (2) the rule is on file in the authority's principal
9 office, where the rule may be read by any interested person.

10 (e) A rule takes effect on the fifth day after the date of
11 the second publication of the statement under this section.

12 Sec. 8513.0404. JUDICIAL NOTICE OF RULES. A court shall
13 take judicial notice of a rule adopted under this subchapter and
14 published as required by Section 8513.0403.

15 Sec. 8513.0405. RECOVERY OF LITIGATION COSTS. Section
16 49.004, Water Code, governs the recovery of costs incurred by the
17 authority in any suit by the authority to enforce its rules.

18 Sec. 8513.0406. APPEAL BOND NOT REQUIRED. The authority is
19 not required to give bond on any appeal from judgment in any court.

20 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

21 Sec. 8513.0501. OBLIGATION PAYABLE. A debt, liability, or
22 obligation of the authority for the payment of money, however
23 entered into or incurred and whether arising from an express or
24 implied contract or otherwise, is payable solely:

25 (1) out of the revenue received by the authority with
26 respect to its properties; or

27 (2) from any other money or income from any source

1 coming into the authority's possession, including proceeds of sale
2 of bonds.

3 Sec. 8513.0502. FISCAL YEAR. The authority's fiscal year
4 ends on September 30 of each year.

5 SUBCHAPTER F. TAX PROVISIONS

6 Sec. 8513.0601. AUTHORITY TO IMPOSE AD VALOREM TAX. (a)
7 The authority may impose an ad valorem tax throughout the territory
8 of the authority at a rate not to exceed the rate approved at an
9 election held in accordance with Section 8513.0602 for:

10 (1) the maintenance of the authority and its
11 improvements;

12 (2) general administration; or

13 (3) planning and other services with respect to any of
14 the purposes, rights, privileges, and functions of the authority.

15 (b) The tax may not:

16 (1) be used to pay for or finance:

17 (A) the construction of a dam, reservoir, levee,
18 channel, pipeline, or other major physical work of the authority;

19 (B) the cost or expenses of a right-of-way
20 acquisition; or

21 (C) damages awarded by a court for a suit brought
22 under Section 17, Article I, Texas Constitution; or

23 (2) be pledged to any issue of or the redemption of
24 bonds authorized under Section 8513.0702.

25 Sec. 8513.0602. ELECTION FOR AD VALOREM TAX. (a) The board
26 may impose an ad valorem tax within the maximum tax rate approved at
27 the election for a purpose authorized by this subchapter if the tax

1 is approved at an election held in the authority by a majority of
2 the votes cast:

3 (1) throughout the authority; and

4 (2) in any three counties in the authority.

5 (b) The election must be ordered by ordinance of the board.
6 The ordinance must include for each applicable county in the
7 authority the polling places in that county where the election is to
8 be held.

9 Sec. 8513.0603. PUBLIC HEARING; NOTICE. (a) If the board
10 orders an election under Section 8513.0602, the board must hold a
11 public hearing in each county in the authority to discuss the
12 proposed tax issue.

13 (b) Each public hearing must be held:

14 (1) not less than 10 days before the date of the
15 scheduled election; and

16 (2) not more than 25 days before the date of the
17 scheduled election.

18 (c) Notice of the public hearing must be given by publishing
19 the notice in at least one newspaper of general circulation in each
20 county where the hearing is to be held. The notice must:

21 (1) be published at least 10 days before the date of
22 the hearing; and

23 (2) include the time, day, date, place, and purpose of
24 the hearing.

25 Sec. 8513.0604. MAXIMUM TAX RATE. The maximum rate of the
26 tax that may be imposed under this subchapter for any year is two
27 cents on each \$100 of assessed valuation of taxable property.

1 Sec. 8513.0605. ASSESSMENT AND COLLECTION OF TAXES. (a)

2 The authority's tax rate shall be uniform throughout the territory
3 of the authority. The chair and secretary of the board shall
4 certify the tax rate to the assessor-collector of each included
5 county.

6 (b) The fee of each county tax assessor-collector for
7 assessing and collecting the authority's taxes may not exceed two
8 percent of the taxes collected, to be paid over and disbursed in
9 each county in the same manner as other fees of office.

10 Sec. 8513.0606. LEGISLATIVE INTENT. It is the intent of the
11 legislature that:

12 (1) an ad valorem tax imposed by the authority:

13 (A) enables the authority to accomplish its
14 purposes, including the maximum development of the authority's soil
15 and water resources, it being hereby found and determined that the
16 benefits to be realized from the maximum development can be
17 obtained only through area-wide participation and planning; and

18 (B) may be used to pay for the operation, repair,
19 or maintenance of any flood control, soil conservation, watershed
20 protection, or erosion structure or work of improvement constructed
21 in cooperation with the federal government, provided that any
22 operation, repair, or maintenance cost shall be paid for out of
23 taxes thus collected in the county in which the particular
24 structure or work of improvement is situated; and

25 (2) the construction of any dam, reservoir, levee,
26 channel, pipeline, or other major physical work of the authority
27 shall be paid for or financed by revenue bonds of the authority to

1 be redeemed either by the sale of services or by taxes to be imposed
2 by a county or municipality and paid over to the authority as an
3 independent contractor of the county or municipality.

4 Sec. 8513.0607. APPLICABILITY OF SUBCHAPTER. This
5 subchapter does not apply to a tax imposed under Subchapter H.

6 SUBCHAPTER G. BONDS, BORROWED MONEY, AND GRANTS

7 Sec. 8513.0701. BORROWED MONEY AND GRANTS. (a) The
8 authority may:

9 (1) borrow money for the authority's corporate
10 purposes;

11 (2) execute proper notes and other evidence of
12 indebtedness;

13 (3) borrow money or accept a grant from the United
14 States or this state and, in connection with the loan or grant,
15 enter into any agreement the United States or the corporation or
16 agency may require;

17 (4) make and issue bonds for money borrowed, in the
18 manner and to the extent provided by Sections 8513.0702, 8513.0703,
19 8513.0704, 8513.0705, and 8513.0706; and

20 (5) participate in and be the beneficiary of any plan
21 that may be evolved by this state or the United States for
22 guaranteeing or otherwise subsidizing the authority's obligations.

23 (b) After an ad valorem tax is approved at an election held
24 under Section 8513.0602, the board may borrow money payable from
25 the tax and may evidence the loan by a note given in the authority's
26 name.

27 Sec. 8513.0702. POWER TO ISSUE BONDS. (a) For the purpose

1 of constructing improvements related to the exercise of any power
2 conferred on the authority by law, the authority may, without an
3 election, issue bonds secured by a pledge of revenues of the
4 authority without reference to their source and with the priority
5 of liens prescribed in the proceedings authorizing the issuance of
6 the bonds.

7 (b) The bonds must be authorized by a board resolution
8 concurring in by at least eight directors.

9 Sec. 8513.0703. TERMS OF ISSUANCE. Authority bonds may be:

10 (1) sold for cash;

11 (2) issued on terms the board determines in exchange
12 for any property, or any interest in property, that the board
13 considers necessary or convenient for the corporate purpose for
14 which the bonds are issued; or

15 (3) issued in exchange for principal amounts or other
16 obligations of the authority, whether matured or unmatured.

17 Sec. 8513.0704. DEPOSIT OF PROCEEDS. The proceeds of sale
18 of authority bonds may be deposited in one or more banks or trust
19 companies and may be paid out according to the terms on which the
20 authority and the purchasers of the bonds agree.

21 Sec. 8513.0705. RESOLUTION PROVISIONS. (a) A resolution
22 authorizing bonds may contain provisions approved by the board that
23 are not inconsistent with this chapter, including provisions:

24 (1) reserving the right to redeem the bonds at a time,
25 in an amount, and at a price not to exceed 105 percent of the
26 principal amount of the bonds, plus accrued interest;

27 (2) providing for the setting aside of sinking funds

1 or reserve funds and the regulation and disposition of those funds;

2 (3) securing the payment of the principal of and
3 interest on the bonds and of the sinking fund or reserve fund
4 payments associated with the bonds by pledging all or any part of
5 the gross or net revenue subsequently received by the authority
6 from any source;

7 (4) prescribing the purposes to which the bonds or any
8 bonds subsequently issued, or the proceeds of the bonds, may be
9 applied;

10 (5) agreeing to set and collect rates and charges
11 sufficient to produce net revenue adequate to pay the items
12 described by Subdivisions (1), (2), and (3), and prescribing the
13 use and disposition of all revenue;

14 (6) prescribing limitations on the issuance of
15 additional bonds and on the agreements that may be made with the
16 purchasers and successive holders of those bonds;

17 (7) regarding the construction, extension,
18 improvement, reconstruction, operation, maintenance, and repair of
19 the authority's properties and the carrying of insurance on all or
20 any part of those properties covering:

21 (A) loss, damage, or loss of use and
22 reconstruction, operation, maintenance, and repair; and

23 (B) loss, damage, or loss of use and occupancy
24 resulting from specified risks;

25 (8) setting the procedure by which the authority may
26 change the terms of a contract with the bondholders, the amount of
27 bonds the holders of which must consent to that change, and the

1 manner in which the consent may be given; and

2 (9) providing for the execution and delivery by the
3 authority to a bank or trust company authorized by law to accept
4 trusts, or to the United States or any officer of the United States,
5 of indentures and agreements for the benefit of the bondholders
6 setting forth any of the agreements authorized by this chapter to be
7 made with or for the benefit of the bondholders and any other
8 provisions that are customary in such indentures or agreements.

9 (b) A provision authorized by this section that is contained
10 in a bond resolution is part of the contract between the authority
11 and the bondholders.

12 Sec. 8513.0706. DEFAULT PROCEDURES. (a) This section
13 applies only to a default in:

14 (1) the payment of the interest on bonds as the
15 interest becomes due and payable;

16 (2) the payment of the principal of bonds as they
17 become due and payable, whether at maturity, by call for
18 redemption, or otherwise; or

19 (3) the performance of an agreement made with the
20 purchasers or successive holders of bonds.

21 (b) A resolution authorizing bonds and any indenture or
22 agreement entered into under the resolution may provide that in the
23 event of a default described by Subsection (a) that continues for a
24 period, if any, prescribed by the resolution, the trustee under the
25 indenture entered into with respect to the bonds authorized by the
26 resolution, or, if there is no indenture, a trustee appointed in the
27 manner provided in the resolution by the holders of 25 percent in

1 aggregate principal amount of the bonds authorized by the
2 resolution and then outstanding, and on the written request of the
3 holders of 25 percent in aggregate principal amount of the bonds
4 authorized by the resolution then outstanding, shall, in the
5 trustee's own name, but for the equal and proportionate benefit of
6 the holders of all of the bonds, and with or without having
7 possession of the bonds:

8 (1) by mandamus or other suit, action, or proceeding
9 at law or in equity, enforce all rights of the bondholders;

10 (2) bring suit on the bonds or the appurtenant
11 coupons;

12 (3) by action or suit in equity, require the authority
13 to account as if it were the trustee of an express trust for the
14 bondholders;

15 (4) by action or suit in equity, enjoin any acts or
16 things that may be unlawful or in violation of the rights of the
17 bondholders; or

18 (5) after such notice to the authority as the
19 resolution may provide, declare the principal of all of the bonds
20 due and payable, and if all defaults have been made good, then with
21 the written consent of the holders of 25 percent in aggregate
22 principal amount of the bonds then outstanding, annul the
23 declaration and its consequences.

24 (c) Notwithstanding Subsection (b), the holders of more
25 than a majority in principal amount of the bonds authorized by the
26 resolution and then outstanding, by written instrument delivered to
27 the trustee, are entitled to direct and control any and all action

1 taken or to be taken by the trustee under this section.

2 (d) A resolution, indenture, or agreement relating to bonds
3 may provide that in a suit, action, or proceeding under this
4 section, the trustee, whether or not all of the bonds have been
5 declared due and payable and with or without possession of any of
6 the bonds, is entitled to the appointment of a receiver who may:

7 (1) enter and take possession of all or any part of the
8 properties of the authority;

9 (2) operate and maintain the properties;

10 (3) set, collect, and receive rates and charges
11 sufficient to provide revenue adequate to pay the items specified
12 by Sections 8513.0705(a)(1), (2), and (3) and the costs and
13 disbursements of the suit, action, or proceeding; and

14 (4) apply the revenue in conformity with this chapter
15 and the resolution authorizing the bonds.

16 (e) In a suit, action, or proceeding by a trustee under this
17 section, the reasonable fees, attorney's fees, and expenses of the
18 trustee and of the receiver, if any, constitute taxable
19 disbursements, and all costs and disbursements allowed by the court
20 are a first charge on any revenue pledged to secure the payment of
21 the bonds.

22 (f) The courts of Bexar County have jurisdiction of a suit,
23 action, or proceeding by a trustee on behalf of the bondholders and
24 of all property involved in the suit, action, or proceeding.

25 (g) In addition to the powers specifically provided by this
26 section, a trustee has all powers necessary or appropriate for the
27 exercise of the powers specifically provided or incident to the

general representation of the bondholders in the enforcement of their rights.

Sec. 8513.0707. POWER OF AUTHORITY TO PURCHASE BONDS ISSUED BY AUTHORITY. (a) Using any money available for the purpose, the authority may purchase bonds issued by it at a price not exceeding the redemption price applicable at the time of purchase, or, if the bonds are not redeemable, at a price not exceeding the principal amount of the bonds plus accrued interest.

(b) All bonds purchased under this section shall be canceled, and bonds may not be issued in lieu of those bonds.

Sec. 8513.0708. BONDS EXEMPT FROM TAXATION. A bond issued under this chapter and the interest on the bond are exempt from taxation, except inheritance taxes, by this state or by any political subdivision of this state.

SUBCHAPTER H. POLLUTION CONTROL DISTRICT

Sec. 8513.0801. POWER TO ESTABLISH POLLUTION CONTROL DISTRICT. (a) The authority may establish one or more pollution control districts for the purpose of accomplishing any of the powers, purposes, rights, or privileges vested in the authority.

(b) A pollution control district may be established by resolution of the board.

Sec. 8513.0802. RESOLUTION PROCEDURES CALLING FOR CREATION OF POLLUTION CONTROL DISTRICT. (a) A resolution of the board calling for the creation of a pollution control district must:

(1) define the boundaries of the proposed district;
and

(2) set a time and place for a public hearing on the

1 matters described in the resolution.

2 (b) If the authority does not intend to issue bonds on
3 behalf of the proposed district, in addition to the requirements of
4 Subsection (a), the resolution must declare taxes for the
5 maintenance of the authority and the authority's improvements shall
6 be imposed on the taxable property in the proposed district.

7 (c) If the authority intends to issue bonds on behalf of the
8 proposed district, in addition to the requirements of Subsection
9 (a), the resolution must:

10 (1) estimate the principal amount and state the
11 purpose of those bonds; and

12 (2) declare that taxes for the payment of bonded
13 indebtedness shall be imposed exclusively on the taxable property
14 in the proposed district.

15 (d) The board may adopt resolutions described by
16 Subsections (b) and (c) and hold public hearings for those
17 resolutions and any applicable proposed bond and maintenance taxes
18 at the same time.

19 (e) After a public hearing is held in accordance with
20 Section 8513.0803, the board shall review any findings and
21 recommendations resulting from the hearing. The board may alter,
22 modify, or change any provision of the resolution, except as
23 provided by Section 8513.0809. The board may adopt a resolution
24 creating the proposed pollution control district. The resolution
25 creating a pollution control district must:

26 (1) state the purposes for which the proposed district
27 has been created;

1 (2) designate the proposed district's boundaries;

2 (3) declare that the indebtedness to be incurred or
3 the cost of services to be rendered by the authority for the
4 proposed district's benefit shall be payable from taxes imposed on
5 property in the district;

6 (4) find that the property in the proposed district
7 will benefit from the indebtedness proposed to be incurred or the
8 services proposed to be rendered by the authority on the district's
9 behalf; and

10 (5) order an election in the proposed district to
11 authorize the indebtedness or maintenance tax, stating:

12 (A) the date of the election;

13 (B) the proposition or propositions to be voted
14 on;

15 (C) the location of the polling places; and

16 (D) the names of the election officers.

17 Sec. 8513.0803. PUBLIC HEARING ON CREATION OF POLLUTION
18 CONTROL DISTRICT; NOTICE. (a) The authority must hold a public
19 hearing on the matters set forth in a resolution calling for the
20 creation of a pollution control district before the proposed
21 district is established.

22 (b) The hearing may be held in connection or concurrently
23 with another public hearing, meeting, or proceeding conducted by
24 the board.

25 (c) The hearing must be held within the boundaries of the
26 proposed pollution control district.

27 (d) The hearing may be conducted by:

1 (1) a majority of the board;
2 (2) one or more directors; or
3 (3) one or more authority employees, as designated by
4 the board.

5 (e) If the hearing is conducted by fewer than a majority of
6 directors in accordance with Subsection (d)(2) or (3), the
7 individual or individuals conducting the hearing may accept
8 evidence and make recommendations to the board on any proposed
9 changes to the resolution.

10 (f) Notice of the hearing must be published in a newspaper
11 of general circulation within the boundaries of the proposed
12 pollution control district not more than 30 days before the date of
13 the hearing and not less than 15 days before the date of the
14 hearing. Except as otherwise provided by this section, Chapter 551,
15 Government Code, applies to notice of a public hearing under this
16 section.

17 Sec. 8513.0804. PUBLIC TESTIMONY ON CREATION OF POLLUTION
18 CONTROL DISTRICT. (a) A hearing on the matters set forth in a
19 resolution calling for the creation of a pollution control district
20 must include an opportunity for:

21 (1) any interested person, including a person who owns
22 property or resides in the authority, to appear and present
23 evidence relevant to a matter set forth in the resolution calling
24 for the creation of the proposed district; and

25 (2) a person who resides in or owns property in the
26 boundaries of the proposed district to appear and present evidence
27 regarding whether the person will receive benefits from the

1 proposed improvements or tax.

2 (b) Failure to appear at the public hearing constitutes a
3 waiver of all objections that the absent person might have had to
4 any matters set forth in the resolution calling for the creation of
5 the proposed pollution control district.

6 Sec. 8513.0805. MAINTENANCE TAX AND BOND ELECTION FOR
7 POLLUTION CONTROL DISTRICT. An election ordered within the
8 boundaries of a proposed pollution control district to authorize
9 the imposition of a maintenance tax or the issuance of bonds may be
10 held at the same time as any general or special election.

11 Sec. 8513.0806. JUDICIAL REVIEW OF RESOLUTION CREATING
12 POLLUTION CONTROL DISTRICT. (a) A resolution of the board creating
13 a pollution control district adopted under Section 8513.0802(e) is
14 final and not subject to judicial review except on the basis of
15 whether the resolution is supported by substantial evidence.

16 (b) An action or proceeding questioning, contesting, or
17 denying the validity of a resolution creating a pollution control
18 district or any related proceeding must be brought not later than
19 the 30th day after the effective date of the resolution. If an
20 action or proceeding is not brought within that period, the
21 resolution and any related proceedings are valid and incontestable.

22 Sec. 8513.0807. FILING REQUIREMENT. A resolution of the
23 board creating a pollution control district adopted under Section
24 8513.0802(e) shall be filed in the deed records of each county in
25 the district's territory.

26 Sec. 8513.0808. POLLUTION CONTROL DISTRICT TERRITORY. (a)
27 A pollution control district may include any territory, whether or

1 not contiguous, in the authority.

2 (b) If any portion of the territory of a proposed pollution
3 control district falls within the boundaries or the exclusive
4 extraterritorial jurisdiction of a municipality, the board must
5 obtain the municipality's consent before creating the proposed
6 district. Consent of a municipality:

7 (1) may contain any conditions agreed on by the
8 authority and the municipality; and

9 (2) must be evidenced by an enacted ordinance of the
10 municipality's governing body.

11 Sec. 8513.0809. ANNEXATION OF TERRITORY TO POLLUTION
12 CONTROL DISTRICT. (a) Territory may be annexed to an existing
13 pollution control district in the manner provided by this section.

14 (b) The board may annex territory under this section by
15 resolution of the board or by a petition requesting annexation. The
16 petition must:

17 (1) to the extent practicable, set forth the matters
18 described in a resolution calling for the creation of the pollution
19 control district, as described by Section 8513.0802(b) or (c);

20 (2) request a public hearing by the board on the
21 petition; and

22 (3) be signed by:

23 (A) the owners of 50 percent or more of the value
24 of the territory to be annexed;

25 (B) a majority of the residents of the territory
26 to be annexed; or

27 (C) if fewer than three registered voters reside

1 in the territory to be annexed, the owner or owners of the
2 territory.

3 (c) The board shall hold a public hearing on the petition in
4 the same manner as a public hearing under Section 8513.0803.

5 (d) If the board finds that the territory should be annexed,
6 the board may adopt a resolution:

7 (1) ordering an election on the annexation:

8 (A) in the territory contained in the existing
9 pollution control district; and

10 (B) in the territory to be annexed; or

11 (2) if the petition for annexation was brought under
12 Subsection (b)(3)(C), annexing the territory to the district.

13 (e) Except as provided by Subsection (f), the board may not
14 annex the territory until a majority of the registered voters:

15 (1) in the territory of the existing pollution control
16 district are in favor of annexation; and

17 (2) in the territory to be annexed to the pollution
18 control district are in favor of annexation and, if applicable, in
19 favor of:

20 (A) allowing a maintenance tax on the land to be
21 annexed;

22 (B) assuming the pro rata share of any previously
23 authorized indebtedness of the existing district; or

24 (C) allowing any taxes necessary to support tax
25 or tax-revenue bonds previously voted on that have not yet been
26 issued on behalf of the existing pollution control district and
27 authorizing the board to impose a tax on the property for payment of

1 the unissued bonds when those bonds are issued.

2 (f) A resolution of the board annexing territory adopted
3 under Subsection (d)(2) is temporary until a majority of the
4 registered voters in an election held in the pollution control
5 district including the annexed territory are in favor of:

6 (1) annexing the territory;

7 (2) ratifying any unissued tax or revenue bonds of the
8 authority to be issued on behalf of the district; and

9 (3) authorizing the board to impose within the
10 district a maintenance tax or a tax to pay for any unissued bonds
11 when issued.

12 (g) If a majority of the registered voters in an election
13 held under Subsection (d) or (f) are in favor of the annexation, the
14 board shall adopt a resolution redefining the boundaries of the
15 pollution control district and record the resolution in the deed
16 records of each county containing the annexed territory.

17 Sec. 8513.0810. POWER TO ISSUE BONDS; TAX FOR POLLUTION
18 CONTROL DISTRICT. (a) The board may:

19 (1) incur any indebtedness necessary to provide all
20 improvements and the maintenance of those improvements required to
21 achieve the purposes for which any pollution control district is
22 organized;

23 (2) impose taxes necessary for the payment of the
24 interest of any bonds issued under this section; and

25 (3) create a sinking fund for the payment of bonds
26 issued under this section.

27 (b) Taxes imposed under this section are a lien on the

1 property assessed for the payment of the taxes.

2 (c) If the majority of the votes in an election held under
3 Section 8513.0805 or 8513.0809 are in favor of authorizing the
4 authority to incur indebtedness for the benefit of a pollution
5 control district, the board may issue bonds for that purpose.

6 (d) If the board issues bonds under Subsection (c), the
7 board may impose a tax only on property in the pollution control
8 district to pay the principal of or interest on the bonds.

9 (e) If the majority of the votes in an election held under
10 Section 8513.0805 or 8513.0809 are in favor of authorizing the
11 authority to impose an ad valorem tax, the board may impose the tax
12 only on property in the pollution control district.

13 (f) Chapters 49 and 51, Water Code, apply to the imposition
14 of a tax or the issuance of bonds under this subchapter.

15 Sec. 8513.0811. CONFLICT OF LAW. In all areas of conflict
16 with this subchapter and Chapters 49 and 51, Water Code, this
17 subchapter prevails.

18 SECTION 2. The following provisions are repealed:

19 (1) Chapter 276, Acts of the 45th Legislature, Regular
20 Session, 1937;

21 (2) Section 2, Chapter 504, Acts of the 55th
22 Legislature, Regular Session, 1957;

23 (3) Sections 25, 26, 27, and 28, Chapter 233, Acts of
24 the 57th Legislature, Regular Session, 1961;

25 (4) Sections 10, 11, and 12, Chapter 836, Acts of the
26 61st Legislature, Regular Session, 1969;

27 (5) Section 2, Chapter 604, Acts of the 64th

1 Legislature, Regular Session, 1975;

2 (6) Sections 4 and 5, Chapter 60, Acts of the 67th
3 Legislature, Regular Session, 1981;

4 (7) Sections 2 and 3, Chapter 701, Acts of the 70th
5 Legislature, Regular Session, 1987; and

6 (8) Sections 13 and 14, Chapter 179, Acts of the 88th
7 Legislature, Regular Session, 2023.

8 SECTION 3. This Act takes effect immediately if it receives
9 a vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution. If this
11 Act does not receive the vote necessary for immediate effect, this
12 Act takes effect September 1, 2025.