

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 6. WATER AND WASTEWATER

SUBTITLE H. DISTRICTS GOVERNING GROUNDWATER

CHAPTER 8888. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Text of section effective on April 01, 2019

Sec. 8888.001. DEFINITIONS. In this chapter:

(1) "Agricultural crop" means:

(A) a food or fiber commodity grown for resale or commercial purposes that provides food, clothing, or animal feed; or

(B) a nursery product or florist item that is in the possession of a nursery grower.

(2) "Authority" means the North Harris County Regional Water Authority.

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

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

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

(6) "Florist item" means a cut flower, potted plant, blooming plant, inside foliage plant, bedding plant, corsage flower, cut foliage, floral decoration, or live decorative material.

(7) "Groundwater reduction plan" means a plan adopted or implemented to supply water, reduce reliance on groundwater, regulate groundwater pumping and water usage, or require and allocate water usage among persons in order to comply with or exceed the minimum requirements imposed by the subsidence district, including any applicable groundwater reduction requirements.

(8) "Local government" means a municipality, county, special district, or other political subdivision of this state or a combination of two or more of those entities.

(9) "Nursery grower" means a person who grows, in any medium, more than 50 percent of the nursery products or florist items

that the person sells or leases, regardless of the variety sold, leased, or grown. For the purposes of this definition, "grow" means the actual cultivation or propagation of the nursery product or florist item beyond the mere holding or maintaining of the item before sale or lease and typically includes activities associated with the production or multiplying of stock such as the development of new plants from cuttings, grafts, plugs, or seedlings.

(10) "Nursery product" includes a tree, shrub, vine, cutting, graft, scion, grass, bulb, or bud that is grown for, kept for, or capable of propagation and distribution for sale or lease.

(11) "Subsidence" means the lowering in elevation of the surface of land by the withdrawal of groundwater.

(12) "Subsidence district" means the Harris-Galveston Subsidence District.

(13) "System" means a network of pipelines, conduits, canals, pumping stations, force mains, and treatment plants, and any other construction, device, or related appurtenance, used to treat or transport water.

(14) "Water" includes:

(A) groundwater, percolating or otherwise;

(B) any surface water, natural or artificial, navigable or nonnavigable; and

(C) industrial and municipal wastewater.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.002. NATURE OF AUTHORITY. The authority is a regional water authority in Harris County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The authority is created to serve a public use and benefit.

(b) All land and other property included in the authority will benefit from the works and projects accomplished by the authority under the powers provided by this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.004. DISTRICTS IN AUTHORITY'S BOUNDARIES. A district in the authority's boundaries retains the district's separate identity, powers, and duties. The district is subject to the authority's powers and duties, including those powers and duties necessary to develop, implement, and enforce a groundwater reduction plan.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.005. APPLICABILITY OF OTHER LAW. (a) This chapter prevails over any inconsistent provision of general law.

(b) This chapter does not prevail over or preempt a provision of Chapter 8801 of this code or Chapter 36, Water Code, that is being implemented by the subsidence district.

(c) The following laws do not apply to the authority:

- (1) Chapter 36, Water Code;
- (2) Section 49.052, Water Code; and
- (3) Sections 49.451-49.455, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

SUBCHAPTER B. TERRITORY

Text of section effective on April 01, 2019

Sec. 8888.051. AUTHORITY TERRITORY. The authority is composed of the territory described by Sections 1.03(a), (b), (b-1), (b-2), (c), and (e), Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, as that territory may have been modified under:

(1) this subchapter or the following predecessor statutes:

(A) Sections 1.03(f) and (g), Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999; or

(B) Section 1.045, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999; or

(2) Subchapter J, Chapter 49, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.052. LOCAL GOVERNMENT ANNEXATION. Territory annexed by a local government located in the authority becomes territory of the authority on the effective date of the annexation unless the annexed territory is included in another local government's approved groundwater reduction plan as of the effective date of the annexation. The authority by rule may require the local government to send the authority:

(1) written notice of the effective date of an annexation; and

(2) copies of documents describing the annexed land and the new boundaries of the local government.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.053. ADDITION OF WATER SYSTEM SERVICE AREA. If territory is added to the service area of a person owning a water system located in the authority, the territory becomes territory of



the authority on the effective date of the territory's addition to the service area unless the added territory is included in another local government's approved groundwater reduction plan as of the effective date of the addition. The authority by rule may require the person to send the authority:

(1) written notice of the effective date of an addition of territory; and

(2) copies of documents describing the added territory and the new boundaries of the person's service area.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.054. INCLUSION OF CERTAIN TERRITORY. (a) The board of directors of a district organized under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, all or part of which is not included in the authority, by petition may request the district's territory to be included in the authority's territory. The petition must:

(1) be filed with the authority; and

(2) include an accurate legal description of the boundaries of the territory to be included.

(b) If the authority has bonds, notes, or other obligations outstanding, the board shall require the petitioning district to assume the district's share of the outstanding bonds, notes, or other obligations.

(c) Before the 61st day after the date the authority receives the petition, the board shall hold a hearing to consider the petition. The board may grant the petition and order the territory described in the petition to be included in the authority's territory if:

(1) it is feasible, practicable, and to the advantage of the authority; and

(2) the authority's system and other improvements of the authority are sufficient or will be sufficient to supply the added

territory without injuring the territory already included in the authority.

(d) If the board grants the petition, the board shall file for recording in the office of the county clerk of Harris County:

(1) a copy of the order; and

(2) a description of the authority's boundaries as they exist after the inclusion of the territory.

(e) The order including the territory is effective immediately after the order and description are recorded.

(f) Except as provided by Subsection (g), a district that petitions to be included in the authority's territory is subject to the fees and reimbursements that are in effect at the time of the district's petition and are applicable to such a petitioner.

(g) The authority may not require a district that petitioned before January 1, 2002, to be included in the authority's territory to pay a fee to the authority for admission or reimbursement for activities the authority has undertaken since the authority's creation in the furtherance of the authority's duties and functions.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

#### SUBCHAPTER C. AUTHORITY ADMINISTRATION

Text of section effective on April 01, 2019

Sec. 8888.101. COMPOSITION OF BOARD. The authority is governed by a board of five elected directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.102. ELECTION OF DIRECTORS. (a) One director is elected from each of five single-member voting districts by the voters of the voting district.

(b) A person shall indicate on the application for a place on the ballot the voting district the person seeks to represent.

(c) In the manner described by Section 49.103(d), Water Code, the board shall redraw the single-member voting districts as soon as practicable after each federal decennial census and as otherwise required by law.

(d) At the first election after each time the voting districts are redrawn:

(1) five new directors shall be elected to represent the single-member voting districts; and

(2) the directors elected shall draw lots to determine the directors' terms so that:

(A) two directors serve two-year terms; and

(B) three directors serve four-year terms.

(e) Subchapter C, Chapter 146, Election Code, applies to the consideration of votes for a write-in candidate for director as if the authority were a municipality.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.103. ELECTION DATE. The authority shall hold an election to elect the appropriate number of directors to the board on a uniform election date in each even-numbered year.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.104. QUALIFICATION FOR OFFICE. To be eligible to serve as a director, a person must be a qualified voter in the voting district from which the person is elected or appointed.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.105. BOARD VACANCY. (a) The board shall appoint a person to fill a vacancy in the office of director.

(b) The appointed person serves until the next directors' election.

(c) If the position is not scheduled to be filled at the election, the person elected to fill the position serves only for the remainder of the unexpired term.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.106. MEETINGS. The board shall meet at least four times each year and may meet at any other time the board considers appropriate.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.107. GENERAL MANAGER. (a) The board shall employ a general manager to serve as the chief administrative officer of the authority. The board may delegate to the general manager the full authority to manage and operate the affairs of the authority subject only to the orders of the board.

(b) The duties of the general manager include:

- (1) administering board orders;
- (2) coordinating with state, federal, and local agencies;
- (3) overseeing development of authority plans and programs;

and

- (4) performing other duties assigned by the board.



(c) The board shall determine the terms of office and employment and the compensation of the general manager.

(d) The board may discharge the general manager by a majority vote of the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.108. EMPLOYEES. (a) The general manager shall employ all persons necessary to properly handle authority business and operations. The general manager may employ attorneys, bookkeepers, engineers, and other expert and specialized employees the board considers necessary.

(b) The general manager shall determine the compensation to be paid by the authority.

(c) The general manager may discharge an authority employee.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.109. FIDELITY BOND. The general manager and each authority employee or contractor who is charged with the collection, custody, or payment of any authority money shall execute a fidelity bond in an amount determined by the board and in a form and with a surety approved by the board. The authority shall pay for the bond.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

#### SUBCHAPTER D. POWERS AND DUTIES

Text of section effective on April 01, 2019

Sec. 8888.151. GENERAL POWERS AND DUTIES. (a) The authority has the rights, powers, privileges, functions, and duties necessary and convenient to accomplish the purposes of this chapter, including those provided by Chapter 49, Water Code.

(b) The authority shall exercise its rights, powers, and privileges in a manner that will promote regionalization of water treatment and distribution.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.152. ADDITIONAL POWERS. The authority may:

(1) provide for the conservation, preservation, protection, recharge, and prevention of waste of groundwater in a manner consistent with the purposes of Section 59, Article XVI, Texas Constitution;

(2) for the purposes of reducing groundwater withdrawals and subsidence, acquire or develop surface water and groundwater supplies from sources inside or outside the authority and may conserve, store, transport, treat, purify, distribute, sell, and deliver water to persons inside and outside the authority;

(3) coordinate water services provided inside, outside, or into the authority;

(4) provide for the reduction of groundwater withdrawals by the development, implementation, or enforcement of a groundwater reduction plan as provided by Section 8888.157;

(5) identify sources of water other than groundwater to be provided by the authority;

(6) specify the rates and terms under which sources of water other than groundwater will be provided by the authority, which may be changed as considered necessary by the authority;

(7) specify the dates and extent to which each person in the authority shall accept water from the authority; and

(8) administer and enforce this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.153. AUTHORITY RULES. (a) The authority shall adopt and enforce rules reasonably required to implement this chapter, including rules governing procedures before the board.

(b) The board shall compile the authority's rules in a book and make the rules available for use and inspection at the authority's principal office.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.154. FEES, RATES, AND CHARGES. As necessary to enable the authority to fulfill the authority's purposes and regulatory obligations provided by this chapter, the authority may establish:

- (1) fees, rates, and charges; and
- (2) classifications of fee and rate payers.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.155. FEE AMOUNTS. Fees established by the board must be sufficient to:

- (1) achieve water conservation;
- (2) prevent waste of water;
- (3) serve as a disincentive to pumping groundwater;
- (4) accomplish the purposes of this chapter, including making available alternative water supplies;

(5) enable the authority to meet operation and maintenance expenses; and

(6) pay the principal of and interest on debt issued in connection with the exercise of the authority's general powers and duties.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.156. PRODUCTION FEES. (a) The authority may charge the owner of a well located in the authority a fee on the amount of water pumped from the well. The board shall establish the rate of a fee under this subsection only after a special meeting on the fee.

(b) The board by rule shall exempt from the fee established under Subsection (a) each class of wells that is not subject to a groundwater reduction requirement imposed by the subsidence district. If an exempted class of wells becomes subject to a groundwater reduction requirement imposed by the subsidence district, the authority may charge the fee established under Subsection (a) on the wells of that class. The board by rule may exempt any other class of wells from the fee established under Subsection (a).

(c) Notwithstanding any other law, the authority may charge a fee established under Subsection (a) on a well or class of wells located in the authority that, on or after June 30, 2013:

(1) ceases to be subject to a groundwater reduction requirement imposed by the subsidence district; or

(2) is no longer subject to the regulatory provisions, permitting requirements, or jurisdiction of the subsidence district.

(d) The board may not apply the fee established under Subsection (a) to a well:

(1) with a casing diameter of less than five inches that serves a single-family dwelling;

(2) regulated under Chapter 27, Water Code;

(3) used for irrigation of agricultural crops; or

(4) used solely for electric generation.



Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.157. GROUNDWATER REDUCTION PLAN. (a) The authority may develop, implement, participate in, and enforce a groundwater reduction plan. The groundwater reduction plan is binding on persons and wells in the authority.

(b) The groundwater reduction plan may be amended at the discretion of the authority subject to the requirements and procedures of the subsidence district applicable to the amendment of groundwater reduction plans.

(c) The groundwater reduction plan may exceed the minimum requirements imposed by the subsidence district, including any applicable groundwater reduction requirements.

(d) The authority may contract on mutually agreeable terms with a person located outside the authority to allow the person to be included in the groundwater reduction plan. A contract entered into under this subsection has the same force and effect as if the person were located in the authority, except that the person is not entitled to vote in an election for members of the board.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.158. WATER SUPPLY AND DROUGHT CONTINGENCY PLANS. As needed but not less frequently than every five years, the authority by rule shall develop, prepare, revise, and adopt comprehensive water supply and drought contingency plans for various areas of the authority. The plans must:

- (1) be consistent with regional planning; and
- (2) include 10-year, 20-year, and 50-year projections of water needs in the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.159. ACQUISITION, CONSTRUCTION, AND OPERATION OF SYSTEMS. (a) The authority may:

(1) by purchase, gift, lease, contract, or any other legal means, acquire and provide a water treatment or supply system, or any other work, plant, improvement, or facility necessary or convenient to accomplish the purposes of the authority, or any interest in those assets, inside or outside the authority;

(2) design, finance, or construct a water treatment or supply system, or other supply system, or any other work, plant, improvement, or facility necessary or convenient to accomplish the purposes of the authority, and provide water services inside or outside the authority;

(3) maintain, operate, lease, or sell a water treatment or supply system, or any other work, plant, improvement, or facility necessary or convenient to accomplish the purposes of the authority, that the authority constructs or acquires inside or outside the authority; or

(4) contract with a person who owns a water treatment or supply system to operate or maintain the system.

(b) The authority shall give a person outside the authority, including the City of Houston, the option to contract for available excess capacity of the authority's water treatment or supply system or, before construction of a water treatment or supply system begins, for additional capacity of the system. The authority must offer a contract that would enable the person to pay for the excess or additional capacity in accordance with the person's pro rata share of the capital investment and operational and maintenance costs for providing the excess or additional capacity.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.160. STORAGE, SALE, OR REUSE OF WATER OR BY-PRODUCT. The authority may store, sell, or reuse:

- (1) water; or
- (2) any by-product from the authority's operations.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.161. GENERAL CONTRACTING AUTHORITY. (a) The authority may enter into a contract with any person on terms the board considers desirable, fair, and advantageous for the performance of its rights and powers under this chapter.

(b) The authority may enter into a contract with any person regarding the performance of any purpose or function of the authority, including a contract to jointly construct, finance, own, or operate works, improvements, facilities, plants, equipment, or appliances necessary to accomplish a purpose or function of the authority. A contract may be of unlimited duration.

(c) Notwithstanding any inconsistent provision of general law or of a home-rule municipal charter or ordinance, the authority and a municipality may, after January 1, 2002, enter into a contract of unlimited duration.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.162. SPECIFIC CONTRACTING AUTHORITY. The authority may contract for:

- (1) the purchase or sale of water or water rights;
- (2) the performance of activities within the powers of the authority to promote the continuing and orderly development of land and property in the authority through the purchase, construction, or

installation of works, improvements, facilities, plants, equipment, or appliances so that, to the greatest extent possible considering sound engineering practices and economic feasibility, all the land and property in the authority may receive services of the works, improvements, facilities, plants, equipment, or appliances of the authority; or

(3) the construction, ownership, maintenance, or operation of any works, improvements, facilities, plants, equipment, or appliances of the authority or another person.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.163. PURCHASE OF SURPLUS PROPERTY. (a) The authority may purchase surplus property from this state, the United States, or another public entity through a negotiated contract without bids.

(b) An officer, agent, or employee of the authority who is financially interested in a contract described by Subsection (a) shall disclose the interest to the board before the board votes on the acceptance of the contract.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.164. PURCHASE OF INTEREST IN PROJECT. The authority may purchase an interest in a project used for a purpose or function of the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019



Sec. 8888.165. COOPERATION WITH PUBLIC ENTITIES. (a) In implementing this chapter, the board may cooperate with and request the assistance of the Texas Water Development Board, the commission, the United States Geological Survey, the subsidence district, other local governments, and other agencies of the United States and this state.

(b) The subsidence district may:

(1) enter into an interlocal contract with the authority to carry out the authority's purposes; and

(2) carry out the governmental functions and services specified in the interlocal contract.

(c) The board shall coordinate with the City of Houston to develop an interregional plan for a system to distribute treated surface water in an economical and efficient manner.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. [2803](#)), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.166. SURFACE WATER DELIVERY SYSTEM. (a) In this section, "surface water delivery system":

(1) includes a facility that is to be constructed and that will be:

(A) used to transport groundwater between utility districts;

(B) used temporarily to transport groundwater between utility districts if there is a reasonable probability that the facility will be used for that purpose on a permanent basis in the future; or

(C) necessary to accomplish an authority purpose, including management of water, water conservation, or water reuse; and

(2) does not include the use of the bed and banks to transport water or wastewater.

(b) The authority may expedite the financing and construction of a surface water delivery system, or other projects of the

authority, to accomplish a conversion from reliance on groundwater to reliance on surface water not later than the earlier of:

- (1) the date required by the subsidence district; or
- (2) the date determined by the board to be in the interest of the authority or one or more districts inside or outside the authority.

(c) It is the intent of the legislature that the commission cooperate with and assist the authority in developing a surface water delivery system or other authority project in an expedited manner as provided by Subsection (b).

(d) The commission and the authority may enter into a memorandum of understanding that relates to the construction of a surface water delivery system. The memorandum of understanding may:

- (1) establish standard procedures for the commission to grant conditional or final approval of authority construction projects;
- (2) establish standing waivers or conditions applicable to those construction projects;
- (3) delegate powers to the authority to carry out any commission duty relating to an activity that the authority may undertake if the delegation:
  - (A) does not violate federal law; and
  - (B) is not inconsistent with any agreement of this state with, or any delegation of authority to this state from, the United States Environmental Protection Agency;
- (4) set minimum standards for construction or other projects; or
- (5) address any other matter that relates to an activity that the authority may undertake and that the commission may regulate.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. [2803](#)), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.167. CONDITIONAL APPROVAL OF CONSTRUCTION PROJECTS.

- (a) The commission may grant conditional approval of a construction

project or waive a requirement of any law or commission rule with respect to a construction project if the conditional approval or waiver does not compromise public health or safety.

(b) If the commission grants conditional approval of or a waiver for a construction project, the authority shall make any subsequent changes required by the commission in the construction project necessary to protect the public health or safety.

(c) The commission may not require that the authority enter into a contract with another person as a condition for approving an authority construction project. The authority may meet the authority's obligations under commission rules that require certain issues to be addressed by contract by adopting rules that address the commission issues and that allocate responsibility as necessary between the authority and a person in the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. [2803](#)), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.168. STATEMENT OF AMOUNTS OF WATER TO BE DELIVERED. To comply with commission rules that would require the authority to state specific amounts of water that may or will be provided to another entity receiving water from the authority, the authority may state the amount in ranges that the authority may change on prompt notification to the commission.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. [2803](#)), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.169. EFFECT OF MUNICIPAL ANNEXATION ON FEES AND SERVICES. (a) Except to the extent the authority agrees in writing, a municipality's annexation of territory that is in the authority does not affect the authority's ability to assess and collect inside the annexed territory the types of fees, rates, charges, or special



assessments that the authority was assessing and collecting at the time the municipality initiated the annexation.

(b) The authority's ability to assess and collect the types of fees, rates, charges, or special assessments described by Subsection (a) terminates on the later of:

(1) the date of final payment or defeasance of any bonds or other indebtedness, including any refunding bonds, that are secured by those fees, rates, charges, or special assessments; or

(2) the date that the authority no longer provides services inside the annexed territory.

(c) The authority shall continue to provide services to the annexed territory in accordance with contracts in effect at the time of the annexation unless a written agreement between the board and the governing body of the municipality provides otherwise.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. [2803](#)), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.170. CIVIL PENALTY; CIVIL ACTION; INJUNCTION. (a) A person who violates a rule or order of the authority is subject to a civil penalty of not less than \$50 and not more than \$5,000 for each violation or each day of a continuing violation.

(b) The authority may bring an action to recover the penalty in a district court in the county where the violation occurred. The penalty shall be paid to the authority.

(c) The authority may bring an action for injunctive relief in a district court in the county where a violation of an authority rule or order occurs or is threatened to occur. The court may grant to the authority, without bond or other undertaking, a prohibitory or mandatory injunction that the facts warrant, including a temporary restraining order, temporary injunction, or permanent injunction.

(d) The authority may bring an action for a civil penalty and injunctive relief in the same proceeding.

(e) The authority may bring an action in a district court against a person located in the authority or included in the authority's groundwater reduction plan to:



(1) recover any fees, rates, charges, assessments, collection expenses, attorney's fees, interest, penalties, or administrative penalties due the authority; or

(2) enforce the authority's rules or orders.

(f) Governmental immunity from suit or liability of a district or other political subdivision is waived for the purposes of an action described by Subsection (e).

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.171. EMINENT DOMAIN. (a) The authority may exercise the power of eminent domain in the authority to acquire property of any kind to further the authorized purposes of the authority.

(b) The authority may exercise the power of eminent domain outside the authority to acquire any land, easements, or other property for the purpose of pumping, treating, storing, or transporting water.

(c) The authority may not exercise the power of eminent domain under Subsection (b):

(1) for the condemnation of land for the purpose of acquiring groundwater rights, water, or water rights; or

(2) to acquire property of any kind that is:

(A) owned by a municipality with a population of 1.6 million or more or any instrumentality of a municipality with a population of 1.6 million or more, including any local government corporation created by the municipality; or

(B) located in the corporate boundaries of a municipality with a population of 1.6 million or more as of February 1, 2001.

(d) Notwithstanding Subsection (c)(2)(B), the authority may exercise the power of eminent domain under Subsection (b) to acquire property in the corporate boundaries of a municipality with a population of 1.6 million or more if:

(1) the condemnation is to be used to provide facilities between two points that are in the authority and the area in the

municipality is bounded by a line parallel to and 150 feet north of the north side of Greens Bayou and by a line parallel to and 150 feet south of the south side of Greens Bayou;

(2) annexation of the territory by the municipality was completed between January 1, 1962, and January 1, 1964; or

(3) the municipality grants permission for the condemnation.

(e) The authority may not exercise the power of eminent domain to acquire property of any kind in Galveston County.

(f) The authority must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code. The authority is not required to give bond for appeal or bond for costs in a condemnation suit, or other suit to which the authority is a party, and is not required to deposit more than the amount of an award in a suit.

(g) The authority may elect to condemn either the fee simple or a lesser property interest when exercising the power of eminent domain.

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

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

#### SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Text of section effective on April 01, 2019

Sec. 8888.201. GIFT OR GRANT FROM SUBSIDENCE DISTRICT. The authority may accept a gift or grant from money collected by the subsidence district under Chapter 8801 to fund a water treatment or supply system.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.202. AUTHORIZATION OF DISBURSEMENT. A disbursement of the authority must be signed by at least two directors.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.203. AD VALOREM TAX PROHIBITED. The authority may not impose an ad valorem tax.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.204. COOPERATIVE FUNDING. (a) The authority may develop a procedure for funding cooperatively a project of the authority with money from a political subdivision located entirely in the authority, and may develop a procedure for funding cooperatively a project of the authority with money from a political subdivision located wholly or partly outside the authority, a water supply corporation, or other private entity, if the authority project fulfills a governmental purpose of both the authority and the political subdivision, or fulfills a governmental purpose of the authority that the authority determines would be furthered by cooperative funding from a private entity.

(b) A political subdivision may enter into a contract with the authority for the political subdivision to finance a portion of the proposed project with the political subdivision's resources instead of using only the proceeds from bonds of the authority for that purpose. The contract must be executed before the authority issues the bonds. As provided in the contract, the authority may:

(1) reduce the value of the bond issuance to the degree that the political subdivision provides project funding; and

(2) credit the political subdivision for the political subdivision's contribution to the project financing and adjust the allocation of revenue pledged to the payment of the bonds so that the authority avoids using, to a degree reasonably commensurate with the contribution, revenue from the political subdivision to service the authority's bond debt or interest.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

#### SUBCHAPTER F. NOTES AND BONDS

Text of section effective on April 01, 2019

Sec. 8888.251. REVENUE NOTES. (a) The board, without an election, may borrow money on negotiable notes of the authority payable solely from the revenue from any source, including:

- (1) tolls, charges, and fees the authority imposes;
- (2) the sale of water, water or sewer services, or any other service or product of the authority;
- (3) grants or gifts;
- (4) the ownership and operation of all or a designated part of the authority's works, improvements, facilities, plants, or equipment; and
- (5) contracts between the authority and any person.

(b) The notes may be first or subordinate lien notes at the board's discretion. An obligation may not be a charge on the property of the authority. An obligation may only be a charge on revenue pledged for the payment of the obligation.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.252. REVENUE AND BOND ANTICIPATION NOTES. (a) The board may issue negotiable revenue anticipation notes or negotiable



bond anticipation notes to borrow the money needed by the authority without advertising or giving notice of the sale.

(b) The board may also issue negotiable combination revenue and bond anticipation notes. Negotiable combination revenue and bond anticipation notes may contain any term authorized under this section for revenue anticipation notes or bond anticipation notes.

(c) Any note issued must mature not later than one year after its date of issuance.

(d) A revenue anticipation note:

(1) may be issued to enable the authority to carry out any purpose authorized by this chapter; and

(2) must be secured by the proceeds of revenue to be collected by the authority in the 12-month period following the date of issuance of the note.

(e) The board may covenant with the purchasers of revenue anticipation notes that the board will charge and collect sufficient revenue to pay the principal of and interest on the notes and pay the cost of collecting the revenue.

(f) A bond anticipation note may be issued:

(1) for any purpose for which a bond of the authority may be issued; or

(2) to refund previously issued revenue or bond anticipation notes.

(g) The authority may covenant with the purchasers of the bond anticipation notes that the authority will use the proceeds of the sale of any bonds in the process of issuance for the purpose of refunding the bond anticipation notes, in which case the board shall use the proceeds received from the sale of the bonds in the process of issuance to pay the principal, interest, or redemption price on the bond anticipation notes.

(h) For purposes of Section [1202.007](#), Government Code, a note issued under this section is considered to be payable only out of:

(1) current revenue collected in the year the note is issued; or

(2) the proceeds of other public securities.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. [2803](#)), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.253. BONDS AND NOTES. (a) To carry out a power conferred by this chapter, the authority may issue bonds secured by all or part of the revenue from any source, including any source described by Section 8888.251(a).

(b) In issuing or securing a bond or note of the authority, the authority may exercise any power of an issuer under Chapter 1371, Government Code.

(c) The authority may conduct a public, private, or negotiated sale of the bonds.

(d) The bonds must:

- (1) be authorized by board resolution;
- (2) be issued in the authority's name;
- (3) be signed by the board president or vice president;
- (4) be attested by the board secretary; and
- (5) bear the authority's seal or facsimile seal.

(e) The bonds may be secured by an indenture of trust with a corporate trustee.

(f) The authority may issue bonds in more than one series as required for carrying out the purposes of this chapter. In issuing bonds secured by the authority's revenue, the authority may reserve the right to issue additional bonds secured by the authority's revenue that are on a parity with or are senior or subordinate to the bonds issued earlier.

(g) The resolution authorizing the bonds or the trust indenture securing the bonds may specify additional provisions that constitute a contract between the authority and the authority's bondholders. The board may provide for:

- (1) additional bond provisions; and
- (2) a corporate trustee or receiver to take possession of the authority's facilities if the authority defaults.

(h) Section 49.181, Water Code, does not apply to bonds or notes issued by the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.254. BONDS SECURED BY CONTRACT PROCEEDS: APPROVAL.

(a) If bonds issued under this subchapter are secured by a pledge of the proceeds of a contract between the authority and a municipality or other governmental agency, authority, or district, the authority shall submit to the attorney general a copy of the contract and the proceedings of the municipality or other governmental agency, authority, or district authorizing the contract.

(b) If the attorney general finds that the bonds have been authorized and the contract has been made in accordance with law, the attorney general shall approve the bonds and contract.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.255. REFUNDING BONDS. The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.

Text of section effective on April 01, 2019

Sec. 8888.256. VALIDITY OF BONDS AFTER ADDITION OF TERRITORY. The annexation or addition of territory to the authority under Section 8888.052 or 8888.053 does not affect the validity of bonds issued by the authority.

Added by Acts 2017, 85th Leg., R.S., Ch. 869 (H.B. 2803), Sec. 1.04, eff. April 1, 2019.