

CHAPTER 1020

H.B. No. 2517

AN ACT

relating to the powers and bonding authority of the Johnson County Fresh Water Supply District No. 1, and the validation of certain actions of the district.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. DEFINITION. In this Act, "district" means the Johnson County Fresh Water Supply District No. 1.

SECTION 2. ADDITIONAL POWERS. (a) In addition to the powers granted under Chapter 53, Water Code, the district may acquire, construct, finance, or provide water source, water supply, and water treatment facilities, water pollution control facilities, waste disposal facilities, and air pollution control facilities inside Johnson County.

(b) The district may acquire, construct, finance, or provide water source, water supply, and water treatment facilities and waste disposal facilities outside Johnson County primarily to serve the inhabitants of Johnson County.

(c) The district may enter into contracts, loan agreements, leases, or installment sales agreements to acquire, purchase, construct, own, operate, maintain, repair, improve, or extend works, improvements, facilities, plants, buildings, structures, equipment, appliances, and property designed, acquired, or owned to primarily serve inhabitants of Johnson County.

(d) The district may loan, lease, sell, or otherwise dispose of works, improvements, facilities, plants, buildings, structures, equipment, appliances, and property owned or operated by the district.

(e) The district may provide for the development, drilling, control, storage, preservation, transmission, treatment, distribution, and use of groundwater, storm water, floodwater, and the water of rivers and streams for any beneficial use or purpose and may supply water for any beneficial use or purpose.

(f) The district may collect, transport, process, treat, dispose of, and control all waste and control, abate, or reduce all types of pollution.

(g) The district may reclaim and provide drainage and drainage systems for land.

(h) The district may establish parks and provide recreational facilities.

(i) The district may acquire land for the construction or lease of or may acquire works, plants, and other facilities necessary for use inside or outside Johnson County, including:

(1) diverting, impounding, or storing water;

(2) developing underground sources of water; or

(3) processing water and transporting it for municipal, domestic, industrial, or mining purposes.

(j) The district is an issuer for purposes of Chapter 656, Acts of the 68th Legislature, Regular Session, 1983 (Article 717q, Vernon's Texas Civil Statutes).

(k) The rights, powers, privileges, authority, and functions granted to the district are subject to the continuing right of supervision of the State of Texas to be exercised by and through the Texas Water Commission.

SECTION 3. WASTE DISPOSAL AND POLLUTION CONTROL. (a) The district is a river authority for purposes of Chapter 30, Water Code, the Clean Air Financing Act (Article 4477-5a, Vernon's Texas Civil Statutes), and the Solid Waste Resource Recovery Financing Act (Article 4477-7a, Vernon's Texas Civil Statutes).

(b) Except as provided by this Act, the district has the powers and duties provided by Chapter 30, Water Code, the Clean Air Financing Act (Article 4477-5a, Vernon's Texas Civil Statutes), and the Solid Waste Resource Recovery Financing Act (Article 4477-7a, Vernon's Texas Civil Statutes).

SECTION 4. CONTRACTS. (a) The district and any individual, partnership, corporation, or other private entity or public agency may mutually enter into contracts for any purposes authorized by this Act, Chapter 30, Water Code, the Clean Air Financing Act (Article 4477-5a, Vernon's Texas Civil Statutes), and the Solid Waste Resource Recovery Financing Act (Article 4477-7a, Vernon's Texas Civil Statutes).

(b) A public agency may enter into contracts with the district and, on approval by majority vote of the public agency's governing board, may pledge all or part of its payments under the contract to be payable from sources provided by Section 30.030(c), Water Code. A public agency may pledge any other available revenues to the payment of contracts entered into with the district.

(c) A public agency may pledge any fees or charges the public agency is allowed to collect under this Act for utility services provided by the agency to make payments on

contracts entered into between the district and the public agency. If the parties agree, the payments shall constitute an expense of operation of any facilities or utility operated by the public agency.

SECTION 5. FACILITY PROJECTS. (a) Special facility projects to acquire or construct separate projects for any person shall be self-liquidating projects and may not constitute a part of the system of the district.

(b) The board of supervisors must approve a special facility project.

(c) Assets of the district may not be encumbered for a special facility project, but the assets of a person participating in the district system may be encumbered if the person approves.

SECTION 6. BOND AUTHORITY. (a) The district may issue bonds and other obligations as provided by this Act and Subchapter F, Chapter 54, Water Code.

(b) Bonds issued by the district that are secured by a pledge of revenues from a contract must be submitted with the contract and the proceedings relating to the contract to the attorney general for examination.

(c) If the attorney general finds that the bonds and contract have been authorized or entered into in accordance with law, he shall approve them.

(d) After the approval of the bonds and contract, the bonds are incontestable in any court or other forum for any reason and the bonds are valid and binding obligations in accordance with their terms for all purposes.

SECTION 7. AUTHORITY OF PUBLIC AGENCIES. (a) A public agency may fix, charge, and collect fees, rates, charges, rentals, and other amounts including water charges, sewage charges, and waste disposal fees and charges including garbage collection and handling fees for services or facilities provided by a utility operated by the public agency or provided under or in connection with a contract with the district. These fees, rates, charges, rentals, and other amounts may be charged to and collected from the public agency's inhabitants or from users or beneficiaries of the utility, services, or facilities.

(b) This Act is wholly sufficient authority for the exercise of powers, issuance of bonds, execution of contracts, and the performance of other acts by the district and public agencies with reference to any other law, restrictions, or limitations except as provided by this Act. If this Act and any other law including a home-rule city charter are in conflict, this Act prevails. However, the district or any public agency may use any other law that is not in conflict with this Act to the extent convenient or necessary to carry out the authority granted by this Act.

(c) This Act does not require any person or public agency to acquire water, sewer service, or any other service from the district except under contracts entered into by those parties.

SECTION 8. VALIDATION. (a) All resolutions, orders, and other acts or attempted acts of the board of supervisors of the district, the creation of the district, and all proceedings of the district, authorizing the issuance of bonds of the district, including voted but unissued bonds of the district, bond elections, and the bond taxes voted for those bonds, and all contracts entered into by the district, are validated in all respects. All the resolutions, orders, and other acts or attempted acts of the board of supervisors of the district, the creation of the district, the district's bonds, bond elections, bond taxes, pledged revenues, and contracts shall be valid as though they had originally been authorized or accomplished.

(b) This Act does not apply to or affect litigation now pending in a court of competent jurisdiction in this state to which the district is a party.

SECTION 9. NOTICE, ETC. The legislature finds that proper and legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished by the constitution and laws of this state, including the governor of Texas, who has submitted the notice and Act to the Texas Water Commission. Also, the legislature finds

that the Texas Water Commission has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time. All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 10. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 8, 1987, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 2517 on May 25, 1987, by a non-record vote; and, pursuant to the provisions of Article XVI, Section 59(d) of the Constitution of Texas, a copy of H.B. No. 2517 was transmitted to the Governor on March 26, 1987, and the recommendation of the Texas Water Commission was filed with the Speaker of the House on April 24, 1987. Passed by the Senate on May 20, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 19, 1987.

Effective Aug. 31, 1987, 90 days after date of adjournment.