

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 2. ENVIRONMENT AND SANITATION
SUBTITLE A. SOLID WASTE MANAGEMENT

CHAPTER 21. UPPER SABINE VALLEY SOLID WASTE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 21.001. DEFINITIONS. In this Act:

- (1) "Board" means the district's board of directors.
- (2) "Commission" means the Texas Commission on Environmental Quality.
- (3) "Director" means a board member.
- (4) "District" means the Upper Sabine Valley Solid Waste Management District.
- (5) "Local government" means:
 - (A) a municipality;
 - (B) a county; or
 - (C) a water or other special district or authority acting under Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution.
- (6) "Solid waste" has the meaning assigned by Section 361.003, Health and Safety Code.
- (7) "Water" means groundwater, percolating or otherwise, lakes, bays, ponds, springs, rivers, streams, creeks, and all other bodies of surface water, natural or artificial, that are wholly or partly in the district.
- (8) "Water pollution" means alteration of the physical, chemical, or biological quality of water or contamination of water that:
 - (A) renders the water harmful, detrimental, or injurious to:
 - (i) humans, animal life, vegetation, or property; or
 - (ii) public health, safety, or welfare; or
 - (B) impairs the usefulness or the public enjoyment of the water for any lawful or reasonable purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01,

eff. April 1, 2009.

Sec. 21.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.003. PURPOSE. The purpose of this chapter is to establish an instrumentality to develop and carry out a regional water quality protection program through solid waste management and regulation of waste disposal for Rains, Upshur, and Wood Counties and for the portion of Smith County that is north of Interstate Highway 20.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.004. FINDINGS AND DECLARATION OF POLICY. (a) The legislature finds that:

(1) the quality of water in East Texas is materially affected by the disposal of waste throughout the region;

(2) a regional effort to study water pollution, plan corrective and preventive measures, provide coordinated facilities for waste disposal, and regulate waste disposal is far more effective than efforts on a smaller scale;

(3) solid waste, as well as other waste, may impair water quality by seepage or drainage; and

(4) creation of the district would advance the established policy of this state to maintain the quality of the water in the state consistent with:

(A) public health and enjoyment;

(B) the propagation and protection of terrestrial and aquatic life;

(C) the operation of existing industries; and

(D) the economic development of the state.

(b) All area included in the district will benefit from the exercise of the power conferred by this chapter.

(c) The district is a public entity performing an essential public function.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.005. STATE POLICY REGARDING WASTE DISPOSAL. The district's powers and duties are subject to the state policy of encouraging the development and use of integrated area-wide waste collection, treatment, and disposal systems to serve the waste disposal needs of this state's residents, if integrated systems can reasonably be provided for an area, so as to avoid the economic burden on residents and the impact on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER B. DISTRICT TERRITORY AND CHANGES TO DISTRICT TERRITORY

Sec. 21.051. DISTRICT TERRITORY. Unless the district territory has been modified under this subchapter, Subchapter J, Chapter 49, Water Code, or other law, the district's territory consists of Rains, Upshur, and Wood Counties and the portion of Smith County north of Interstate Highway 20.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.052. ANNEXATION OF COUNTY; PETITION. (a) The board may annex an adjacent county in the manner provided by this section and Sections [21.053](#) and [21.055](#).

(b) To initiate annexation proceedings, the commissioners court of the adjacent county must petition the board requesting the board to call an election for the annexation of the petitioner's county. The petition must be in writing and be endorsed by a majority of the members of the commissioners court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01,

eff. April 1, 2009.

Sec. 21.053. ANNEXATION PETITION HEARING; NOTICE. (a) On receipt of a petition under Section 21.052, the board shall set a date, time, and place to hold a hearing on the petition. The date may not be later than the 20th day after the date on which the board receives the petition.

(b) In addition to the notice required under the open meetings law, Chapter 551, Government Code, the board shall publish notice of the date, time, place, and purpose of the hearing in one or more newspapers with general circulation in the district and in the county to be annexed.

(c) Any person may testify at the hearing for or against annexation of the county to the district.

(d) At the conclusion of the hearing, the board shall determine if an annexation election should be held in the county to be annexed.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.054. EXCLUSION OF COUNTY. (a) The commissioners court of a county in the district may petition the board to hold an election in the county to determine if a majority of voters of that county want to exclude the county from the district.

(b) If the district has not issued bonds or incurred other long-term debt before the commissioners court filed the petition, the board shall, on receipt of the petition, enter an order authorizing the commissioners court to call an election in that county.

(c) If the district issued bonds or other long-term debt before the commissioners court filed the petition, the board must obtain adequate legal and financial assurances that, if the county withdraws from the district, the county will assume and pay to the district the county's proportionate share of the district's outstanding debt based on assessed valuation of taxable property in the county and district. After obtaining assurances the board considers adequate, the board shall enter an order authorizing the

commissioners court of that county to call an election in that county to determine if the county should be excluded from the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.055. ELECTION ON ANNEXATION OR EXCLUSION OF COUNTY.

(a) Annexation or exclusion of a county is final when approved by a majority of the voters at an election held in the county to be annexed or excluded. An election in the existing district accepting the addition of a county is not required.

(b) Section 41.001(a), Election Code, does not apply to an election held under this section.

(c) The election ballots shall be printed to provide for voting for or against the following, as applicable:

(1) "Adding (description of county to be added) to the Upper Sabine Valley Solid Waste Management District."

(2) "(Description of county to be added) assuming its proportionate share of the outstanding debts and taxes of the Upper Sabine Valley Solid Waste Management District, if it is added to the district."

(3) "The exclusion of _____ County from the Upper Sabine Valley Solid Waste Management District and assumption by the county of a duty to pay its proportionate share of the outstanding indebtedness of the district."

(d) If a district has outstanding debts or taxes, the voters in an election to approve the annexation must also determine if the annexed county will assume its proportion of the debts or taxes if added to the district.

(e) If the district has outstanding bonds or other long term obligations, the voters in the election to approve the exclusion must also determine if the excluded county will assume a duty to pay its proportion of the district's outstanding indebtedness.

(f) The board shall file a copy of the election results with the commission.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.056. CONTINUED BOND OBLIGATION FOR EXCLUDED COUNTY. The exclusion of a county under Section 21.054(c) does not relieve the district of its obligation to perform and observe the covenants and obligations or the conditions prescribed by the order or resolution authorizing the issuance of the district's bonds. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 21.101. GOVERNING BODY; COMPOSITION. (a) The district is governed by a board of directors composed of at least six directors.

(b) If the district is composed of only one county, the commissioners court of that county shall appoint six persons to serve as directors.

(c) If the district is composed of two counties, the commissioners court of each county included in the district shall each appoint three persons to serve as directors.

(d) If the district is composed of three or more counties, the commissioners court of each county included in the district shall each appoint two persons to serve as directors.

(e) At least one of the directors appointed by each commissioners court shall represent the interests of municipalities and of unincorporated communities with a population of 1,000 or more that are located in that county.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.102. APPOINTMENT OF DIRECTORS FROM ANNEXED COUNTY.

(a) The commissioners court of an annexed county shall appoint two directors to serve on the board.

(b) The newly appointed directors shall draw lots to determine their initial terms of office. One new director shall serve an initial term that coincides with the terms of directors that expire before the expiration of two years and the other new

director shall serve a term that expires after the expiration of two years but before the expiration of four years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.103. TERM. Except as provided by Section 21.102(b), a director serves a term of four years.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.104. ELIGIBILITY TO SERVE. To be eligible to be appointed as or to serve as a director, a person must be:

- (1) at least 18 years of age;
- (2) a qualified voter; and
- (3) a resident of the county governed by the appointing commissioners court.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.105. VACANCY. A vacancy on the board shall be filled in the same manner as the original appointment for the unexpired term.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.106. DIRECTOR'S BOND. Each director must execute a \$5,000 bond with a corporate surety authorized to do business in this state and conditioned on the faithful performance of the director's duties.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.107. TERM OF OFFICERS. A person selected as an officer serves for a term of one year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.108. BYLAWS. The board shall adopt bylaws. The bylaws must prescribe the powers and duties of, and procedures for removal from, a board office.
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.109. BOARD MEETINGS. Except as otherwise provided by law, the board shall meet at least one time each quarter and may meet at any other time provided by its bylaws.
Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.110. COMPENSATION. (a) Unless the board by resolution increases the rate of reimbursement to an amount authorized by Section 49.060, Water Code, a director other than a director described by Subsection (c) is entitled to receive \$50 a day and reimbursement for actual and necessary expenses incurred for each day the director:

- (1) attends a board meeting; and
- (2) attends to the business of the district that is authorized by board resolution or motion.

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

(c) If a member of a commissioners court or a municipal government officer is appointed as a director, the member's or officer's service as a director is considered an additional duty of the member's or officer's existing office. The member or officer is not entitled to a per diem allowance under this section, but is entitled to reimbursement for actual and necessary expenses incurred in performing official duties as a director.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.111. CONFLICT OF INTEREST IN CONTRACT. A director who is financially interested in a contract to be executed by the district for the purchase of property or the construction of facilities shall disclose that fact to the other directors and may

not vote on the acceptance of the contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER D. ADMINISTRATIVE POWERS AND DUTIES

Sec. 21.151. PRINCIPAL OFFICE. The district shall maintain its principal office in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.152. GENERAL MANAGER. (a) The board shall employ a general manager for a term and salary set by the board.

(b) The general manager is the chief executive officer of the district. Under policies established by the board, the general manager is responsible to the board for:

- (1) administering board directives;
- (2) keeping district records, including minutes of the board's meetings;
- (3) coordinating with state, federal, and local agencies;
- (4) developing plans and programs for the board's approval;
- (5) hiring, supervising, training, and discharging district employees;
- (6) contracting for or retaining technical, scientific, legal, fiscal, and other professional services; and
- (7) performing any other duty assigned to the general manager by the board.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.153. EMPLOYEE AND GENERAL MANAGER FIDELITY BONDS. (a) The general manager and each district employee charged with the collection, custody, or payment of any district money shall execute

a fidelity bond. The board shall approve the form, amount, and surety of the bond.

(b) The district shall pay the premiums on employee bonds under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.154. ATTORNEY. (a) The board may appoint an attorney for the district.

(b) The person appointed under this section is entitled to the compensation provided by the district's budget.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.155. RECORDS; LIMIT ON DISCLOSURE. (a) The district shall keep its accounts, contracts, documents, minutes, and other records at its principal office.

(b) The board and its employees may not disclose a district record that relates to trade secrets or the economics of an industry's operations.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER E. GENERAL POWERS AND DUTIES

Sec. 21.201. ADMINISTRATION, ENFORCEMENT, AND ACCOMPLISHMENT OF CHAPTER. (a) The district shall:

(1) administer and enforce this chapter; and

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

(b) The district may advise, consult, contract, and cooperate with the federal government, the state, a local government, or a private entity to carry out any purpose or power under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.202. CONSERVATION AND RECLAMATION DISTRICT POWERS. Except as expressly limited by this chapter, the district has all powers, rights, and privileges necessary and convenient for accomplishing the purposes of this chapter that are conferred by general law on a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution, including the powers, rights, and privileges conferred by Subtitle B, Title 5, Health and Safety Code, on a local or regional government. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.203. RULES; HEARINGS. (a) The board, after notice and hearing, may adopt rules necessary to carry out this chapter.

(b) The board shall adopt rules establishing procedures for giving notice and holding a hearing. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.204. SCOPE OF DISTRICT'S REGULATORY POWER. The regulatory powers of the district under this chapter apply to each person in the district. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.205. PLANS. The district may prepare and adopt plans for and may purchase, construct, acquire, own, operate, maintain, repair, improve, and extend inside and outside district boundaries any works, improvements, waste disposal, treatment, and other facilities, plants, pipelines, equipment, and appliances necessary to collect, transport, process, dispose of, and control domestic, industrial, and communal waterborne and solid waste in the district. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.206. STUDIES AND RESEARCH. The district shall:

- (1) study and research the control of water pollution

and waste disposal in the district;

(2) cooperate with the commission in any study; and

(3) use the results of the studies.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.207. COOPERATIVE AGREEMENTS WITH OTHER POLITICAL SUBDIVISIONS. The district may enter into a cooperative agreement with a local government or other political subdivision to:

(1) jointly conduct solid waste management activities; and

(2) charge reasonable fees for solid waste management activities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.208. GIFTS, GRANTS, AND LOANS. The district may apply for, accept, receive, and administer gifts, grants, loans, and other money available from any source to carry out any purpose or power under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.209. ACQUISITION OF PROPERTY. The district may acquire by gift, grant, devise, purchase, lease, or the exercise of the power of eminent domain any land, easement, right-of-way, or other property interest necessary to carry out the powers and duties under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.210. EMINENT DOMAIN; COST OF RELOCATING PROPERTY.
(a) The district may exercise the power of eminent domain to acquire land for a purpose authorized by Section [21.205](#) if the board determines, after notice and hearing, that it is necessary.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter [21](#), Property Code, but the

district is not required to:

(1) deposit in the trial court money or a bond as provided by Section [21.021\(a\)](#), Property Code;

(2) pay in advance or give bond or other security for costs in the trial court;

(3) give bond for the issuance of a temporary restraining order or a temporary injunction; or

(4) give bond for costs or supersedeas on an appeal or writ of error.

(c) If the district, in the exercise of the power of eminent domain, requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone lines, conduits, poles, or facilities, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.211. ENTRY ON LAND. (a) A district director, engineer, or employee may go on any land inside or outside the district to survey and examine the land with reference to the location of works, improvements, and waste disposal, treatment, and other facilities, plants, pipelines, equipment, and appliances, and to attend to district business.

(b) The director, engineer, or employee must give the landowner five days' written notice before entering on the land.

(c) If any district activity on the land causes damage to the land or property, the district shall restore the land or property as nearly as possible to its original state. The district shall pay the restoration's cost.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.212. ROAD RIGHT-OF-WAY. A governmental entity having jurisdiction over a right-of-way along and across a public state or county road or highway may:

(1) designate the placement of district facilities located on the right-of-way; and

(2) require the relocation of district facilities to accommodate widening or changing traffic lanes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.213. CONSENT FOR CHANGE OR DAMAGE TO STATE PROPERTY. The district must obtain the written consent of the governmental entity having control and jurisdiction over state property, including a facility, before the district may proceed with an action to change or damage the property.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.214. BIDS ON CONTRACTS FOR PURCHASE OF VEHICLES, EQUIPMENT, AND SUPPLIES OVER \$15,000; EXCEPTION. (a) If the estimated amount of a proposed contract to purchase vehicles, equipment, or supplies is more than \$15,000, the board shall ask for competitive bids as provided by Subchapter B, Chapter 271, Local Government Code.

(b) This section does not apply to:

(1) the purchase of property from a public agency; or

(2) a contract for personal or professional services.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER F. CONSTRUCTION, RENOVATION, AND REPAIR CONTRACTS

Sec. 21.251. AUTHORITY TO ENTER INTO CONSTRUCTION, RENOVATION, AND REPAIR CONTRACTS. The district may contract with any person to construct, renovate, repair, or make improvements to any district works, improvements, waste disposal, treatment, or other facilities, plants, pipelines, equipment, and appliances.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.252. BIDS ON CONTRACTS OVER \$15,000. The district may enter into a contract under Section [21.251](#) that requires an expenditure of more than \$15,000 only after competitive bidding as provided by Subchapter B, Chapter [271](#), Local Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.253. CONTRACT SPECIFICATIONS, PLANS, AND DETAILS. A contract under Section [21.251](#) must contain, or have attached to it, the specifications, plans, and details for work included in the contract. The work shall be done according to the plans and specifications under the supervision of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.254. EXECUTION AND AVAILABILITY OF CONTRACTS. (a) A contract under Section [21.251](#) must be in writing and signed by:

- (1) the contractor; and
- (2) a district representative designated by the board.

(b) The contract shall be kept in the district's office and must be available for public inspection.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.255. CONTRACTOR'S BOND. (a) A contractor shall execute a bond:

- (1) in an amount determined by the board, not to exceed the contract price;
- (2) payable to the district and approved by the board; and
- (3) conditioned on the faithful performance of the contract.

(b) The bond must provide that a contractor pay to the district all damages sustained as a result of the contractor's

default on the contract.

(c) The bond shall be deposited in the district's depository. A copy of the bond shall be kept in the district's office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.256. BOARD CONTROL AND DETERMINATION. (a) The board has control of construction, renovation, or repairs being done for the district under a contract under Section [21.251](#).

(b) The board shall determine whether the contract is being fulfilled.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.257. INSPECTION OF WORK. (a) The board shall have the work contracted for under Section [21.251](#) inspected by engineers, inspectors, and personnel of the district.

(b) During the progress of the contracted work, the engineers, inspectors, and personnel shall submit to the board written reports that show whether the contractor is complying with the contract.

(c) On completion of the contracted work, the engineers, inspectors, and personnel shall submit to the board a final detailed written report that includes information necessary to show whether the contractor has fully complied with the contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.258. PAYMENTS FOR WORK. (a) The district shall pay the contract price of a construction, renovation, or repair contract in accordance with this section.

(b) The district shall make monthly progress payments under a contract as the work proceeds or at more frequent intervals as determined by the board.

(c) To provide a basis for determining progress payments, the contractor, on the request of the board, shall furnish, in the

detail requested, an analysis of the total contract price showing the amount included for each principal category of the work.

(d) In making progress payments, the board shall retain 10 percent of the estimated amounts until final completion and acceptance of the contract work. The board may authorize any of the remaining progress payments to be made in full if:

(1) the board finds that satisfactory progress is being made; and

(2) at least 50 percent of the work has been completed.

(e) If the work under a contract is substantially complete and the board finds the amount retained to be in excess of the amount adequate for the protection of the district, the board may release to the contractor all or part of the excess amount.

(f) On completion and acceptance of each separate project, work, or other division of the contract on which the price is stated separately in the contract, payment may be made without retention of a percentage.

(g) When work is completed according to the contract, the board shall draw a warrant on the depository to pay any balance due on the contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER G. WASTE DISPOSAL

Sec. 21.301. ACQUISITION OF EXISTING FACILITIES. If the district acquires existing works, improvements, and waste disposal, treatment, and other facilities, plants, pipelines, equipment, and appliances that are completed, partially completed, or under construction, the district may:

(1) assume the contracts and obligations of the previous owner; and

(2) perform the obligations of the previous owner in the same manner and to the same extent that any other purchaser or assignee would be bound.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.302. SOLID WASTE RECOVERY FACILITY. The district may construct or acquire and operate a facility used to store, handle, sort, bail, recycle, process, and recover solid waste. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.303. STANDARDS FOR SOLID WASTE HANDLING. (a) The district shall establish minimum standards of operation for all aspects of solid waste handling, including:

- (1) storage;
- (2) collection;
- (3) incineration;
- (4) recycling;
- (5) sanitary landfill; and
- (6) composting.

(b) Before establishing the standards, the district must:

(1) hold public hearings after giving public notice in the time and manner prescribed by board rule;

(2) consult with the commission to ensure that the standards are not inconsistent with established criteria; and

(3) find that the standards are reasonably necessary to protect the public health or welfare from water pollution or other harm to the environment.

(c) To amend the standards, the district must follow the same procedures required for establishing standards.

(d) The board may adopt rules reasonably necessary to implement solid waste disposal standards.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.304. MANAGEMENT OF MUNICIPAL SOLID WASTE. (a) The district may assume the exclusive authority to exercise the powers granted to a county under Section [361.165](#), Health and Safety Code, including the power to issue licenses and exercise municipal solid waste management authority.

(b) If the district exercises the licensing authority

granted under this section, the district must adopt and enforce rules for the management of municipal solid waste.

(c) A rule adopted under this section must be:

(1) compatible with and at least as stringent as those of the commission; and

(2) approved by the commission.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.305. ON-SITE SEWAGE DISPOSAL SYSTEMS. (a) The district may apply to the commission for designation as an authorized agent to implement and enforce on-site sewage disposal rules under Chapter 366, Health and Safety Code.

(b) If the district finds that due to the nature of the soil or drainage in the area it is necessary to prevent water pollution that may injure the public health, the board by rule may:

(1) provide limits on the number and kind of septic tanks in an area defined by the rule;

(2) prohibit the use of septic tanks in the area; or

(3) prohibit the installation of new septic tanks in the area.

(c) The board shall consult with the commission before the adoption of a rule under Subsection (b).

(d) The board may not adopt a rule under Subsection (b) without first holding a public hearing in the area to be affected by the rule.

(e) The board by order may provide for a gradual and systematic reduction of the number or kind of septic tanks in the area and, by rule, may provide for a system to license and issue permits for the installation of new septic tanks in the area affected. If the board adopts a license and permit system, a person may not install a septic tank in the area without a license or permit from the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.306. ACQUISITION, CONSTRUCTION, AND OPERATION OF

DISPOSAL SYSTEMS. The district may:

(1) acquire and provide by purchase, gift, or lease a disposal system in the district or in a county adjacent to the district;

(2) construct and provide a disposal system in the district or in a county adjacent to the district;

(3) operate or sell a disposal system that it constructs or acquires;

(4) contract with a person to operate and maintain a disposal system belonging to the person; and

(5) contract with a person to train or supervise employees of a disposal system.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.307. WASTE DISPOSAL CONTRACTS. (a) The district may contract to receive and to treat or dispose of waste from a person in the district.

(b) The district shall set fees in the contract after considering:

(1) the quality of the waste;

(2) the quantity of the waste;

(3) the difficulty encountered in treating or disposing of the waste;

(4) operation and maintenance expenses and debt retirement services; and

(5) any other reasonable consideration.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER H. GENERAL FINANCIAL PROVISIONS

Sec. 21.351. ACCOUNTING. The district shall keep complete and accurate accounts of its business transactions in accordance with generally accepted methods of accounting.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.352. ANNUAL BUDGET. (a) The district's annual budget must contain a complete financial statement, including a statement of:

- (1) the outstanding district obligations;
- (2) the amount of cash on hand to the credit of each district fund;
- (3) the amount of money received by the district from all sources during the previous year;
- (4) the amount of money available to the district from all sources during the ensuing year;
- (5) the amount of the balances expected at the end of the year in which the budget is being prepared;
- (6) the estimated amount of revenue and balances available to cover the proposed budget; and
- (7) the estimated tax rate that will be required.

(b) The board may amend the budget after adoption.

(c) The district may not spend money for an expense not included in the annual budget or an amendment to it unless the board by order declares the expense to be necessary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.353. SWORN STATEMENT REGARDING MONEY AND DISBURSEMENTS. As soon as practicable after the close of the fiscal year, the district treasurer shall prepare for the board a sworn statement of:

- (1) the amount of money that belongs to the district; and
- (2) an account of the disbursement of that money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.354. DEPOSITORY. (a) The board shall name one or more banks to serve as depository for the district's money.

(b) District money, other than money transmitted to a bank for payment of bonds issued by the district, shall be deposited as

received with the depository bank and shall remain on deposit.

(c) Before the district deposits money in a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation, the bank must execute a bond or provide other security in an amount sufficient to secure from loss the amount of the district's deposits that exceed the amount secured by the Federal Deposit Insurance Corporation.

(d) This section does not limit the board's power to invest the district's money as provided by Subchapter A, Chapter 2256, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.355. INVESTMENTS. (a) The board may place district money in a certificate of deposit of a state or national bank or a state or federal savings and loan association in this state if the money is secured in the manner required for the security of county funds.

(b) The board by resolution may provide that an authorized representative may invest and reinvest district money and provide for money to be withdrawn from the appropriate district accounts for investments on terms the board considers advisable.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.356. PAYMENT OF EXPENSES. (a) The board may pay:

(1) costs and expenses necessarily incurred in the district's operation;

(2) legal fees; and

(3) other incidental expenses.

(b) The board may reimburse a person for money advanced for a payment described by Subsection (a).

(c) A payment may be made from the proceeds of district bonds, taxes, or fees or from other district revenue.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.357. BORROWING MONEY. The district may borrow money for any purpose authorized by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.358. PAYMENT OF JUDGMENTS. A court of this state that renders a money judgment against the district may require the board to pay the judgment from money in the district depository that is not dedicated to the payment of any district debt.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER I. BONDS

Sec. 21.401. AUTHORITY TO ISSUE BONDS. The board may issue and sell bonds in the district's name to acquire land and construct works, improvements, and waste disposal, treatment, and other facilities, plants, pipelines, equipment, and appliances as provided by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.402. BOND PAYMENT. The board may provide for the payment of the principal of and interest on the bonds:

(1) from the imposition of property taxes on all taxable property in the district;

(2) by pledging all or part of the designated revenue from the ownership or operation of the district's works, improvements, and facilities; or

(3) from a combination of the sources listed by Subdivisions (1) and (2).

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.403. BOND ELECTION. (a) The district may not issue bonds until the issuance is approved by a majority of voters voting in the district at an election held for that purpose.

(b) The board may order a bond election. The order calling the election must state:

- (1) the hours during which the polls will be open;
- (2) the location of the polling places;
- (3) the amount of bonds to be authorized; and
- (4) the maximum maturity of the bonds.

(c) At an election to authorize bonds, the ballot must be printed to provide for voting for or against the issuance of bonds and the imposition of property taxes for payment of the bonds.

(d) If a majority of the votes cast at the election favor the issuance of the bonds, the bonds may be issued by the board. If a majority of the votes cast at the election do not favor issuance of the bonds, the bonds may not be issued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.404. MATURITY OF BONDS. District bonds may mature not more than 50 years after the date of issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.405. SIGNATURE. District bonds must be signed and executed as provided by the board in the resolution or order authorizing the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.406. BOND PROVISIONS. (a) In an order or resolution authorizing the issuance of bonds, including refunding bonds, the board may:

- (1) provide for the flow of money;
- (2) provide for the establishment and maintenance of an interest and sinking fund, a reserve fund, and other funds; and
- (3) prohibit the further issuance of bonds or other obligations payable from the pledged fees or reserve the right to issue additional bonds to be secured by a pledge of and payable from the pledged fees on a parity with or subordinate to the pledge in

support of the bonds being issued; and

(4) provide for other provisions as the board determines.

(b) The board may adopt and have executed any other proceeding or instrument necessary and convenient in the issuance of bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.407. MANDAMUS BY BONDHOLDERS. A holder of a district bond is entitled, in addition to any other right or remedy provided by law, to a writ of mandamus requiring the district and its officials to observe and perform any covenant, condition, or obligation provided by the order or resolution authorizing issuance of the bond that the district fails to observe or perform, including:

(1) a default in the payment of principal, interest, or redemption price on the bond when due; and

(2) a failure to make payment into any fund created in the order or resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.408. REFUNDING BONDS. (a) The board may issue refunding bonds to refund outstanding indebtedness issued or assumed by the district.

(b) A refunding bond may be:

(1) sold, with the proceeds of the refunding bond applied to the payment of the bonds to be refunded; or

(2) exchanged wholly or partly for not less than a similar principal amount of outstanding indebtedness.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.01, eff. April 1, 2009.

Sec. 21.409. TAX EXEMPTION. District bonds, transactions relating to the bonds, and profits made in the sale of the bonds are exempt from state taxation or taxation by a municipality, county,

special district, or other political subdivision of the state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

SUBCHAPTER J. TAXES

Sec. 21.451. AUTHORITY TO IMPOSE PROPERTY TAXES. The board annually may impose a tax on all property in the district subject to district taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.452. AMOUNT OF TAX. (a) The amount of tax imposed by the board must be in an amount necessary to pay:

(1) the principal of and interest on district bonds; and

(2) the expense of assessing and collecting taxes.

(b) The district may impose a maintenance and operating tax in an amount not to exceed three cents on each \$100 of assessed valuation of property in the district to pay the district's maintenance and operating expenses.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.453. TAX RATE. In setting the tax rate, the board shall take into consideration the income of the district from sources other than taxation.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.

Sec. 21.454. TAX COLLECTOR. The board may:

(1) provide for the appointment of a tax collector for the district; or

(2) contract for the collection of taxes as provided by the Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.01, eff. April 1, 2009.