

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 6. WATER AND WASTEWATER  
SUBTITLE B. FRESH WATER SUPPLY DISTRICTS  
CHAPTER 6906. CORYELL CITY WATER SUPPLY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6906.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Bond" means a bond or note.
- (3) "Director" means a member of the board.
- (4) "District" means the Coryell City Water Supply District.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Coryell County created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the boundaries of the district and other areas to be served by the district's works and projects will benefit from the works and projects accomplished by the district under the powers conferred by Section [59](#), Article XVI, Texas Constitution.

(c) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state for the improvement of their property and industries. The district, in carrying out the purposes of this chapter, will be performing an essential public function under the constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 435, Acts of the 66th Legislature, Regular Session, 1979, as that territory may have been modified under:

- (1) Subchapter J, Chapter 49, Water Code; or
- (2) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

- (1) the district's organization, existence, and validity;
- (2) the district's right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;
- (3) the district's right to impose a tax; or
- (4) the legality or operation of the district or its governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 6906.051. COMPOSITION OF BOARD; TERMS. (a) The district is governed by a board of 11 directors, each of whom occupies a numbered place on the board.

(b) Directors serve staggered two-year terms, with the terms of the directors occupying Places 1, 2, 3, 4, and 5 expiring on April 1 of each even-numbered year and the terms of the directors occupying Places 6, 7, 8, 9, 10, and 11 expiring April 1 of each odd-numbered year.

(c) In March of each year, the Commissioners Court of Coryell County shall appoint directors to succeed directors whose term of office will expire on April 1. The appointed directors' terms begin on April 1 of that year.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.052. QUALIFICATIONS FOR OFFICE. (a) Directors must be appointed from areas in Coryell County as follows:

(1) one each from the Oglesby-Mound area and Levita area;

(2) two each from the Pancake area, Jonesboro area, and Turnersville area; and

(3) three from the Coryell City area.

(b) To be eligible to succeed a director whose term of office is about to expire, a person must be appointed from the same geographical area as the geographical area that the director represents.

(c) Each director is eligible for reappointment.

(d) To be eligible to be appointed or to serve as a director, a person must be a resident, qualified voter of the geographical area from which the person is appointed.

(e) A director may not hold any other public office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.053. VACANCIES. Any vacancy occurring on the board shall be filled for the unexpired term by appointment in the manner in which the vacating director was appointed.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.054. REMOVAL FROM OFFICE. After reasonable notice and a public hearing, the board may remove a director from office for misfeasance, malfeasance, or wilful neglect of duty. Reasonable notice and a public hearing are not required if the notice and hearing are expressly waived in writing.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.055. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a) The district shall act by resolutions adopted by the board.

(b) All directors are entitled to vote.

(c) The affirmative vote of a majority of the directors

present is necessary to adopt a resolution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.056. OFFICERS AND ASSISTANTS. (a) The board shall elect a president, vice president, secretary, and treasurer at the first meeting of the newly constituted board each year and at any time necessary to fill a vacancy.

(b) The board shall elect the president and vice president from among the directors.

(c) The offices of secretary and treasurer:

(1) may be held by one person; and

(2) are not required to be held by a director.

(d) The board may appoint as assistant board secretary one or more persons who are not directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.057. DUTIES OF OFFICERS AND ASSISTANTS. (a) The board president shall preside at board meetings and perform other duties prescribed by the board.

(b) The board treasurer shall perform duties and functions prescribed by the board.

(c) The board secretary is the official custodian of the minutes, books, records, and seal of the board and shall perform other duties and functions prescribed by the board. An assistant board secretary may perform any duty or function of the board secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.058. MEETINGS. The board shall have regular meetings at times specified by board resolution and shall have special meetings when called by the board president or by any two directors.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.059. PERSONAL LIABILITY OF DIRECTORS. A director is not personally liable for any bond issued or contract executed by the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 6906.101. GENERAL POWERS. The district has all powers necessary or appropriate to achieve the purposes of this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.102. GENERAL POWERS REGARDING WATER. The district has all rights, powers, and privileges necessary or useful to enable it to acquire, provide, supply, deliver, and sell potable water for any beneficial purpose in its boundaries and vicinity and in Coryell and McLennan Counties.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.103. GENERAL POWERS REGARDING WASTE. (a) The district has all rights, powers, and privileges necessary or useful to enable it to collect, transport, dispose of, and control domestic, industrial, or communal wastes, whether in fluid, solid, or composite state, inside and outside its boundaries.

(b) The district may exercise any power granted by Chapter 30, Water Code, to a district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.104. DISTRICT BYLAWS AND RULES. The district may adopt and enforce:

(1) bylaws and rules for the conduct of its affairs;  
and

(2) rules that a municipal utility district may adopt and enforce under Sections [54.205](#) et seq., Water Code. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.105. PROPERTY ACQUISITION, USE, AND DISPOSITION.

(a) The district may acquire, own, rent, lease, accept, hold, or dispose of property, or an interest in property, including a right or easement, by purchase, exchange, gift, assignment, condemnation, sale, lease, or otherwise, in performing district duties or exercising district powers under this chapter.

(b) The district may hold, manage, operate, or improve property.

(c) The district may lease or rent any land, building, structure, or facility from or to any person to achieve the purposes of this chapter.

(d) The district may sell, assign, lease, encumber, mortgage, or otherwise dispose of property, or an interest in property, and release or relinquish a right, title, claim, lien, interest, easement, or demand, regardless of the manner in which acquired, and conduct a transaction authorized by this subsection by public or private sale, with or without public bidding, notwithstanding any other law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.106. REQUESTS FOR AND ACCEPTANCE OF AID. The district may request and accept an appropriation, grant, allocation, subsidy, guarantee, aid, service, material, or gift from any public or private source, including the federal government, the state, a public agency, or a political subdivision. Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.107. DISTRICT OFFICE. The district may operate and maintain an office.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06,

eff. April 1, 2009.

Sec. 6906.108. PERSONNEL. The district may appoint and determine the duties, tenure, qualifications, and compensation of district officers and employees, as well as any agent, professional advisor, or counselor, including any financial consultant, accountant, attorney, architect, engineer, appraiser, or financing expert, considered necessary or advisable by the board.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.109. PERMITS. (a) The district may obtain through appropriate proceedings permits from the Texas Commission on Environmental Quality.

(b) The district may acquire water appropriation permits from owners of permits by contract or otherwise.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.110. GENERAL CONTRACT POWERS. (a) The district may enter into and enforce a contract or agreement necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred on the district by this chapter or the general law, including a contract or agreement with any person as the board considers necessary or proper for, or in connection with, any power or function of the district for:

(1) the purchase or other acquisition, storage, transportation, distribution, delivery, or sale of water;

(2) the collection, transportation, processing, or disposal of waste; or

(3) the construction, acquisition, ownership, financing, operation, maintenance, sale, leasing to or from, or other use or disposition of any facilities authorized to be developed, acquired, or constructed under this chapter or the general law.

(b) The authority to enter into or enforce the contract or agreement includes the authority to enter into or enforce a

contract or agreement regarding:

- (1) any improvements, structures, facilities, equipment, and other property of any kind in connection with the subject of the contract or agreement;

- (2) any related land, leaseholds, and easements; and

- (3) any interests in the property.

(c) The contract or agreement:

- (1) may not have a term of more than 40 years; and

- (2) may contain provisions the board determines to be in the best interest of the district.

(d) The district may pledge all or part of its revenue to the payment of its obligations under the contract or agreement to the same extent and on the same conditions as it may pledge revenue to secure district bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.111. AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT. (a) A public agency or political subdivision of this state may enter into a contract or agreement with the district, on terms agreed to by the parties, for:

- (1) the purchase or sale of water;

- (2) waste collection, processing, or disposal; or

- (3) any purpose relating to the district's powers or functions.

(b) Approval, notice, consent, or an election is not required in connection with a contract or agreement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.112. ACQUISITION OF LAND; STORAGE CAPACITY. (a) The district may acquire land, or an interest in land, inside or outside the district for any work, plant, or other facility necessary or useful to divert, impound, store, drill for, pump, treat, or transport water for municipal, domestic, industrial, mining, oil flooding, or any other useful purpose.

(b) The district may lease, purchase, or otherwise acquire



rights in and to storage and storage capacity in any reservoir constructed or to be constructed by the United States or any other person.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.113. CONSTRUCTION CONTRACTS. (a) The district may award a construction contract that requires an expenditure of more than \$5,000 only after publication of notice to bidders once each week for two consecutive weeks in a newspaper of general circulation in the district.

(b) The notice is sufficient if it states:

- (1) the time and place for opening the bids;
- (2) the general nature of the work to be done;
- (3) the material, equipment, or supplies to be purchased; and
- (4) where the terms of bidding and copies of the plans and specifications may be obtained.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.114. CONVEYANCE OF LAND TO DISTRICT. A public agency or political subdivision of this state may lease, sell, or otherwise convey to the district any of its land, improvements, property, plants, lines, or other facilities related to the supply of water or the collection, processing, or disposal of waste for any consideration that the parties agree is adequate. Approval, notice, consent, or an election is not required in connection with a conveyance, contract, or agreement.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.115. DISPOSAL OF PROPERTY. Subject to the terms of a resolution or deed of trust authorizing or securing bonds issued by the district, the district may sell, lease, rent, trade, or otherwise dispose of property under terms considered by the board to be consistent with district purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.116. EMINENT DOMAIN. (a) To carry out a power provided by this chapter, the district may exercise the power of eminent domain to acquire the fee simple title to land, or any other interest in land, and other property and easements, inside or outside the district.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter [21](#), Property Code, except that the district is not required to:

(1) give bond for appeal or bond for costs in a condemnation or other suit to which it is a party; or

(2) deposit double the amount of an award in a suit.

(c) The district is a municipal corporation for the purposes of Chapter [21](#), Property Code.

(d) The board shall determine the amount and the type of interest in land, other property, or easements to be acquired.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.117. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, the term "sole expense" means the actual cost of the relocation, raising, lowering, rerouting, or change in grade or alteration of construction required under Subsection (b) to provide a comparable replacement without enhancing the facility, after deducting the net salvage value derived from the old facility.

(b) If the district's exercise of its eminent domain, police, or other power requires relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of any railroad, electric, transmission, telegraph, or telephone line, conduit, pole, property or facility, or pipeline, the action shall be accomplished at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.118. RIGHTS-OF-WAY; EASEMENTS. The district has

all necessary or useful right-of-way and easements along, over, under, and across all public, state, municipal, and county roads, highways, and places for any of its purposes. The district shall restore a facility used to its previous condition as nearly as possible at the sole expense of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.119. SEAL. The district may adopt an official seal.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 6906.151. DISTRICT MONEY. The district may acquire, hold, use, and dispose of its receipts and money from any source.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.152. AUTHORITY TO BORROW MONEY AND ISSUE BONDS. The district, in the manner and to the extent permitted by this chapter, may:

- (1) borrow money for any of its corporate purposes;
  - (2) enter into agreements in connection with the borrowing;
  - (3) issue its bonds for money borrowed;
  - (4) provide for and secure the payment of its bonds;
- and
- (5) provide for the rights of the holders of its bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. 3166), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.153. DEPOSITORY. (a) The board shall designate one or more banks or savings and loan associations inside or outside the district to serve as the depository for the district's money.

- (b) All of the district's money shall be deposited in the

depository designated by the board, except that:

(1) bond proceeds and money pledged to pay bonds, to the extent provided in a resolution or trust indenture authorizing or securing district bonds, may be deposited with another bank or trustee named in the bond resolution or trust indenture; and

(2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

(c) To the extent that money in a depository bank or trustee bank is not insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner provided by law for the security of county funds in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.154. INVESTMENT OF DISTRICT MONEY. The board may invest district money in obligations and make time deposits of district money in a manner determined by the board or in the manner permitted or required in a resolution or trust indenture authorizing or securing district bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.155. DISTRICT FACILITIES EXEMPT FROM TAXATION AND ASSESSMENT. The district is not required to pay a tax or assessment on its facilities or any part of its facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

#### SUBCHAPTER E. BONDS

Sec. 6906.201. AUTHORITY TO ISSUE BONDS. (a) The district may issue bonds payable from and secured by district revenue to carry out any purpose or power conferred on the district by this chapter. The bonds must be authorized by a board resolution.

(b) The bonds must be issued in the manner and under the terms of the resolution authorizing the issuance of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06,

eff. April 1, 2009.

Sec. 6906.202. FORM OF BONDS. District bonds must be:

- (1) issued in the district's name;
- (2) signed by the president or vice president; and
- (3) attested by the secretary.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.203. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.204. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.

(a) District bonds may be secured by a pledge of all or part of the district's revenue, or by all or part of the payments or rentals under one or more contracts or leases specified by board resolution or a trust indenture securing the bonds.

(b) A resolution authorizing the issuance of bonds secured by a pledge of revenue of all or part of the district's facilities may provide that the district shall first pay the expenses of operating and maintaining all or part of the facilities as the board considers appropriate before paying the principal of and interest on the bonds.

(c) A resolution authorizing the issuance of bonds secured by revenue, contract payments, or lease rentals may reserve to the district the right, under conditions specified by the resolution, to issue additional bonds that will be on a parity with, superior to, or subordinate to the bonds then being issued.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.205. ADDITIONAL SECURITY. (a) District bonds may be additionally secured, at the discretion of the board, by a deed of trust or mortgage lien on all or part of the district's physical property, facilities, easements, franchises, water rights and

appropriation permits, leases, contracts, and all rights appurtenant to the property, vesting in the trustee power to:

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

(b) A purchaser under a sale under the deed of trust lien, if one is given:

(1) is the absolute owner of the property, facilities, and rights purchased; and

(2) is entitled to maintain and operate the property, facilities, and rights.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.206. TRUST INDENTURE. (a) District bonds, including refunding bonds, may be additionally secured by a trust indenture. The trustee may be a bank with trust powers located inside or outside the state.

(b) A trust indenture, regardless of the existence of a deed of trust or mortgage lien on the property, may:

(1) provide for the security of the bonds and the preservation of the trust estate in the manner prescribed by the board;

(2) provide for amendment or modification of the trust indenture;

(3) provide for the issuance of bonds to replace lost or mutilated bonds;

(4) condition the right to spend district money or sell district property on the approval of a licensed engineer selected as provided by the trust indenture; and

(5) provide for the investment of district money.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.207. CHARGES FOR DISTRICT SERVICES. If district bonds payable wholly from revenue are issued, the board shall set and revise the rates, fees, and charges assessed for water sold and

waste collection and treatment services provided by the district. The rates, fees, and charges must be sufficient to:

(1) pay the expense of operating and maintaining the district facilities that generate the revenue from which the bonds will be paid;

(2) pay the principal of and interest on the bonds when due; and

(3) maintain the reserve fund and other funds as provided in the resolution authorizing the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.208. STATE PLEDGE REGARDING RIGHTS AND REMEDIES OF BONDHOLDERS. Without depriving this state of its power to regulate and control the rates, fees, and charges assessed for water sold and waste collection and treatment services provided by the district, the state pledges to and agrees with the holders of district bonds that the state will not exercise its power to regulate and control the rates, fees, and charges in any way that would impair the rights or remedies of the holders of the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.209. USE OF BOND PROCEEDS. (a) The district may set aside an amount of proceeds from the sale of district bonds for:

(1) the payment of interest expected to accrue during construction not to exceed three years;

(2) a debt service reserve fund; and

(3) other funds as may be provided in the resolution authorizing the bonds or in the trust indenture.

(b) The district may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the purpose of the district, including any expense of issuing and selling the bonds.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.210. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on district bonds that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the district.

(b) The receiver may collect and receive all district income, employ and discharge district agents and employees, take charge of money on hand, and manage the proprietary affairs of the district without consent or hindrance by the board.

(c) The receiver may be authorized to sell or contract for the sale of water or the collection, processing, or disposal of waste or to renew contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.211. REFUNDING BONDS. (a) The district may issue refunding bonds to refund outstanding district bonds and interest on those bonds.

(b) Refunding bonds may:

- (1) be issued to refund bonds of more than one series;
- (2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or
- (3) be secured by a pledge of other or additional revenue or mortgage liens.

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

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

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be



refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest and any required redemption premium on the bonds to be refunded to any redemption date or to their maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

(f) The district may also issue refunding bonds under any other applicable law.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.212. OTHER REMEDIES AND COVENANTS. The resolution authorizing the issuance of any district bonds, including refunding bonds, or the trust indenture securing the bonds, may provide other remedies and covenants the board considers necessary to issue the bonds on the most favorable terms.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.213. LIMITATION ON RIGHTS OF BONDHOLDERS. The resolution authorizing the bonds or the trust indenture securing the bonds may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.

Sec. 6906.214. BONDS EXEMPT FROM TAXATION. A district bond, the transfer of the bond, and the income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 920 (H.B. [3166](#)), Sec. 1.06, eff. April 1, 2009.