

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 6. WATER AND WASTEWATER
SUBTITLE F. MUNICIPAL UTILITY DISTRICTS
CHAPTER 8270. CNP UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8270.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the CNP Utility District.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.002. NATURE OF DISTRICT. The district is a municipal utility district and a conservation and reclamation district in Harris County created under Section 59, Article XVI, Texas Constitution.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.003. 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 will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(d) The accomplishment of the purposes stated in this chapter is for the benefit of the people of this state and 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.

Redesignated from Special District Local Laws Code, Chapter 9013

and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.004. 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 effect on state water quality caused by the construction and operation of numerous small waste collection, treatment, and disposal facilities.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT TERRITORY

Sec. 8270.051. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 751, Acts of the 61st Legislature, Regular Session, 1969, as that territory may have been modified under:

- (1) Subchapter H, Chapter 54, Water Code;
- (2) Subchapter J, Chapter 49, Water Code;
- (3) Section 9, Chapter 751, Acts of the 61st Legislature, Regular Session, 1969; or
- (4) 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 the board.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.052. EXPANSION OF DISTRICT. (a) If land is added to the district under Section 49.301, Water Code, the board may require the petitioners:

(1) to assume the petitioners' pro rata share of the voted but unissued bonds of the district; and

(2) to authorize the board to impose a tax on the petitioners' property to pay for the bonds after the bonds have been issued.

(b) If land is annexed in the manner provided by Section 49.302, Water Code, the board may also submit a proposition to the voters of the area to be annexed on the question of the assumption by the area to be annexed of its part of the voted but not yet issued or sold tax or tax-revenue bonds of the district and the imposition of an ad valorem tax on taxable property within the area to be annexed along with a tax on the rest of the district for the payment of the bonds.

(c) If the petitioners consent or if the election results favorably, the district may issue its voted but unissued tax or tax-revenue bonds regardless of changes to district boundaries since the original voting or authorization of the bonds.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

SUBCHAPTER C. DISTRICT ADMINISTRATION

Sec. 8270.101. COMPOSITION OF BOARD. The board consists of five elected directors.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.102. DIRECTOR'S BOND. Each director shall give bond in the amount of \$5,000 for the faithful performance of the director's duties.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.103. DISTRICT OFFICE. (a) Except as provided by this section, the board shall designate, establish, and maintain a district office as provided by Section 49.062, Water Code.

(b) The board may establish a second district office outside the district. If the board establishes a second district office, the board shall give notice of the location of that office by:

(1) filing a copy of the board resolution that establishes the location of the office:

(A) with the Texas Commission on Environmental Quality; and

(B) in the municipal utility district records of each county in which the district is located; and

(2) publishing notice of the location of the office in a newspaper of general circulation in each county in which the district is located.

(c) A district office that is a private residence, office, or dwelling is a public place for matters relating to district business.

(d) The board shall provide notice of any change in the location of the district office outside the district in the manner required by Subsection (b).

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.104. ABSENCE OR INACTION OF BOARD PRESIDENT. (a) When the board president is absent or fails or declines to act, the board vice president shall perform all duties and exercise all power this chapter or general law gives the president.

- (b) If the board president is absent from a board meeting:
 - (1) the board vice president may:
 - (A) sign an order adopted at the meeting; or
 - (B) implement any other action taken at the meeting; or
 - (2) the board may authorize the president to sign the order or implement the action.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8270.151. MUNICIPAL UTILITY DISTRICT POWERS. The district has all of the rights, powers, privileges, authority, and functions conferred and imposed by the general laws of the state relating to municipal utility districts created under Section 59, Article XVI, Texas Constitution, including those conferred by Chapters 49 and 54, Water Code.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.152. ADDITIONAL POWERS. (a) The district may:

- (1) make, purchase, construct, lease, or otherwise acquire property, works, facilities, existing improvements, or improvements to be made, constructed, or acquired that are:

- (A) inside or outside the district's boundaries;and

- (B) necessary to carry out the powers granted by this chapter or general law; or

- (2) enter into a contract with a person on terms the board considers desirable, fair, and advantageous for:

- (A) the purchase or sale of water;
 - (B) the transportation, treatment, and disposal of the domestic, industrial, or communal wastes of the district or others;

(C) the continuing and orderly development of land and property in the district through the purchase, construction, or installation of facilities, works, or improvements that the district is otherwise authorized to do or perform so that, to the greatest extent reasonably possible, considering sound engineering and economic practices, all of the land and property may ultimately receive the services of the facilities, works, or improvements; and

(D) the performance of any of the powers granted by this chapter or general law.

(b) A contract under Subsection (a)(2) may not have a duration of more than 40 years.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.153. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain only:

(1) in a county in which the district is located; and

(2) when necessary to carry out the purposes for which the district was created.

(b) The district may exercise the power of eminent domain as provided by this section only if the district submits a letter to the comptroller not later than December 31, 2015, in accordance with the requirements of Section 2206.101(b), Government Code, other than the requirement that the letter be submitted by the date specified by that section.

(c) Notwithstanding the expiration of the district's authority to exercise the power of eminent domain under Section 2206.101(c), Government Code, the district may exercise the power of eminent domain as provided by law applicable to the district on or after the 90th day after the date the district submits a letter in accordance with Subsection (b).

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 984 (H.B. [4175](#)), Sec. 15, eff. September 1, 2015.

Sec. 8270.154. COST OF RELOCATING OR ALTERING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, or changing the grade of or altering the construction of a facility described by Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district's exercise of the power of eminent domain, the power of relocation, or any other power conferred by this chapter makes necessary relocating, raising, rerouting, changing the grade, or altering the construction of a highway, a railroad, an electric transmission line, a telegraph or telephone property or facility, or a pipeline, the necessary action shall be accomplished at the sole expense of the district.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. [1969](#)), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.155. CONTRACT FOR PURCHASE OF WATER, SEWER, OR DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district may enter into a contract with a political subdivision for water, sewer, or drainage services or any combination of those services without the necessity of an election by any contracting party.

(b) The district may pay for an obligation incurred by such a contract by issuing bonds that, if otherwise necessary, have been approved by the voters in the manner provided by this chapter.

(c) The district may deliver the district's bonds to any of the following parties that enters into such a contract with the district:

- (1) the United States;
- (2) an agency or instrumentality of the United States;
- (3) this state; or
- (4) an agency or instrumentality of this state.

Redesignated from Special District Local Laws Code, Chapter 9013

and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.156. NOTICE OF ELECTION. The board president or secretary may give notice of an election.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.157. DISTRICT RULES. The district shall adopt and enforce reasonable and effective rules to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of the district's sewerage system to preserve the quality of water within or controlled by the district.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8270.201. TAX METHOD. (a) The board shall use the ad valorem plan of taxation.

(b) The board is not required to hold a hearing on the adoption of a plan of taxation.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.202. DISTRICT ACCOUNTS. The district shall keep a complete system of the district's accounts.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.203. COPY OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall

be delivered:

(1) to each director; and

(2) on request to a holder of at least 25 percent of the outstanding bonds of the district.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.204. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.

The district is not required to pay a tax or assessment on:

(1) district property; or

(2) a purchase made by the district.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.205. DEPOSITORY. (a) The board shall select one or more banks in this state to act as depository for the district's funds.

(b) To the extent that funds in the depository bank are not insured by the Federal Deposit Insurance Corporation, the funds must be secured in the manner provided by law for the security of county funds.

(c) A director may be a shareholder in a depository of district funds.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

SUBCHAPTER F. BONDS

Sec. 8270.251. ISSUANCE OF BONDS. (a) The district may issue bonds payable from taxes or revenue to provide money for any purpose of this chapter, including the acquisition of land.

(b) The district must issue bonds in the manner provided by Chapters 49 and 54, Water Code, except that the district may issue bonds payable solely from net revenue by resolution or order of the

board without an election.

(c) Bonds issued under this subchapter may be payable from all or any designated part of the revenue of district property and facilities or under a specific contract, as provided in the order or resolution authorizing the issuance of bonds.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.252. ADDITIONAL SECURITY. (a) Within the discretion of the board, bonds issued under this subchapter may be additionally secured by a deed of trust or mortgage lien on physical property of the district and franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to that property, vesting in the trustee the power to:

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

(b) A purchaser under a sale under the deed of trust or mortgage lien of the property:

- (1) is the absolute owner of the property, facilities, and rights purchased; and
- (2) may maintain and operate the property and facilities.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.253. TRUST INDENTURE. A trust indenture created under Section 8270.252, 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.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. [1969](#)), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.254. ORDER OR RESOLUTION AUTHORIZING ISSUANCE OF CERTAIN BONDS. (a) In an order or resolution authorizing the issuance of revenue, tax-revenue, revenue refunding, or tax-revenue refunding bonds, the board may:

(1) provide for:

(A) the flow of funds; and

(B) the establishment and maintenance of the interest and sinking fund, reserve fund, or other fund;

(2) make additional covenants with respect to the bonds and the pledged revenue and the operation and maintenance of the improvements and facilities the revenue of which is pledged, which may include provisions for the operation or leasing of all or part of the improvements and facilities and the use or pledge of money received from the operation contract or lease as the board considers appropriate;

(3) prohibit the further issuance of bonds or other obligations payable from the pledged revenue or reserve the right to issue additional bonds to be secured by a pledge of and payable from the revenue on a parity with, or subordinate to, the lien and pledge in support of the bonds being issued, subject to any conditions set forth in the order or resolution; and

(4) include any other provision or covenant not prohibited by the Texas Constitution or this chapter.

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

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. [1969](#)), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.255. USE OF BOND PROCEEDS DURING CONSTRUCTION.

(a) The district may appropriate or set aside out of the proceeds from the sale of any bonds issued under this subchapter an amount for the payment of interest, administrative, and operating expenses expected to accrue during a period of construction, as may be provided in the bond orders or resolutions.

(b) For purposes of this section, the period of construction may not exceed three years.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.

Sec. 8270.256. REFUNDING BONDS. (a) By order or resolution adopted by the board, the district may issue revenue refunding bonds or tax-revenue refunding bonds to refund revenue bonds or tax-revenue bonds, whether original bonds or refunding bonds, previously issued by the district.

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

(c) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the district, in the order or resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in the place or places where the bonds to be refunded are payable. In that case, the refunding bonds may be issued if an amount sufficient to pay the principal of and interest on the bonds to be refunded to their maturity dates, or to their option dates if according to their terms the bonds have been called for payment before maturity, has been deposited in the place or places where the bonds to be refunded are payable, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Redesignated from Special District Local Laws Code, Chapter 9013 and amended by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.101, eff. September 1, 2009.