

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 6. WATER AND WASTEWATER
SUBTITLE G. RIVER AUTHORITIES
CHAPTER 8508. SULPHUR RIVER BASIN AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8508.0001. DEFINITIONS. In this chapter:

(1) "Authority" means the Sulphur River Basin Authority.

(2) "Basin" means the watersheds of the Sulphur River inside the authority's territory as defined by Section [8508.0006](#).

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

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

(5) "Development board" means the Texas Water Development Board.

(6) "Director" means a board member.

(7) "Public agency" means any government or governmental subdivision or agency.

(8) "State" means the State of Texas or any of its agencies, departments, boards, political subdivisions, or other entities.

(9) "Waste" means sewage, industrial waste, municipal waste, recreational waste, agricultural waste, or waste heat.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0002. NATURE OF AUTHORITY. The authority is a conservation and reclamation district created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0003. PURPOSE OF CHAPTER. The purpose of this chapter is to authorize the authority to provide for the conservation and development of this state's natural resources

inside the basin, including:

(1) the control, storage, preservation, and distribution of this state's water for domestic and municipal uses, industrial uses, irrigation, mining and recovery of minerals, stock raising, underground water recharge, electric power generation, navigation, and other beneficial uses and purposes;

(2) the reclamation and irrigation of land needing irrigation;

(3) the reclamation and drainage of overflowed land and other land needing drainage;

(4) the maintenance and enhancement of the quality of the water;

(5) the conservation and development of the water;

(6) the navigation of inland water; and

(7) the provision of systems, facilities, and procedures for the collection, transportation, handling, treatment, and disposal of waste.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0004. FINDING OF BENEFIT. The legislature finds that all land included in the authority will benefit from the improvements to be acquired and constructed by the authority.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0005. REVIEW SCHEDULE UNDER SUNSET ACT. A review of the authority under Section [325.025](#), Government Code, shall be conducted as if the authority were a state agency scheduled to be abolished September 1, 2029, and every 12th year after that year.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0006. TERRITORY. (a) Unless modified under Subchapter [J](#), Chapter [49](#), Water Code, or other law, the authority's territory is composed of the territory in each county in Texas, other than Fannin County, that is located wholly or partly in the

watershed of the Sulphur River and its tributaries with confluences with the Sulphur River upstream from the eastern boundary of Texas, as those watersheds and tributaries are defined by maps on file with the development board.

(b) The boundaries of the authority form a closure. A mistake in the description of the boundaries in the legislative process or another mistake does not affect:

(1) the authority's organization, existence, or validity;

(2) the authority's right to issue any type of bond for a purpose for which the authority is created or to pay the principal of or interest on the bond; or

(3) the legality or operation of the authority or its governing body.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve its purposes.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS

Sec. 8508.0051. MEMBERSHIP OF BOARD. (a) The board consists of seven directors appointed by the governor with the advice and consent of the senate.

(b) The governor shall appoint one director to represent the authority at large.

(c) The governor shall appoint two directors from each of the following regions:

(1) Region 1: Bowie and Red River Counties;

(2) Region 2: Cass, Franklin, Hunt, Morris, and Titus Counties; and

(3) Region 3: Delta, Hopkins, and Lamar Counties.

(d) Each director must be a qualified voter.

(e) A director appointed under Subsection (c) must be a

resident of a county in the region for which the director is appointed.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0052. TERMS. Directors serve for staggered terms of six years with two or three directors' terms expiring on February 1 of each odd-numbered year.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0053. REMOVAL. (a) The governor may remove a director from office for:

- (1) inefficiency;
- (2) neglect of duty;
- (3) misconduct in office; or
- (4) absence from three consecutive regular board meetings.

(b) Before a director is removed from office, the board shall call and hold a hearing on the charges against the director, and the director is entitled to appear at the hearing and present evidence to show why the director should not be removed from office.

(c) Not later than the 30th day before the date of the hearing, the board shall give the accused director notice of:

- (1) the charges against the director; and
- (2) the time and place for the hearing.

(d) An affirmative vote of not fewer than four of the directors is required to approve a recommendation for removal.

(e) A recommendation for removal shall be forwarded to the governor for the governor's consideration and action as provided by this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0054. VACANCY. A vacancy on the board shall be filled in the manner provided by Section [8508.0051](#) for making the original appointment.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0055. BOND REQUIREMENT FOR DIRECTORS. As a qualification for office, a director must execute a bond in an amount determined by the board conditioned on the faithful performance of the director's duties.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0056. COMPENSATION OF DIRECTORS. (a) A director is entitled to receive \$25 a day and reimbursement for actual and necessary expenses incurred:

(1) for each day the director spends attending meetings of the board; and

(2) for each day the director spends attending to the business of the authority that is authorized by the board.

(b) A director is not entitled to receive a per diem allowance for more than 50 days in a calendar year.

(c) In all areas of conflict with Subsection (a) or (b) of this section, Section [49.060](#), Water Code, takes precedence.

(d) A director's compensation may be increased as authorized by Section [49.060](#), Water Code, by resolution adopted by the board in accordance with Subsection (e) of that section on or after September 1, 1995.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0057. OFFICERS. (a) The governor shall designate a director as the presiding officer of the board to serve in that capacity at the pleasure of the governor.

(b) The board shall elect one or more vice presidents, a secretary, a treasurer, and other officers as the directors consider necessary.

(c) The presiding officer and each vice president must be a director, but other officers are not required to be directors.

(d) The offices of the secretary and treasurer may be

combined, and the offices of assistant secretary and assistant treasurer may be combined.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0058. DIRECTOR TRAINING PROGRAM. (a) A person who is appointed to and qualifies for office as a director may not vote, deliberate, or be counted as a director in attendance at a board meeting until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

- (1) the law governing the authority's operations;
- (2) the authority's programs, functions, rules, and budget;
- (3) the scope of and limitations on the authority's rulemaking authority;
- (4) the results of the authority's most recent formal audit;
- (5) the requirements of:
 - (A) laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest; and
 - (B) other laws applicable to members of the governing body of a river authority in performing their duties; and
- (6) any applicable ethics policies adopted by the board or the Texas Ethics Commission.

(c) A person appointed to the board is entitled to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) The board shall create a training manual that includes the information required by Subsection (b). The board shall distribute a copy of the training manual annually to each director. On receipt of the training manual, each director shall sign a statement acknowledging receipt of the training manual.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03,

eff. April 1, 2021.

Sec. 8508.0059. INTEREST IN CONTRACT. (a) A director who has a financial interest in an authority contract for the purchase, sale, lease, rental, or supply of property, including supplies, materials, and equipment, or for the construction of facilities, shall disclose that fact to the other directors and may not vote on or participate in discussions during board meetings on the acceptance of the contract.

(b) A director's financial interest does not affect the validity of a contract if disclosure is made and the director with the financial interest does not vote on the question of entering into the contract.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0060. COMMITTEES. (a) The board may appoint or establish committees from the board's directors as necessary or desirable to assist in conducting the authority's business.

(b) Subject to the applicable rules of law on delegation of powers, the board may assign or delegate or provide for the assignment or delegation of any powers, duties, and functions to its committees as the board may provide by rule or resolution.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0061. EXECUTIVE DIRECTOR. (a) The board may employ an executive director and set the executive director's salary and other compensation by majority vote of the qualified directors.

(b) The executive director is the chief executive officer of the authority.

(c) Under policies established by the board, the executive director is responsible to the board for:

- (1) administering the board's directives;
- (2) keeping the authority's records, including minutes of the meetings of the board and the executive committee;

(3) coordinating with state, federal, and local agencies;

(4) developing plans and programs for the approval of the board or the executive committee;

(5) hiring, supervising, training, and discharging the authority's employees, as authorized by the board or the executive committee;

(6) contracting for or retaining technical, scientific, legal, fiscal, and other professional services, as authorized by the board; and

(7) performing any other duties assigned by the board.

(d) The board may discharge the executive director on a majority vote of the qualified directors.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0062. SEPARATION OF POLICYMAKING AND MANAGEMENT FUNCTIONS. The board shall develop and implement policies that clearly separate the policymaking responsibilities of the board and the management responsibilities of the executive director and staff of the authority.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0063. DIRECTORS' AND EMPLOYEES' FIDELITY BONDS.

(a) The executive director, the treasurer, and any other officer, agent, or employee of the authority who has responsibilities that involve the collection, custody, or payment of authority money shall execute a fidelity bond.

(b) The board must approve the form, amount, and surety of the bond.

(c) The authority shall pay the premiums on the bonds required under this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0064. AUTHORITY'S OFFICE. The authority shall

maintain its principal office inside its boundaries.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0065. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION. (a) The board shall develop a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter [2008](#), Government Code, for the adoption of authority rules; and

(2) appropriate alternative dispute resolution procedures under Chapter [2009](#), Government Code, to assist in the resolution of internal and external disputes under the authority's jurisdiction.

(b) The authority's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The authority shall:

(1) coordinate the implementation of the policy adopted under Subsection (a);

(2) provide training as needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0066. COMPLAINTS. (a) The authority shall maintain a system to promptly and efficiently act on complaints filed with the authority. The authority shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition.

(b) The authority shall make information available describing its procedures for complaint investigation and

resolution.

(c) The authority shall periodically notify the parties to the complaint of the status of the complaint until final disposition.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8508.0101. GENERAL POWERS AND DUTIES. (a) The authority shall:

(1) administer this chapter; and

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

(b) The authority may:

(1) exercise the powers, rights, and privileges necessary or convenient for accomplishing the purposes of this chapter; and

(2) perform any act necessary or convenient to the exercise of the powers, rights, privileges, or functions conferred by this chapter or other laws.

(c) The board may provide for any expenditures it considers essential or useful in the maintenance, operation, and administration of the authority.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0102. EFFECT OF POWERS OF AUTHORITY ON POWERS OF OTHER DISTRICTS; COORDINATION AND JOINT UNDERTAKINGS AMONG DISTRICTS. (a) The powers granted to the authority by this chapter are not intended to restrict the powers of any conservation and reclamation district created under Section [59](#), Article XVI, Texas Constitution, inside the basin or area of the authority. It is the legislature's intent that the authority and those districts exercise their respective powers in a cooperative manner.

(b) A district created under Section [59](#), Article XVI, or Sections [52](#)(b)(1) and (2), Article III, Texas Constitution, on or

before August 29, 1985, may:

- (1) coordinate its plans with the authority; and
- (2) enter into joint undertakings with the authority for the purposes for which the entities are created.

(c) The acts taken under Subsection (b) must be approved by a majority of the boards of directors of the district and authority. Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0103. GENERAL POWERS RELATING TO WORKS AND WATER.

(a) The authority may exercise all the rights and powers of an independent agency and a body politic and corporate to construct, maintain, and operate, inside this state and in the watershed of the Sulphur River and its tributaries inside or outside the boundaries of the authority, any work considered essential:

- (1) to the authority's operation; and
- (2) for its administration in controlling, storing, preserving, and distributing the water, including storm water and floodwater, of the Sulphur River and its tributary streams.

(b) The authority may exercise the power of control and regulation over the water of the Sulphur River and its tributaries as this state may exercise, subject to the constitution and laws of this state.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0104. CONTROL AND USE OF WATERS. (a) The authority may exercise power over the storm water and floodwater of the basin.

(b) The authority may exercise the powers of control and use of the state's water in the following manner and for the following purposes:

- (1) to provide for the control and coordination of water use in the basin as a unit;
- (2) to provide by adequate organization and administration for the preservation of the rights of the people of the different sections of the basin in the beneficial use of water;

(3) to provide for conserving storm water, floodwater, and the unappropriated flow of the basin, including the storage, control, transportation, treatment, and distribution of that water, and the prevention of the escape of water without the maximum of public service;

(4) to provide for the prevention of the devastation of land from recurrent overflows;

(5) to provide for the protection of life and property in the basin from uncontrolled floodwater;

(6) to provide for the conservation of water essential for domestic and other water uses of the people of the basin, including necessary water supplies for municipalities and industrial districts;

(7) to provide for the irrigation of land in the basin where irrigation is required for agricultural purposes or is considered helpful to more profitable agricultural production;

(8) to provide for the equitable distribution of storm water, floodwater, and unappropriated flow water to meet the regional potential requirements for all uses;

(9) to provide for the encouragement and development of drainage systems and provisions for the drainage of land in the valleys of the basin needing drainage for profitable agricultural and livestock production and industrial activities, and other drainage of land for the most advantageous use;

(10) to provide for the conservation of soil against destructive erosion to prevent the increased flood menace incident to erosion;

(11) to control and make available for use storm water, floodwater, and unappropriated flow water as authorized by the commission in the development of commercial and industrial enterprises in all sections of the watershed area of the authority;

(12) to provide for each purpose and use for which storm water, floodwater, and unappropriated flow water when controlled and conserved may be used in the performance of a useful service as contemplated and authorized by the provisions of the constitution and laws of this state;

(13) to control, store, and preserve the water of the

basin inside the authority for any useful purpose;

(14) to use, distribute, and sell water for any beneficial purpose inside and outside the authority; and

(15) to acquire water and water rights inside and outside the authority.

(c) The plans and works provided by the authority or under the power of the authority should give primary consideration to the necessary and potential needs for water by or in the various areas in the watershed of the basin.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0105. USE OF BEDS AND BANKS OF SULPHUR RIVER AND ITS TRIBUTARIES. Subject to the approval of the commission, the authority may use the beds and banks of the Sulphur River and its tributary streams for any purpose necessary to accomplish the authority's plans for storing, controlling, conserving, transporting, and distributing storm water, floodwater, and appropriated flow waters for useful purposes.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0106. WATER CONSERVATION PROGRAM. (a) In this section, "program of water conservation" means the use of practices, techniques, and technologies that will reduce water consumption, reduce water loss or waste, improve efficiency in water use, or increase water recycling and reuse so that a water supply is available for future uses.

(b) The authority shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforceable by the commission and development board for similarly situated authorities.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0107. GROUNDWATER. (a) The authority may conduct surveys and studies of the groundwater supplies in the

authority to:

(1) determine the location and quantity of available groundwater; and

(2) develop and ascertain other information that in the judgment of the board may be necessary to fully develop water uses from the groundwater in the authority.

(b) With the approval and under the supervision of the commission, the authority may appropriate storm water and floodwater to recharge underground freshwater-bearing sand and aquifers in the basin.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0108. APPLICABILITY OF CERTAIN ENVIRONMENTAL LAWS. The authority is a river authority for the purposes and definitions of Chapter [30](#), Water Code, and Chapter [383](#), Health and Safety Code, as they apply to the authority.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0109. PERMITS AND LICENSES. (a) The authority must apply for any permit, license, or other grant of authority required from the commission.

(b) The authority may apply for any permit, license, or financial assistance it may need from any federal, state, or local governmental agency.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0110. CONSULTATION WITH COUNTY JUDGE FOR CERTAIN PROPOSED PROJECTS. Before voting on a proposed project for which the board will seek a permit, the board shall obtain advice on the project from the county judge of each county in which the project is proposed to be located.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0111. SERVICE CONTRACTS AND CHARGES. (a) The authority may enter into service contracts and may adopt resolutions and orders establishing rates and providing for the collection of fees and charges for:

- (1) the sale or use of water;
- (2) the services of water transmission, treatment, and storage facilities;
- (3) liquid waste collection, treatment, and disposal services and facilities;
- (4) the sale of power and electric energy; and
- (5) any other services or facilities sold, furnished, or supplied by the authority.

(b) The fees and charges must be sufficient to produce revenues adequate to:

- (1) pay expenses necessary for the operation and maintenance of the authority's property and facilities;
- (2) pay the principal of and interest on any bonds or other obligations issued by the authority when due and payable;
- (3) fulfill any reserve or other fund obligations of the authority in connection with the bonds or other obligations; and
- (4) pay any other expenses the board may consider necessary and proper for the authority's operations.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0112. ACQUISITION, MAINTENANCE, AND OPERATION OF PROPERTY. The authority may purchase, lease, acquire by gift, maintain, use, and operate property of any kind inside or outside the authority that is appropriate for the exercise of its powers or the accomplishment of its purposes.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0113. ACQUISITION, CONSTRUCTION, MAINTENANCE, AND OPERATION OF FACILITIES. The authority may acquire, construct, extend, improve, maintain, reconstruct, use, and

operate facilities inside or outside the authority that are necessary or convenient for the exercise of its powers, rights, duties, and functions or the accomplishment of its purposes.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0114. EMINENT DOMAIN. (a) The authority may exercise the power of eminent domain to acquire land inside or outside the authority to carry out a power, right, privilege, or function authorized by this chapter if the board, after notice and hearing, determines that the action is necessary.

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

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

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

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

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0115. COST OF RELOCATING OR ALTERING PROPERTY.

(a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described by Subsection (b) to provide comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value derived from the old facility.

(b) If the authority's exercise of the power of eminent domain makes necessary relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission or distribution line, telephone or telegraph property or facility, or pipeline, the necessary action

shall be accomplished at the sole expense of the authority.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0116. SALE, LEASE, EXCHANGE, OR OTHER DISPOSITION OF PROPERTY. The authority may:

(1) sell any property or interest in property owned by the authority by installments or otherwise, including a sale in any manner prescribed or authorized by:

(A) Section [552.014](#), Local Government Code;

(B) Chapter [30](#), Water Code; or

(C) Chapter [383](#), Health and Safety Code; or

(2) lease, exchange, or otherwise dispose of any property or interest in property.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0117. GENERAL CONTRACT POWERS. (a) The authority may enter into a contract or execute an instrument that is necessary or convenient for the exercise of its powers, rights, duties, and functions or the accomplishment of its purposes.

(b) Notwithstanding any other law, the authority may:

(1) undertake and carry out an activity that is related to or necessary in carrying out or performing a power or function of the authority;

(2) enter into a contract, loan agreement, lease, or installment sales agreement;

(3) acquire, purchase, construct, own, operate, maintain, repair, improve, or extend, or loan, lease, sell, or otherwise dispose of, including by such methods as a loan payment, rental, sale, or installment sale, as the parties may agree, any facility, plant, building, structure, equipment, or appliance or property or any interest in property; and

(4) use any or all money or proceeds of bonds and other obligations.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0118. POWER OF PERSONS TO CONTRACT WITH AUTHORITY. (a) A person may contract with the authority in any manner authorized by this chapter, Chapter 30, Water Code, or Chapter 383, Health and Safety Code, with respect to water, waste, pollution control, or any other facility or any service provided by the authority.

(b) A public agency may enter into and execute a contract described by Subsection (a) with the authority and may determine, agree, and pledge that all or any part of its payments under the contract is payable from the source described in Section 30.030(c), Water Code, subject only to the authorization of the contract, pledge, and payments by the public agency's governing body. The public agency also may use and pledge any other available revenue or resource for payment of amounts due under the contract as an additional source of payment or as the sole source of payment.

(c) A public agency may:

(1) set fees, rates, charges, rentals, and other amounts, including water charges and garbage collection or handling fees, for any services or facilities provided by any utility operated by it, or provided pursuant to or in connection with any contract with the authority;

(2) charge those amounts to and collect those amounts from its inhabitants or from any users or beneficiaries of the utility, services, or facilities; and

(3) use and pledge that money to make payments to the authority required under the contract and may covenant to do so in amounts sufficient to make all or any part of those payments to the authority when due.

(d) If a public agency and the authority agree in a contract, the payments made by the public agency to the authority under the contract are an expense of operation of any facilities or utility operated by the public agency.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. 4172), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0119. AWARD OF CERTAIN CONTRACTS. (a) The

authority shall award a contract to the lowest and best bidder if:

(1) the contract is a:

(A) construction, maintenance, operation, or repair contract;

(B) contract for the purchase of material, equipment, or supplies; or

(C) contract for services other than technical, scientific, legal, fiscal, or other professional services; and

(2) the contract:

(A) will require an estimated expenditure of more than \$10,000; or

(B) is for a term of six months or more.

(b) If the board finds that an extreme emergency exists, the board may award a contract necessary to protect and preserve the public health and welfare or the property of the authority without using bidding procedures.

(c) The authority shall publish notice to bidders once each week for three consecutive weeks before the date set for awarding the contract. The notice must be published in a newspaper with general circulation in the authority and may also be published in any other appropriate publication.

(d) The notice is sufficient if it states:

(1) the time and place at which the bids will be opened;

(2) the terms on which copies of the plans, specifications, or other pertinent information may be obtained;

(3) the general nature of the work to be done; and

(4) the material, equipment, or supplies to be purchased or the nonprofessional services to be rendered.

(e) A person who desires to bid on the construction of a work or project that is advertised for bids shall, on written application to the authority, be provided a copy of the plans and specifications or other engineering and architectural documents showing all of the details of the work to be done. The authority may make a charge to cover the cost of making the copy.

(f) A bid must be:

(1) in writing;

(2) sealed and delivered to the authority; and

(3) accompanied by a certified check drawn on a responsible bank in this state or, at the discretion of the authority, a bid bond from a company approved by the authority, in an amount equal to at least one percent of the total amount bid.

(g) The authority shall open bids at the place specified in the published notice. The authority shall announce the bids. The place where the bids are opened and announced must be open to the public. The board shall make the award of the contract.

(h) The person with whom a contract is made shall provide the performance and payment bonds required by law.

(i) A check or bond provided under Subsection (f) is forfeited to the authority if the successful bidder fails or refuses to:

(1) enter into a proper contract; or

(2) provide a bond as required by law.

(j) The authority may reject any or all bids and may waive any irregularity in the bids.

(k) This section does not prohibit the authority from taking the following actions by negotiated contract and without necessity for advertising for bids:

(1) purchasing or acquiring land or an interest in land from any person;

(2) acquiring, constructing, or improving pollution control or waste collection and disposal facilities as provided by Chapter 30, Water Code, Chapter 383, Health and Safety Code, or other applicable law; or

(3) purchasing or acquiring surplus property from a governmental entity.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. 4172), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0120. CONSTRUCTION CONTRACTS: PAYMENT. (a) The contract price of any construction contract of the authority may be paid in partial payments as the work progresses, but the payments may not exceed 90 percent of the amount due at the time of the payments as shown by the report of the engineer of the authority.

(b) During the progress of the work, the executive director shall inspect the construction or have the construction inspected by the authority's engineer or the engineer's assistants.

(c) On certification of the executive director and the authority's engineer of the completion of the contract in accordance with its terms and, in the case of any construction contract for which notice to bidders is required by this chapter, on approval of the board, the board shall draw a warrant on its depository to pay the balance due on the contract.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0121. CONFLICT OF INTEREST IN CONTRACT. An officer, agent, or employee of the authority who is financially interested in a contract shall disclose that fact to the board before the board votes on the acceptance of the contract.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0122. SURVEYS AND ENGINEERING INVESTIGATIONS. The authority may make surveys and engineering investigations to develop information for its use.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0123. PLANS. The board may make and determine plans necessary to accomplish the purposes for which the authority is created and may carry out the plans.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0124. ACCESS TO AUTHORITY PROPERTY. (a) To provide for the safety and welfare of persons and their property or for the protection and security of the authority's property and facilities, the board may adopt rules with respect to the authority's property and any water reservoir or dam the construction, operation, or management of which is participated in

by the authority to control and regulate:

- (1) ingress, egress, and use; and
- (2) the operation of land and water vehicles.

(b) All public roads, streets, and state highways that as of August 29, 1985, traversed the areas to be covered by any impounded water shall remain open as a way of public passing to and from the lakes created, unless changed by the authority.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0125. AUTHORITY TO EXERCISE POWERS OF POLITICAL SUBDIVISIONS UNDER WATER CODE. The authority may exercise:

(1) the powers vested in political subdivisions under Title 2, Water Code; and

(2) the powers necessary to enable the authority to participate in programs administered by the development board, including programs for:

(A) the acquisition and development of facilities;

(B) the sale or lease of facilities; and

(C) financial assistance to political subdivisions.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0126. LIMITATIONS ON POWERS AND DUTIES OF AUTHORITY; COMMISSION APPROVAL OF CERTAIN PLANS. (a) The powers granted and duties prescribed by this chapter are subject to all legislative declarations of public policy in the maximum use of the storm water, floodwater, and unappropriated flow water of the basin for the purposes for which the authority is created.

(b) The commission shall consider the adequacy of, and approve or refuse to approve, any flood control or conservation improvement plan that:

(1) is devised by the authority to achieve a plan or purpose for which the authority was created; and

(2) contemplates improvements that are to be

supervised by the commission under general law.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0127. SUITS. (a) The authority may sue and be sued in the name of the authority.

(b) Service of process may be accomplished by serving the presiding officer or a vice president of the board or the executive director.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

SUBCHAPTER D. REGULATORY POWERS; ENFORCEMENT AND COURT REVIEW PROVISIONS

Sec. 8508.0151. ADOPTION AND ENFORCEMENT OF RULES.

(a) The authority may adopt and enforce rules reasonably required to carry out this chapter.

(b) The board shall adopt rules necessary for the conduct of the authority's business.

(c) In adopting rules, the board shall comply, as appropriate, with the requirements of Chapters [2001](#) and [2002](#), Government Code.

(d) The board shall print its rules and provide copies to any person on written request.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0152. CIVIL PENALTY; INJUNCTIVE RELIEF. (a) A person who violates a rule or order of the authority is subject to a civil penalty of not less than \$50 or more than \$1,000 for each day of violation.

(b) The authority may sue to recover the penalty in a district court in the county in which the violation occurred. A penalty shall be paid to the authority.

(c) The authority may sue for injunctive relief in a district court in the county in which the violation of a rule or

order occurred or is threatened.

(d) The authority may sue for injunctive relief and a penalty in the same proceeding.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0153. COURT REVIEW. (a) A person who is adversely affected by a rule or order of the authority may sue the authority in a district court to set aside the rule or order before the 31st day after the date on which the rule or order takes effect.

(b) Venue for a suit under Subsection (a) is in any county located wholly or partly in the authority.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8508.0201. DISBURSEMENT OF MONEY. The authority may disburse its money only by a check, draft, order, or other instrument signed by the person or persons authorized in the board's rules or by board resolution.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0202. ACCOUNTS, CONTRACTS, AND OTHER RECORDS; PUBLIC INSPECTION. (a) The authority shall keep complete and accurate accounts of its business transactions in accordance with generally accepted methods of accounting.

(b) The authority shall keep its accounts, contracts, documents, minutes, and other records at its principal office.

(c) Except as otherwise required by law, the authority may not disclose any records that it has relating to trade secrets or the economics of operation of any business or industry.

(d) Except as provided by Subsection (c), the authority shall permit reasonable public inspection of its records during regular business hours under rules adopted by the board.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03,

eff. April 1, 2021.

Sec. 8508.0203. FEES AND CHARGES. (a) The authority shall establish fees and charges.

(b) The fees and charges may not exceed the amount necessary to fulfill the obligations imposed by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0204. TRUST MONEY. Money collected by or donated, granted, loaned, or advanced to the authority is trust money for the purposes provided by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0205. TAXES AND TAX DEBT PROHIBITED. The authority may not:

- (1) impose a tax; or
- (2) create debt payable from taxes.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0206. DEPOSITORY. (a) The board shall designate one or more banks inside or outside the authority to serve as a depository for the authority's money.

(b) Authority money shall be deposited in a depository bank, except that the following may be handled as provided in a trust indenture or resolution:

- (1) bond proceeds or proceeds of other obligations;
- (2) money pledged to pay the obligations described by Subdivision (1);
- (3) money placed in special funds; and
- (4) money remitted to a bank of payment for the payment of the principal of and interest on obligations.

(c) To the extent that money in a depository bank or a trustee bank is not invested or insured by the Federal Deposit Insurance Corporation, the money must be secured in the manner

provided by law for the security of county money.

(d) The board shall prescribe the term of service for a depository.

(e) Before designating a depository bank, the board shall:

(1) publish notice one time in one or more newspapers of general circulation in the authority that are specified by the board; or

(2) mail a copy of the notice to each bank inside the authority.

(f) The notice must:

(1) state the time and place at which the board will meet to designate a depository bank or banks; and

(2) invite the banks to submit an application to be designated a depository.

(g) At the time stated in the notice, the board shall:

(1) consider the application and the management and condition of each bank that applies; and

(2) designate as a depository the bank or banks:

(A) that offer the most favorable terms for handling the money; and

(B) that the board finds have proper management and are in condition to handle the money.

(h) Membership on the board of an officer or director of a bank does not disqualify the bank from being designated as a depository.

(i) If the board does not receive an application before the time stated in the notice, the board shall designate one or more banks inside or outside the authority as a depository on terms the board considers advantageous to the authority.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0207. INVESTMENT OF AUTHORITY MONEY; APPLICATION OF INCOME FROM INVESTMENTS. (a) Money in the treasury that is not required for the current payment of obligations of the authority or for sinking funds and that the board considers available for investment may be invested or reinvested by the authority in:

- (1) direct obligations of the United States;
- (2) obligations the principal and interest of which are guaranteed by the United States;
- (3) direct obligations of or participation certificates guaranteed by:
 - (A) a farm credit bank;
 - (B) the Federal National Mortgage Association;
 - (C) a federal home loan bank; or
 - (D) a bank for cooperatives;
- (4) certificates of deposit of a bank or trust company the deposits of which are fully secured by a pledge of securities of any of the institutions specified by this subsection;
- (5) other securities eligible for investment under other laws; or
- (6) a combination of the investments listed in this subsection.

(b) The board shall determine the type and maturity of investments made under this section.

(c) A resolution relating to the issuance of bonds or other obligations must include appropriate provisions relating to the investment of money in funds established in connection with the authorization of those bonds or other obligations.

(d) The board shall direct the application of income from investments made under this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0208. FISCAL YEAR. The authority's fiscal year ends on August 31 of each year.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0209. AUDIT. (a) In addition to including the information required by Subchapter [G](#), Chapter [49](#), Water Code, the audit report prepared under that subchapter must state:

- (1) the amount of money received by the authority under this chapter during the preceding fiscal year; and

(2) how, to whom, and for what purpose the money was spent.

(b) A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be filed:

- (1) as required by Section 49.194, Water Code;
- (2) with the governor;
- (3) with the lieutenant governor;
- (4) with the speaker of the house of representatives;
- (5) with the attorney general; and
- (6) with the comptroller.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. 4172), Sec. 1.03, eff. April 1, 2021.

SUBCHAPTER F. OBLIGATIONS RELATING TO BORROWED MONEY OR GRANTS

Sec. 8508.0251. LOANS AND GRANTS. (a) The authority may:

(1) borrow money or accept a grant or donation for its corporate purposes from any person, including a private source, the United States, this state, or a local government; and

(2) enter into an agreement in connection with a loan, grant, or donation accepted under Subdivision (1).

(b) The source of money accepted by the authority is public information.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. 4172), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0252. POWER TO APPLY FOR MONEY FOR ENGINEERING SURVEYS, DATA COMPILATION AND COLLECTION, AND OTHER PURPOSES.

(a) The authority may apply to this state, the United States, or any other person for money necessary to:

(1) secure engineering surveys and the compilation and collection of data relating to regional and general conditions entering into and influencing the character and extent of the improvements necessary to accomplish the storage, control, transportation, treatment, conservation, and equitable distribution to the greatest public advantage of the storm water, floodwater, and normal flow water that is stored and controlled; or

(2) accomplish or carry out any of the other purposes of this chapter.

(b) The authority:

(1) shall request an amount it considers sufficient;

(2) may make the necessary agreements with the party providing the money; and

(3) may appropriate the amount of the estimated equitable contribution of the costs of developing essential engineering data.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0253. POWER TO ISSUE BONDS OR OTHER OBLIGATIONS.

(a) For the purpose of carrying out any power provided by this chapter, including the payment of the expenses of preparing the master plan and the payment of engineering and other expenses, the authority may issue bonds or other obligations in one general class secured by a pledge of all or part of the revenue accruing to the authority from any source, including the revenue received from:

(1) the sale of water or other products;

(2) the rendition of services;

(3) tolls; and

(4) charges.

(b) The obligations must be authorized by a board resolution.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0254. REFUNDING BONDS. (a) The authority may issue refunding bonds to refund outstanding obligations issued under this chapter.

(b) Refunding bonds may be issued in the manner provided by Chapter [1207](#), Government Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0255. FORM OF OBLIGATIONS. Authority

obligations must:

- (1) be in the form prescribed by the board;
- (2) be issued in the authority's name;
- (3) be signed by the presiding officer or a vice president;
- (4) be attested by the secretary; and
- (5) bear the authority seal.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0256. MATURITY. Authority obligations must mature not later than 50 years after the date of their issuance.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0257. TRUST INDENTURE. Authority obligations may be further secured by a trust indenture with a corporate trustee.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0258. ADDITIONAL OBLIGATIONS. A pledge of revenue may reserve the right, under specified conditions, to issue additional obligations that will be on a parity with or subordinate to the obligations then being issued.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03, eff. April 1, 2021.

Sec. 8508.0259. ADDITIONAL PROVISIONS IN RESOLUTION AUTHORIZING OBLIGATIONS OR TRUST INDENTURE. (a) The resolution authorizing obligations or the trust indenture further securing obligations may specify additional provisions that constitute a contract between the authority and the owners of those obligations.

(b) The board may provide for the additional provisions, including a corporate trustee or receiver provided by the authority to take possession of authority facilities in the event of the authority's default in fulfilling the covenants.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.03,
eff. April 1, 2021.