

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 6. WATER AND WASTEWATER

SUBTITLE I. WATER CONTROL AND IMPROVEMENT DISTRICTS

CHAPTER 9023. DUVAL COUNTY CONSERVATION AND RECLAMATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9023.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a member of the board.
- (3) "District" means the Duval County Conservation and Reclamation District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.002. NATURE OF DISTRICT. The district is:

- (1) a conservation and reclamation district under Section [59](#), Article XVI, Texas Constitution; and
- (2) a municipal corporation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

(a) The district is created to serve a public use and benefit.

(b) All land included in the boundaries of the district will benefit from that inclusion.

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

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 398, Acts of the 51st Legislature, Regular Session, 1949, as that territory may have been modified under:

- (1) Subchapter [O](#), Chapter [51](#), Water Code;
- (2) Subchapter [J](#), Chapter [49](#), Water Code;

(3) Subchapter E or the relevant parts of its predecessor statute, former Section 4A, Chapter 398, Acts of the 51st Legislature, Regular Session, 1949; or

(4) other law.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9023.051. COMPOSITION OF BOARD. The board is composed of four elected directors.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.052. ELECTION OF DIRECTORS. (a) Directors are elected to positions according to the place system as provided by this section.

(b) Except as provided by Subsection (c):

(1) a director elected to place 1 or 2 must be a resident of Benavides and be elected by the voters of the district who reside in Benavides and its extraterritorial jurisdiction; and

(2) a director elected to place 3 or 4 must be a resident of, and be elected by the voters of the district who reside in, the part of Duval County that is not within:

(A) the corporate limits or extraterritorial jurisdiction of San Diego or Benavides; or

(B) the Freer Water Control and Improvement District.

(c) If Benavides and the area within its extraterritorial jurisdiction disannex under Subchapter E:

(1) a director who represents Benavides and the area within its extraterritorial jurisdiction ceases to be a director on the date disannexation takes effect;

(2) the remaining directors as soon as possible shall order a special election to elect the appropriate number of directors to fill the unexpired terms if the disannexation results in vacancies on the board; and

(3) a director for each place on the board must be a resident of the part of Duval County that is not within:

(A) the corporate limits or extraterritorial jurisdiction of San Diego or Benavides; or

(B) the Freer Water Control and Improvement District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 9023.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS. The district has the rights, powers, privileges, and duties provided by general law applicable to a water control and improvement district created under Section [59](#), Article XVI, Texas Constitution, including Chapters [49](#) and [51](#), Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.102. GENERAL CONTRACT POWERS. The board may enter into a contract with any individual or any public or private corporation, inside or outside the district, that the board considers advisable and expedient to accomplish the district's purposes.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.103. ACQUISITION OF PROPERTY. The district may acquire property not already devoted to public use in the district that the board considers necessary to accomplish the district's objectives.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.104. COST OF RELOCATING OR ALTERING PROPERTY. If the district's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter, makes

necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, pipeline, or telegraph or telephone property or facility, the necessary action shall be accomplished at the sole expense of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.105. WATER PERMIT ACQUIRED FROM MUNICIPALITY. A water permit acquired by the district from a municipality in the district must be acquired subject to a provision that, in case of a shortage of water supply, the municipality has a right to receive water from the district that is superior to the right of anyone else to use water.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

#### SUBCHAPTER D. BONDS

Sec. 9023.151. AUTHORITY TO ISSUE BONDS. The district may issue bonds pursuant to a board resolution for any purpose permitted to water control and improvement districts, including the acquisition by construction or otherwise of plants and improvements for storing, treating, purifying, protecting, transporting, transmitting, delivering, and disposing of, through sale or otherwise, flood, storm, flow, or underground water for lawful uses.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.152. CERTAIN BOND COVENANTS AUTHORIZED. A resolution authorizing the issuance of district bonds may contain any covenant the board considers necessary to ensure:

(1) the creation and maintenance of proper reserves;  
and

(2) the payment of the principal of and interest on the bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.153. MATURITY. District bonds, including refunding bonds, must mature not later than 40 years after the date of their issuance.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.154. USE OF BOND PROCEEDS. The district may appropriate and pay from the proceeds of the sale of bonds the interest to accrue on the bonds for a period not to exceed three years from their date.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.155. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.  
(a) In this section, "net revenues" means all income or increment from the ownership and operation of improvements and facilities operated by the district, minus the amount reasonably required to provide for the administration, efficient operation, and adequate maintenance of the improvements and facilities. The term does not include money derived from taxation.

(b) District bonds may be secured by:  
(1) a pledge of the district's net revenues; or  
(2) a pledge of the district's net revenues and the imposition of a continuing ad valorem tax described by Section [9023.156](#).

(c) The district may issue bonds secured as provided by Subsection (b)(1) without submitting the question of the issuance to an election.

(d) The district may not issue bonds secured as provided by Subsection (b)(2) unless the bonds are authorized by a majority of the votes cast in an election in the district.

(e) Within the board's discretion, the bonds may also be secured by a lien on the physical properties of the district.

(f) The district may execute contracts, evidences of

pledge, deeds of trust, trust indentures, and other instruments that fix a lien on net revenues and the physical properties of the district that the board, in its discretion, determines are necessary or convenient to evidence and secure the obligation of the district to pay the principal of and interest on the bonds.

(g) The resolution authorizing the issuance of bonds secured by a pledge of net revenues may:

(1) contain the conditions under which additional bonds secured by a pledge of net revenues may be subsequently issued;

(2) prescribe the conditions under which the district has the right to release the lien on net revenues and on the district's physical properties, if encumbered, by depositing at the bank or place of payment money sufficient to pay:

(A) the principal of and interest on the bonds to the date on which the bonds may become optional and any premium payment stipulated in the resolution; or

(B) the principal of and interest on the bonds to maturity if an option of prior payment is not reserved; or

(3) prescribe the conditions under which the continuing ad valorem tax described by Section [9023.156](#), if any, to be collected in any year during which any of the bonds are outstanding may be reduced or omitted when net revenues are sufficient to provide the money necessary for principal, interest, and reserve requirements prescribed by this subchapter.

(h) Additional bonds described by Subsection (g)(1) must be secured by a lien and pledge of net revenues that is inferior to the lien and pledge securing the bonds originally issued unless the additional bonds are issued in full compliance with the restrictions applicable to additional bonds on a parity with the bonds originally issued.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.156. BONDS SECURED BY AD VALOREM TAXES. (a) This section does not apply to district bonds secured only by a pledge of net revenues as defined by Section [9023.155\(a\)](#).

(b) If bonds have been voted, the board shall impose a continuing ad valorem tax on all property in the district sufficient:

(1) to pay the principal of and interest on the bonds as the principal and interest respectively mature;

(2) to create and maintain any reserve required by the resolution or resolutions authorizing the issuance of the bonds;

(3) to pay the expense of assessing and collecting the tax; and

(4) for anticipated delinquencies in the tax payments.

(c) The board annually shall determine and set or cause to be determined and set the rate of the ad valorem tax to be imposed under this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.157. REFUNDING BONDS. (a) The district may issue refunding bonds without an election.

(b) District bonds may be refunded by:

(1) the issuance and delivery to holders of refunding bonds in lieu of the outstanding bonds; or

(2) the sale of refunding bonds and the use of the proceeds for retiring the outstanding bonds.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

#### SUBCHAPTER E. DISANNEXATION OF MUNICIPAL TERRITORY

Sec. 9023.201. DEFINITION. In this subchapter, "municipal territory" means the territory located in the corporate boundaries and the extraterritorial jurisdiction of a municipality located in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.202. DISANNEXATION OF MUNICIPAL TERRITORY. Municipal territory may be disannexed from the district under this

subchapter on petition for an election on disannexation and a vote in favor of the disannexation by the majority of voters voting at an election ordered for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.203. PETITION. (a) A petition for an election to disannex municipal territory under this subchapter must:

(1) be signed by at least the lesser of 250 registered voters of the district who are residents of the municipal territory or a number of registered voters equal to five percent of the total votes cast in the municipal territory in the most recent district election;

(2) state that the purpose of the petition is to order an election to determine whether the municipal territory should be disannexed; and

(3) include each petitioner's:

(A) signature;

(B) printed name;

(C) address;

(D) voting precinct;

(E) voter certificate number; and

(F) date of signing.

(b) The petition must be filed with the district manager.

(c) Not later than the 30th day after the date the petition is filed, the district manager shall:

(1) verify the validity of the petition; and

(2) determine whether the petition contains the number of signatures required to order an election.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.204. ELECTION ORDER. (a) The board shall order an election for the purpose of disannexation of municipal territory under this subchapter if the district manager certifies the number of signatures required for ordering the election.

(b) The board shall order the election not later than the



90th day after the date the district manager certifies the sufficiency of the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.205. BALLOT. The ballot for an election under this subchapter must permit voting for one of the following three propositions:

(1) "The City of (name of municipality) and the area within the city's extraterritorial jurisdiction shall not be disannexed from the Duval County Conservation and Reclamation District";

(2) "The City of (name of municipality) and the area within the city's extraterritorial jurisdiction shall be disannexed from the Duval County Conservation and Reclamation District, and on disannexation the city council of (name of municipality) shall establish or acquire systems to provide the water and sewer services formerly provided by the Duval County Conservation and Reclamation District in the disannexed area"; or

(3) "The City of (name of municipality) and the area within the city's extraterritorial jurisdiction shall be disannexed from the Duval County Conservation and Reclamation District, and on disannexation the city council of (name of municipality) shall initiate a petition for, and shall consent to, as provided by Sections [54.014](#) and [54.016](#), Water Code, the creation of a municipal utility district to provide the water and sewer services formerly provided by the Duval County Conservation and Reclamation District in the disannexed area."

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.206. ELECTION. (a) Only voters who reside in the municipal territory to be disannexed under this subchapter may vote in the disannexation election.

(b) The municipal territory is not disannexed from the district if a majority of the total votes cast in the election is in favor of the proposition stated in Section [9023.205](#)(1).

(c) If the total vote in favor of the propositions stated in Sections [9023.205](#)(2) and (3) is a majority of the votes cast in the election, the majority of the votes cast in the election is for disannexation from the district. As between the two propositions, the proposition that receives the greater number of votes prevails.

(d) If disannexation fails, an election under this subchapter to disannex the same municipal territory may not be held for one year.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.207. BOARD VOTE. (a) The directors shall vote to disannex municipal territory if the majority of the votes cast in an election under this subchapter is for disannexation.

(b) The directors shall vote to disannex the municipal territory at the same board meeting at which the directors canvass the election results.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.208. APPOINTMENT OF MASTER. Not later than the 30th day after the election results are canvassed and the board votes to disannex municipal territory under Section [9023.207](#), the executive director of the Texas Commission on Environmental Quality shall appoint an independent master to oversee the distribution of assets consistent with disannexation.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.209. DISTRIBUTION OF PROPERTY, RECEIVABLES, AND OTHER ASSETS. (a) All infrastructure and real property, including water and sewer lines, storage tanks, treatment plants, towers, buildings, land, and other facilities located within municipal territory disannexed under this subchapter that are related to the provision of water and sewer services by the district in the disannexed territory, shall revert to the disannexed municipality.

(b) All receivables from connections in municipal territory

disannexed under this subchapter transfer to the disannexed municipality.

(c) Other assets, including vehicles, computers, office furniture and equipment, and cash, shall be divided between the district and the disannexed municipality by the master in proportion to the population of the district or the disannexed municipal territory.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.

Sec. 9023.210. PROVISION OF SERVICES OUTSIDE DISANNEXED MUNICIPAL TERRITORY. (a) This section applies only to a municipal water or sewer system established or acquired as a result of voter approval of the proposition stated in Section [9023.205](#)(2).

(b) A municipal water or sewer system may serve an area immediately outside the extraterritorial jurisdiction of the disannexed municipality if the residents of the area agree to be served by the system.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.06, eff. April 1, 2017.