I certify that the attached is a true and correct copy of H.B. 2587, which was filed of record on APR 29, 1987 and referred to the committee on: Natural Resources.

By

Chief Clerk of the House

FILED APR 29 1987

A.B. No. 2587

A BILL TO BE ENTITLED

AN ACT

relating to the creation, administration, powers, eminent domain powers, duties, operations, fiscal procedures, and taxing authority of the Sterling County Underground Water Conservation District and authorizing the issuance of bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. CREATION OF DISTRICT. On approval at the election called and held under Section 6 of this Act, the Sterling County Underground Water Conservation District is created pursuant to Article XVI, Section 59, of the Texas Constitution.

SECTION 2. DEFINITION. In this Act, "district" means the Sterling County Underground Water Conservation District.

SECTION 3. LEGISLATIVE FINDINGS. The legislature finds that:

1. the organization of the district is feasible and practicable;
2. the land to be included in and the residents of the district will be benefited by the creation of the district;
3. there is a public necessity for the district; and
4. the creation of the district will further the public welfare.

SECTION 4. BOUNDARIES. The district is composed of all the territory located within Sterling County.

SECTION 5. TEMPORARY DIRECTORS. (a) On the effective date
of this Act, the following persons are designated as temporary
directors of the district:

(1) Precinct 1--Clyde R. Foster
(2) Precinct 2--Darwin B. Schrader
(3) Precinct 3--Frank S. Price
(4) Precinct 4--Ewing F. McEntire, Jr.
(5) At large--William C. Humble

(b) If a vacancy occurs in the office of temporary director,
the remaining temporary directors shall select a person with the
qualifications for that position as provided by Section 9 of this
Act to fill the vacancy.

(c) The temporary board shall select from their members
persons to serve as chairman, vice-chairman, and secretary.

SECTION 6. CREATION ELECTION. (a) Not later than the 30th
day after the effective date of this Act, the temporary directors
shall meet and shall call an election to be held not later than the
120th day after the effective date of this Act within the
boundaries of the proposed district to approve the creation of the
district.

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

(c) The temporary directors shall publish notice of the
election at least one time in a newspaper or newspapers that have
general circulation within the boundaries of the proposed district.
The notice must be published before the 30th day preceding the date
of the election.

(d) The ballot for the election must be printed to provide
for voting for or against the proposition: "The creation of the
Sterling County Underground Water Conservation District."

(e) If a majority of the votes cast at the election favor
the creation of the district, the temporary directors shall declare
the district created and shall enter the results in its minutes.
If a majority of the votes cast at the election are against the
creation of the district, the temporary directors shall declare the
district defeated and shall enter the results in its minutes. The
temporary directors shall file a copy of the election results with
the Texas Water Commission.

(f) If the creation of the district is defeated, further
elections may be called by the temporary directors to create the
district, but another election to confirm creation of the district
may not be called and held before the first anniversary of the most
recent creation election. If the district is not created within
five years after the effective date of this Act, this Act expires.

(g) Except as specifically provided by this section, a
creation election is governed by the Election Code.

SECTION 7. INITIAL DIRECTORS. (a) On approval of the
creation of the district under Section 6 of this Act, the temporary
directors become the permanent directors of the district and shall
serve for terms as provided by Subsection (b) of this section.

(b) The persons serving as directors for Precincts 1 and 3
shall serve as directors until the first regular meeting of the
board of directors following the first regular directors' election.
The persons serving as directors for Precincts 2 and 4 and the
director serving at large shall serve until the first regular
meeting of the board of directors following the second regular directors' election.

SECTION 8. COMPOSITION OF BOARD OF DIRECTORS. (a) The board of directors of the district is composed of five members.

(b) One director shall be elected from the district at large and one director shall be elected from each county commissioner's precinct.

SECTION 9. QUALIFICATIONS OF BOARD MEMBERS. (a) To be qualified for election as a director, a person must be a resident of the district and must be at least 18 years of age.

(b) In addition to the requirements of Subsection (a) of this section, a person who is a director from a county commissioner's precinct must be a resident of that precinct.

SECTION 10. ELECTION OF DIRECTORS. Beginning in the year following the creation election, an election shall be held on the third Saturday in May of each year to elect the appropriate number of directors to the board.

SECTION 11. TERM OF OFFICE. Except for the initial directors of the district, directors shall serve for staggered four-year terms with two and three terms expiring every second year.

SECTION 12. BEGINNING OF DIRECTOR'S TERM. A director takes office at the first regular meeting of the board following election to the board.

SECTION 13. VACANCY ON BOARD. A vacancy on the board is filled by appointment of the remaining members of the board for the unexpired term.
SECTION 14. OATH. Each director shall take the constitutional oath of office required of state officers.

SECTION 15. COMPENSATION. Directors and officers serve without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. Those expenses must be reported in the district's minutes book or district records and must be approved by the board.

SECTION 16. ORGANIZATION OF BOARD. (a) After each directors' election, the board shall hold a regular meeting at the district office and shall organize by electing from the members of the board one person to serve as chairman, one person to serve as vice-chairman, and one person to serve as secretary.

(b) A person selected to serve as chairman, vice-chairman, or secretary serves in that capacity for a term of two years.

(c) The chairman shall preside over meetings of the board, and in his absence, the vice-chairman shall preside.

(d) The chairman, vice-chairman, and secretary shall perform the duties and may exercise the powers specifically given them by this Act or by orders of the board.

SECTION 17. QUORUM. A majority of the members of the board constitute a quorum for the transaction of business of the district, but official actions of the board are not valid without the affirmative vote of a majority of the members of the board.

SECTION 18. OTHER OFFICERS. (a) The board shall appoint persons to serve as treasurer and attorney for the district.

(b) The persons appointed under this section are entitled to the compensation provided by the district's budget.
(c) The person appointed as treasurer shall execute a bond in the amount determined by the board, payable to the district, conditioned on the faithful performance of the treasurer's duties. The district shall pay for the bond.

SECTION 19. GENERAL MANAGER. (a) The board may employ a general manager to be the chief administrative officer of the district and may delegate to him full authority to manage and operate the affairs of the district subject only to orders of the board.

(b) The general manager shall execute a bond in the amount determined by the board, payable to the district, and conditioned on the faithful performance of the general manager's duties. The district shall pay for the bond.

(c) The general manager is entitled to receive the compensation provided by the district's budget.

SECTION 20. ENGINEER. The board may appoint or contract with a competent professional engineer for the district and may determine the amount of compensation to be paid to the engineer.

SECTION 21. PERSONNEL. (a) The general manager or the board may employ other persons necessary for the proper handling of the business and operation of the district and may employ or contract with expert and specialized personnel who are necessary to carry out this Act.

(b) The board shall determine the terms of employment and the compensation to be paid to employees under this section.

(c) The general manager or a majority of the members of the board may dismiss an employee of the district.
(d) The board shall require each employee or person under contract to the district who collects, pays, or handles any funds of the district to furnish a bond, payable to the district, for an amount sufficient to protect the district from financial loss resulting from actions of the employee or other person. Each bond shall be conditioned on the faithful performance of the employee's or person's duties and on accounting for all money and property of the district in his hands. The district shall pay for each bond.

SECTION 22. OFFICE. The board shall maintain an office within the boundaries of the district for conducting the business of the district.

SECTION 23. MEETINGS OF BOARD. The board shall hold regular meetings at the district's office at least once each month on a date established by rule of the board.

SECTION 24. MINUTES AND RECORDS. (a) The board shall keep a complete written account of all its meetings and other proceedings and shall preserve its minutes, contracts, records, plans, notices, accounts, receipts, and records of all kinds in a secure manner at the district's office.

(b) Minutes, contracts, records, plans, notices, accounts, receipts, and other records are the property of the district and are subject to public inspection.

SECTION 25. CONTRACTS. The board may enter into contracts as provided by Chapter 51, Water Code, and those contracts shall be executed by the board in the name of the district.

SECTION 26. SUPERVISION OF DISTRICT. The district is subject to the continuing right of supervision by the State of
Texas to be exercised by the Texas Water Commission under this Act and the Water Code.

SECTION 27. SUITS; PAYMENT OF JUDGMENTS. (a) The district may, through its board, sue and be sued in any court of this state in the name of the district. Service of process in a suit may be had by serving the general manager.

(b) The courts of this state shall take judicial notice of the creation of the district.

(c) A court of this state that renders a money judgment against the district may require the board to pay the judgment from money in the district depository that is not dedicated to the payment of any indebtedness of the district.

SECTION 28. SEAL. The board shall adopt a seal for the district.

SECTION 29. PURPOSE OF DISTRICT. The district is created to provide for the conservation, preservation, protection, recharge, and prevention of waste and pollution of the underground and surface water of the district consistent with the objectives of Article XVI, Section 59, of the Texas Constitution, and Chapters 51 and 52, Water Code.

SECTION 30. RULES. (a) The board may adopt rules that are necessary to carry out the purpose and powers under this Act and may enforce those rules by injunction, mandatory injunction, or other appropriate remedy in a court of competent jurisdiction.

(b) In addition to the rules adopted under Subsection (a) of this section, the board may adopt and enforce rules as provided by Sections 51.127-51.132, Water Code.
SECTION 31. EXERCISE OF POWERS AND DUTIES UNDER WATER CODE.

Except to the extent of any conflict with this Act or as specifically limited by this Act, the district may exercise the powers granted and shall exercise the duties under Subchapters E, O, and P, Chapter 51, Water Code, and Subchapter D, Chapter 52, Water Code, to carry out the purpose of the district and this Act.

SECTION 32. LIMITATION ON PERMIT AUTHORITY. If the district regulates production of underground water by permit as authorized by Chapter 52, Water Code, the board may not deny a permit to drill a well to the owner of land, his heirs, assigns, and lessees on his land and the right to produce water from that well under rules adopted by the district.

SECTION 33. STUDIES AND SURVEYS. The board shall have professional engineers make studies and surveys of the underground and surface water supplies within the district and the facilities available for use in the conservation, preservation, protection, recharge, and prevention of waste and pollution of those water resources. The professional engineers also shall determine the quantities of both underground and surface water in the district.

SECTION 34. PLANS AND SPECIFICATIONS. The district shall develop and implement comprehensive plans for the conservation, preservation, protection, recharge, and prevention of waste and pollution of underground and surface water within the district. The plans shall include all works, facilities, and improvements necessary to implement the plans and the specifications for those works, facilities, and improvements.

SECTION 35. RESEARCH; INFORMATION. The district shall
engage in research projects and shall develop information to be
used by the district in preparing and implementing its plans and in
carrying out its powers and duties under this Act.

SECTION 36. CONTROL, STORAGE, AND PRESERVATION OF WATER FOR
CERTAIN PURPOSES. The district may control, store, and preserve
the storm and flood water in the district and the water of the
rivers and streams in the district for irrigation of arid land,
prevention of floods and flood damage in the district, and
domestic, agricultural, municipal, and industrial uses.

SECTION 37. RECLAMATION. The district may reclaim land
within the district and may construct necessary works, facilities,
and improvements to accomplish this purpose.

SECTION 38. SOIL CONSERVATION AND IMPROVEMENT; TERRACING.
The district may construct and maintain terraces and other
structures on land in the district and may engage in and promote
land treatment measures for soil conservation and improvement.

SECTION 39. ACQUISITION AND CONSTRUCTION OF WORKS,
FACILITIES, AND IMPROVEMENTS. (a) The district may construct or
acquire and improve and maintain works, facilities, and
improvements necessary to carry out the purpose, powers, and plans
of the district.

(b) The district shall construct and acquire works,
facilities, and improvements in the manner provided by Chapter 51,
Water Code, for water control and improvement districts.

SECTION 40. INPUT WELLS. The district may drill, equip,
operate, and maintain input wells, pumps, and other facilities to
carry out its purpose and powers under this Act.
SECTION 41. ACQUISITION OF PROPERTY. The district may acquire by gift, devise, lease, purchase, or condemnation any land or other property necessary to carry out this Act.

SECTION 42. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire by condemnation a fee simple or other interest in property located inside the district if the property interest is necessary to the exercise of the authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, but the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by a district, the district is not required to pay in advance or give bond or other security for costs in the trial court, to give bond for the issuance of a temporary restraining order or a temporary injunction, or to give bond for costs or supersedeas on an appeal or writ of error.

(d) In exercising the power of eminent domain, if the district requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or telegraph, telephone, electric transmission, or distribution lines, conduits, poles, or facilities, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities after deducting the net salvage value derived for the old facility.
SECTION 43. SALE AND DISPOSAL OF PROPERTY. Subject to this Act and Chapters 51 and 52, Water Code, the district may sell or otherwise dispose of land and other property of the district that is not necessary to carry out the purpose or powers of the district as determined by the board of directors.

SECTION 44. APPEARANCE BEFORE RAILROAD COMMISSION. The district through the members of its board or its general manager may appear before the Railroad Commission of Texas and present evidence and information relating to any pending permit application for an injection well to be located within the district.

SECTION 45. PROTECTION OF WATER RIGHTS. The ownership and rights of the owner of land, his lessees, and assigns, in underground and any surface water rights are recognized and this Act does not deprive or divest the owner, his lessees, and assigns of those ownership rights.

SECTION 46. GENERAL FISCAL DUTIES AND AUTHORITY. The district may exercise the powers and shall exercise the duties provided by Subchapter F, Chapter 52, Water Code.

SECTION 47. REPAYMENT OF ORGANIZATIONAL EXPENSES. (a) The district's directors may pay all costs and expenses necessarily incurred in the creation and organization of the district, legal fees, and other incidental expenses and may reimburse any person for money advanced for these purposes.

(b) Payments may be made from money obtained from maintenance taxes or other revenues of the district.

SECTION 48. BOND AND NOTE AND TAX AUTHORITY. The district may issue and sell bonds and notes and may levy and collect taxes.
as provided by Subchapters G and H, Chapter 52, Water Code.

SECTION 49. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.
LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES
STATE OF TEXAS

TO: The Honorable William P. Clements, Jr.
    Governor of Texas

SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to transmit to you and the Texas Water Commission copies of House Bill No. 2587, a bill relating to a conservation and reclamation district, and copies of the notice of intention to introduce the bill. One copy is for your files and one for you to forward to the Texas Water Commission, under Section 59(d), Article XVI, Constitution of the State of Texas.

APR 29 1987
Date transmitted to
Governor’s Office

Betty Munray, Chief Clerk
House of Representatives

TO: Texas Water Commission

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5/1/87
Date transmitted to
Texas Water Commission

William P. Clements, Jr.
Governor

TO: The Honorable Gibson D. “Gib” Lewis
    Speaker of the House

The Honorable William P. Hobby
    President of the Senate

The Honorable William P. Clements, Jr.
    Governor of Texas

SUBJECT: A Bill Relating to a Conservation and Reclamation District

Attached are the recommendations of the Texas Water Commission on House Bill No. 2587, in compliance with Section 59(d), Article XVI, Constitution of the State of Texas.

Larry R. Soward
Executive Director
PUBLISHER'S AFFIDAVIT

THE STATE OF TEXAS
COUNTY OF STERLING

On this 22th day of APRIL, 1987, personally appeared before me, the undersigned a Notary Public in and for said County and State, Jack Douthit, publisher of the STERLING CITY NEWS-RECORD, a newspaper published at Sterling City, County of Sterling, State of Texas, who by me duly sworn, on oath, states that the attached advertisement, a true copy of which is hereto annexed, was published in said newspaper in issues thereof on the following dates: MARCH 13, 1987 and MARCH 20, 1987 and the rate charged does not exceed the lowest rate charged by this publication for classified advertising nor rate charged commercial customers for similar advertising.

(Publisher)

Subscribed and sworn to before me, this the 22th day of APRIL, 1987.

(Patricia Blair)
Notary Public, Sterling County, Texas
A BILL TO BE ENTITLED
AN ACT
relating to the creation, administration, powers, eminent domain
powers, duties, operations, fiscal procedures, and taxing authority
of the Sterling County Underground Water Conservation District and
authorizing the issuance of bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. CREATION OF DISTRICT. On approval at the
election called and held under Section 6 of this Act, the Sterling
County Underground Water Conservation District is created pursuant
to Article XVI, Section 59, of the Texas Constitution.
SECTION 2. DEFINITION. In this Act, "district" means the
Sterling County Underground Water Conservation District.
SECTION 3. LEGISLATIVE FINDINGS. The legislature finds
that:
(1) the organization of the district is feasible and
practicable;
(2) the land to be included in and the residents of the
district will be benefited by the creation of the district;
(3) there is a public necessity for the district; and
(4) the creation of the district will further the public
welfare.
SECTION 4. BOUNDARIES. The district is composed of all the
territory located within Sterling County.
SECTION 5. TEMPORARY DIRECTORS. (a) On the effective date
of this Act, the following persons are designated as temporary
directors of the district:

(1) Precinct 1--Clyde R. Foster
(2) Precinct 2--Darwin B. Schrader
(3) Precinct 3--Frank S. Price
(4) Precinct 4--Ewing F. McEntire, Jr.
(5) At large--William C. Humble

(b) If a vacancy occurs in the office of temporary director,
the remaining temporary directors shall select a person with the
qualifications for that position as provided by Section 9 of this
Act to fill the vacancy.

(c) The temporary board shall select from their members
persons to serve as chairman, vice-chairman, and secretary.

SECTION 5. CREATION ELECTION. (a) Not later than the 30th
day after the effective date of this Act, the temporary directors
shall meet and shall call an election to be held not later than the
120th day after the effective date of this Act within the
boundaries of the proposed district to approve the creation of the
district.

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

(c) The temporary directors shall publish notice of the
election at least one time in a newspaper or newspapers that have
general circulation within the boundaries of the proposed district.
The notice must be published before the 30th day preceding the date
of the election.

(d) The ballot for the election must be printed to provide
for voting for or against the proposition: "The creation of the
Sterling County Underground Water Conservation District."

(e) If a majority of the votes cast at the election favor
the creation of the district, the temporary directors shall declare
the district created and shall enter the results in its minutes.
If a majority of the votes cast at the election are against the
creation of the district, the temporary directors shall declare the
district defeated and shall enter the results in its minutes. The
temporary directors shall file a copy of the election results with
the Texas Water Commission.

(f) If the creation of the district is defeated, further
elections may be called by the temporary directors to create the
district, but another election to confirm creation of the district
may not be called and held before the first anniversary of the most
recent creation election. If the district is not created within
five years after the effective date of this Act, this Act expires.

(g) Except as specifically provided by this section, a
creation election is governed by the Election Code.

SECTION 7. INITIAL DIRECTORS. (a) On approval of the
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shall serve as directors until the first regular meeting of the
board of directors following the first regular directors' election.
The persons serving as directors for Precincts 2 and 4 and the
director serving at large shall serve until the first regular
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and one director shall be elected from each county commissioner's
precinct.

SECTION 9. QUALIFICATIONS OF BOARD MEMBERS. (a) To be
qualified for election as a director, a person must be a resident
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(b) In addition to the requirements of Subsection (a) of
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following the creation election, an election shall be held on the
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H.B. No. 2587

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(b) In addition to the rules adopted under Subsection (a) of this section, the board may adopt and enforce rules as provided by Sections 51.127-51.132, Water Code.
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and improvements to accomplish this purpose.

SECTION 38. SOIL CONSERVATION AND IMPROVEMENT; TERRACING.
The district may construct and maintain terraces and other
structures on land in the district and may engage in and promote
land treatment measures for soil conservation and improvement.

SECTION 39. ACQUISITION AND CONSTRUCTION OF WORKS,
FACILITIES, AND IMPROVEMENTS. (a) The district may construct or
acquire and improve and maintain works, facilities, and
improvements necessary to carry out the purpose, powers, and plans
of the district.

(b) The district shall construct and acquire works,
facilities, and improvements in the manner provided by Chapter 51,
Water Code, for water control and improvement districts.

SECTION 40. INPUT WELLS. The district may drill, equip,
operate, and maintain input wells, pumps, and other facilities to
carry out its purpose and powers under this Act.
SECTION 41. ACQUISITION OF PROPERTY. The district may acquire by gift, devise, lease, purchase, or condemnation any land or other property necessary to carry out this Act.

SECTION 42. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire by condemnation a fee simple or other interest in property located inside the district if the property interest is necessary to the exercise of the authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, but the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by a district, the district is not required to pay in advance or give bond or other security for costs in the trial court, to give bond for the issuance of a temporary restraining order or a temporary injunction, or to give bond for costs or supersedeas on an appeal or writ of error.

(d) In exercising the power of eminent domain, if the district requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or telegraph, telephone, electric transmission, or distribution lines, conduits, poles, or facilities, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities after deducting the net salvage value derived for the old facility.
SECTION 43. SALE AND DISPOSAL OF PROPERTY. Subject to this
Act and Chapters 51 and 52, Water Code, the district may sell or
otherwise dispose of land and other property of the district that
is not necessary to carry out the purpose or powers of the district
as determined by the board of directors.

SECTION 44. APPEARANCE BEFORE RAILROAD COMMISSION. The
district through the members of its board or its general manager
may appear before the Railroad Commission of Texas and present
evidence and information relating to any pending permit application
for an injection well to be located within the district.

SECTION 45. PROTECTION OF WATER RIGHTS. The ownership and
rights of the owner of land, his lessees, and assigns, in
underground and any surface water rights are recognized and this
Act does not deprive or divest the owner, his lessees, and assigns
of those ownership rights.

SECTION 46. GENERAL FISCAL DUTIES AND AUTHORITY. The
district may exercise the powers and shall exercise the duties
provided by Subchapter F, Chapter 52, Water Code.

SECTION 47. REPAYMENT OF ORGANIZATIONAL EXPENSES. (a) The
district's directors may pay all costs and expenses necessarily
incurred in the creation and organization of the district, legal
fees, and other incidental expenses and may reimburse any person
for money advanced for these purposes.

(b) Payments may be made from money obtained from
maintenance taxes or other revenues of the district.

SECTION 48. BOND AND NOTE AND TAX AUTHORITY. The district
may issue and sell bonds and notes and may levy and collect taxes
as provided by Subchapters G and H, Chapter 52, Water Code.

SECTION 49. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.
COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

5-13-87
(date)

Sir:

We, your COMMITTEE ON NATURAL RESOURCES,

to whom was referred HB 2587 have had the same under consideration and beg to report
(measure)
back with the recommendation that it

(X) do pass, without amendment.
( ) do pass, with amendment(s).
( ) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (X) yes ( ) no

An actuarial analysis was requested. ( ) yes (X) no

An author's fiscal statement was requested. (X) yes ( ) no

The Committee recommends that this measure be placed on the (Local) Calendar.

This measure (X) proposes new law. ( ) amends existing law.

House Sponsor of Senate Measure

The measure was reported from Committee by the following vote:

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<th>AYE</th>
<th>NAY</th>
<th>PNV</th>
<th>ABSENT</th>
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<tr>
<td>Smith, T., Ch.</td>
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<td>Johnson, C., C.B.O.</td>
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<td>Hammond</td>
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Total 6 aye
0 nay
0 present, not voting
3 absent

CHAIRMAN

COMMITTEE COORDINATOR
HB 2587
By: Burnett

Committee on
Natural Resources

BILL ANALYSIS

Background

It is believed the people of Sterling County will benefit from the creation of an underground water district.

Purpose of the Bill

This bill would create the Sterling County Underground Water Conservation District.

Section by Section Analysis

SECTION 1. Creates the district under Article XVI, Section 59, Texas constitution subject to a confirmation election.

SECTION 2. Definitions.

SECTION 3. States legislative findings that the district is feasible, necessary and of public benefit.

SECTION 4. Provides that boundaries of district are coterminous with those of Sterling County.

SECTION 5. Names the temporary directors, provides for filling vacancies and election of officers.

SECTION 6. Provides for a confirmation election as governed by the Election Code, except that Section 41.001(a), Election Code does not apply to the district. Provides for time limits and notice requirements.

SECTION 7. Provides for the initial directors, following the successful confirmation election, with staggered terms.

SECTION 8. Provides for a five member elected board.

SECTION 9. Provides for qualifications of board members.

SECTION 10. Provides for the election of directors.

SECTION 11. Provides for four year terms of office for directors.

SECTION 12. Provides that a director takes office at the first regular meeting following election to the board.

SECTION 13. Provides for filling a vacancy on the board.

SECTION 14. Provides that each director take an oath of office.

SECTION 15. Provides that directors cannot be compensated but may be reimbursed for expenses.
SECTION 16. Provides for the organization of the board, including election of officers and their duties.

SECTION 17. Provides for a quorum of a majority of the board.

SECTION 18. Provides for the appointment of an attorney and treasurer for the district who may be compensated and must execute a performance bond.

SECTION 19. Provides for employment of a General Manager entitled to compensation and required to execute a performance bond.

SECTION 20. Provides that district may appoint or contract an engineer entitled to compensation.

SECTION 21. Provides for hiring and dismissal of necessary personnel.

SECTION 22. Provides for establishment of district office.

SECTION 23. Provides for meetings of the board.

SECTION 24. Provides for keeping of records subject to public inspection.

SECTION 25. Provides for contracting authority as provided in Chapter 54, Water Code.

SECTION 26. Provides that the district is subject to the continuing supervision of the Texas Water Commission.

SECTION 27. Provides for the right to sue and be sued, service of process, and payment of judgments.

SECTION 28. Provides for the adoption of a seal.

SECTION 29. Provides purposes of district.

SECTION 30. Provides that board may adopt and enforce necessary rules as provided in Sections 51.127-51.132, Water Code.


SECTION 32. Provides for limits to the permit authority of the district.

SECTION 33. Provides that the district shall conduct certain studies and surveys.

SECTION 34. Provides for development and implementation of a comprehensive plan.

SECTION 35. Provides for research projects to provide information for plans.

SECTION 36. Provides for the control of water for certain purposes.

SECTION 37. Provides for the reclamation of land.
SECTION 39. Provides for the acquisition and construction of certain facilities as provided for by Chapter 51, Water Code.

SECTION 40. Provides for drilling and operating input wells.

SECTION 41. Provides for the acquisition of property by all ordinary means and condemnation.

SECTION 42. Provides for the powers of eminent domain as provided for by Chapter 21, Property Code, with certain exceptions. Provides for advance payment of bond for certain judicial orders, and requires payment for moving certain facilities.

SECTION 43. Provides for the sale and disposal of property subject to Chapter 51 and 52, Water Code.

SECTION 44. Provides that the district may appear before to Texas Railroad Commission.

SECTION 45. Provides that this Act does not deprive any land owner of rights in surface or underground water.

SECTION 46. Provides for the fiscal powers and duties of Chapter 52, Water Code.

SECTION 47. Provides for reimbursement of organizational expenses.

SECTION 48. Provides for authority to issue bonds and levy taxes as provided in Chapter 52, Water Code.

SECTION 49. Emergency clause.

Rulemaking Authority

It is the opinion of this committee that this bill does not delegate rulemaking authority to any state agency, officer, department, or institution.

Summary of Committee Action

Public notice was posted in accordance to the rules and a public hearing was held on Wednesday, May 13, 1987. On Wednesday, May 13, 1987, the full committee voted to report HB 2587 to the House without amendments with a recommendation that it do pass and be placed on the Local Calendar by a record vote of 6 ayes, zero nays and zero present, not voting.

The following persons did not testify, but wished the record to reflect their support of HB 2587:

Drew T. Durham, County Attorney
Sterling County

Frank Price, Rancher

Darwin Schrader, District Conservationist

Cross Foster, Rancher
TO: Honorable Terral Smith, Chair  
Committee on Natural Resources  
House of Representatives  
Austin, Texas  

FROM: Jim Oliver, Director  

In Re: House Bill No. 2587  
By: Burnett  

In response to your request for a Fiscal Note on House Bill No. 2587 (relating to the creation, administration, powers, eminent domain powers, duties, operations, fiscal procedures, and taxing authority of the Sterling County Underground Water Conservation District and authorizing the issuance of bonds) this office has determined the following:

No fiscal implication to the State is anticipated.

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House as to its probable fiscal impact on units of local government.

Source: LBB Staff: JO, HES, JWH, GL, MC
APPROVED FLOOR AMENDMENT No. 1 by Hammond

Amend H.B. 2587 as follows:

On p. 9, line 5, delete "D" and substitute "E".

ADOPTED

MAY 22 1987

Bety Murray
Chief Clerk
House of Representatives
A BILL TO BE ENTITLED

AN ACT

relating to the creation, administration, powers, eminent domain
powers, duties, operations, fiscal procedures, and taxing authority
of the Sterling County Underground Water Conservation District and
authorizing the issuance of bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. CREATION OF DISTRICT. On approval at the
election called and held under Section 6 of this Act, the Sterling
County Underground Water Conservation District is created pursuant
to Article XVI, Section 59, of the Texas Constitution.

SECTION 2. DEFINITION. In this Act, "district" means the
Sterling County Underground Water Conservation District.

SECTION 3. LEGISLATIVE FINDINGS. The legislature finds
that:

(1) the organization of the district is feasible and
practicable;

(2) the land to be included in and the residents of the
district will be benefited by the creation of the district;

(3) there is a public necessity for the district; and

(4) the creation of the district will further the public
welfare.

SECTION 4. BOUNDARIES. The district is composed of all the
territory located within Sterling County.

SECTION 5. TEMPORARY DIRECTORS. (a) On the effective date
of this Act, the following persons are designated as temporary
directors of the district:
(1) Precinct 1--Clyde R. Foster
(2) Precinct 2--Darwin B. Schrader
(3) Precinct 3--Frank S. Price
(4) Precinct 4--Ewing F. McEntire, Jr.
(5) At large--William C. Humble
(b) If a vacancy occurs in the office of temporary director,
the remaining temporary directors shall select a person with the
qualifications for that position as provided by Section 9 of this
Act to fill the vacancy.
(c) The temporary board shall select from their members
persons to serve as chairman, vice-chairman, and secretary.
SECTION 6. CREATION ELECTION. (a) Not later than the 30th
day after the effective date of this Act, the temporary directors
shall meet and shall call an election to be held not later than the
120th day after the effective date of this Act within the
boundaries of the proposed district to approve the creation of the
district.
(b) Section 41.001(a), Election Code, does not apply to an
election under this section.
(c) The temporary directors shall publish notice of the
election at least one time in a newspaper or newspapers that have
general circulation within the boundaries of the proposed district.
The notice must be published before the 30th day preceding the date
of the election.
(d) The ballot for the election must be printed to provide
for voting for or against the proposition: "The creation of the Sterling County Underground Water Conservation District."

(e) If a majority of the votes cast at the election favor the creation of the district, the temporary directors shall declare the district created and shall enter the results in its minutes. If a majority of the votes cast at the election are against the creation of the district, the temporary directors shall declare the district defeated and shall enter the results in its minutes. The temporary directors shall file a copy of the election results with the Texas Water Commission.

(f) If the creation of the district is defeated, further elections may be called by the temporary directors to create the district, but another election to confirm creation of the district may not be called and held before the first anniversary of the most recent creation election. If the district is not created within five years after the effective date of this Act, this Act expires.

(g) Except as specifically provided by this section, a creation election is governed by the Election Code.

SECTION 7. INITIAL DIRECTORS. (a) On approval of the creation of the district under Section 6 of this Act, the temporary directors become the permanent directors of the district and shall serve for terms as provided by Subsection (b) of this section.

(b) The persons serving as directors for Precincts 1 and 3 shall serve as directors until the first regular meeting of the board of directors following the first regular directors' election. The persons serving as directors for Precincts 2 and 4 and the director serving at large shall serve until the first regular
meeting of the board of directors following the second regular directors' election.

SECTION 8. COMPOSITION OF BOARD OF DIRECTORS. (a) The board of directors of the district is composed of five members.

(b) One director shall be elected from the district at large and one director shall be elected from each county commissioner precinct.

SECTION 9. QUALIFICATIONS OF BOARD MEMBERS. (a) To be qualified for election as a director, a person must be a resident of the district and must be at least 18 years of age.

(b) In addition to the requirements of Subsection (a) of this section, a person who is a director from a county commissioner precinct must be a resident of that precinct.

SECTION 10. ELECTION OF DIRECTORS. Beginning in the year following the creation election, an election shall be held on the third Saturday in May every two years to elect the appropriate number of directors to the board.

SECTION 11. TERM OF OFFICE. Except for the initial directors of the district, directors shall serve for staggered four-year terms with two and three terms expiring every second year.

SECTION 12. BEGINNING OF DIRECTOR'S TERM. A director takes office at the first regular meeting of the board following election to the board.

SECTION 13. VACANCY ON BOARD. A vacancy on the board is filled by appointment of the remaining members of the board for the unexpired term.
SECTION 14. OATH. Each director shall take the constitutional oath of office required of state officers.

SECTION 15. COMPENSATION. Directors and officers serve without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. Those expenses must be reported in the district's minutes book or district records and must be approved by the board.

SECTION 16. ORGANIZATION OF BOARD. (a) After each directors' election, the board shall hold a regular meeting at the district office and shall organize by electing from the members of the board one person to serve as chairman, one person to serve as vice-chairman, and one person to serve as secretary.

(b) A person selected to serve as chairman, vice-chairman, or secretary serves in that capacity for a term of two years.

(c) The chairman shall preside over meetings of the board, and in his absence, the vice-chairman shall preside.

(d) The chairman, vice-chairman, and secretary shall perform the duties and may exercise the powers specifically given them by this Act or by orders of the board.

SECTION 17. QUORUM. A majority of the members of the board constitute a quorum for the transaction of business of the district, but official actions of the board are not valid without the affirmative vote of a majority of the members of the board.

SECTION 18. OTHER OFFICERS. (a) The board shall appoint persons to serve as treasurer and attorney for the district.

(b) The persons appointed under this section are entitled to the compensation provided by the district's budget.
H.B. No. 2587

(c) The person appointed as treasurer shall execute a bond in the amount determined by the board, payable to the district, conditioned on the faithful performance of the treasurer's duties. The district shall pay for the bond.

SECTION 19. GENERAL MANAGER. (a) The board may employ a general manager to be the chief administrative officer of the district and may delegate to him full authority to manage and operate the affairs of the district subject only to orders of the board.

(b) The general manager shall execute a bond in the amount determined by the board, payable to the district, and conditioned on the faithful performance of the general manager's duties. The district shall pay for the bond.

(c) The general manager is entitled to receive the compensation provided by the district's budget.

SECTION 20. ENGINEER. The board may appoint or contract with a competent professional engineer for the district and may determine the amount of compensation to be paid to the engineer.

SECTION 21. PERSONNEL. (a) The general manager or the board may employ other persons necessary for the proper handling of the business and operation of the district and may employ or contract with expert and specialized personnel who are necessary to carry out this Act.

(b) The board shall determine the terms of employment and the compensation to be paid to employees under this section.

(c) The general manager or a majority of the members of the board may dismiss an employee of the district.
(d) The board shall require each employee or person under contract to the district who collects, pays, or handles any funds of the district to furnish a bond, payable to the district, for an amount sufficient to protect the district from financial loss resulting from actions of the employee or other person. Each bond shall be conditioned on the faithful performance of the employee's or person's duties and on accounting for all money and property of the district in his hands. The district shall pay for each bond.

SECTION 22. OFFICE. The board shall maintain an office within the boundaries of the district for conducting the business of the district.

SECTION 23. MEETINGS OF BOARD. The board shall hold regular meetings at the district's office at least once each month on a date established by rule of the board.

SECTION 24. MINUTES AND RECORDS. (a) The board shall keep a complete written account of all its meetings and other proceedings and shall preserve its minutes, contracts, records, plans, notices, accounts, receipts, and records of all kinds in a secure manner at the district's office.

(b) Minutes, contracts, records, plans, notices, accounts, receipts, and other records are the property of the district and are subject to public inspection.

SECTION 25. CONTRACTS. The board may enter into contracts as provided by Chapter 51, Water Code, and those contracts shall be executed by the board in the name of the district.

SECTION 26. SUPERVISION OF DISTRICT. The district is subject to the continuing right of supervision by the State of
Texas to be exercised by the Texas Water Commission under this Act
and the Water Code.

SECTION 27. SUITS; PAYMENT OF JUDGMENTS. (a) The district
may, through its board, sue and be sued in any court of this state
in the name of the district. Service of process in a suit may be
had by serving the general manager.

(b) The courts of this state shall take judicial notice of
the creation of the district.

(c) A court of this state that renders a money judgment
against the district may require the board to pay the judgment from
money in the district depository that is not dedicated to the
payment of any indebtedness of the district.

SECTION 28. SEAL. The board shall adopt a seal for the
district.

SECTION 29. PURPOSE OF DISTRICT. The district is created to
provide for the conservation, preservation, protection, recharge,
and prevention of waste and pollution of the underground and
surface water of the district consistent with the objectives of
Article XVI, Section 59, of the Texas Constitution, and Chapters 51
and 52, Water Code.

SECTION 30. RULES. (a) The board may adopt rules that are
necessary to carry out the purpose and powers under this Act and
may enforce those rules by injunction, mandatory injunction, or
other appropriate remedy in a court of competent jurisdiction.

(b) In addition to the rules adopted under Subsection (a) of
this section, the board may adopt and enforce rules as provided by
SECTION 31. EXERCISE OF POWERS AND DUTIES UNDER WATER CODE.
Except to the extent of any conflict with this Act or as specifically limited by this Act, the district may exercise the powers granted and shall exercise the duties under Subchapters E, O, and P, Chapter 51, Water Code, and Subchapter E, Chapter 52, Water Code, to carry out the purpose of the district and this Act.

SECTION 32. LIMITATION ON PERMIT AUTHORITY. If the district regulates production of underground water by permit as authorized by Chapter 52, Water Code, the board may not deny a permit to drill a well to the owner of land, his heirs, assigns, and lessees on his land and the right to produce water from that well under rules adopted by the district.

SECTION 33. STUDIES AND SURVEYS. The board shall have professional engineers make studies and surveys of the underground and surface water supplies within the district and the facilities available for use in the conservation, preservation, protection, recharge, and prevention of waste and pollution of those water resources. The professional engineers also shall determine the quantities of both underground and surface water in the district.

SECTION 34. PLANS AND SPECIFICATIONS. The district shall develop and implement comprehensive plans for the conservation, preservation, protection, recharge, and prevention of waste and pollution of underground and surface water within the district. The plans shall include all works, facilities, and improvements necessary to implement the plans and the specifications for those works, facilities, and improvements.

SECTION 35. RESEARCH; INFORMATION. The district shall
engage in research projects and shall develop information to be used by the district in preparing and implementing its plans and in carrying out its powers and duties under this Act.

SECTION 36. CONTROL, STORAGE, AND PRESERVATION OF WATER FOR CERTAIN PURPOSES. The district may control, store, and preserve the storm and flood water in the district and the water of the rivers and streams in the district for irrigation of arid land, prevention of floods and flood damage in the district, and domestic, agricultural, municipal, and industrial uses.

SECTION 37. RECLAMATION. The district may reclaim land within the district and may construct necessary works, facilities, and improvements to accomplish this purpose.

SECTION 38. SOIL CONSERVATION AND IMPROVEMENT; TERRACING. The district may construct and maintain terraces and other structures on land in the district and may engage in and promote land treatment measures for soil conservation and improvement.

SECTION 39. ACQUISITION AND CONSTRUCTION OF WORKS, FACILITIES, AND IMPROVEMENTS. (a) The district may construct or acquire and improve and maintain works, facilities, and improvements necessary to carry out the purpose, powers, and plans of the district.

(b) The district shall construct and acquire works, facilities, and improvements in the manner provided by Chapter 51, Water Code, for water control and improvement districts.

SECTION 40. INPUT WELLS. The district may drill, equip, operate, and maintain input wells, pumps, and other facilities to carry out its purpose and powers under this Act.
SECTION 41. ACQUISITION OF PROPERTY. The district may acquire by gift, devise, lease, purchase, or condemnation any land or other property necessary to carry out this Act.

SECTION 42. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire by condemnation a fee simple or other interest in property located inside the district if the property interest is necessary to the exercise of the authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, but the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by a district, the district is not required to pay in advance or give bond or other security for costs in the trial court, to give bond for the issuance of a temporary restraining order or a temporary injunction, or to give bond for costs or supersedeas on an appeal or writ of error.

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

SECTION 43. SALE AND DISPOSAL OF PROPERTY. Subject to this Act and Chapters 51 and 52, Water Code, the district may sell or otherwise dispose of land and other property of the district that is not necessary to carry out the purpose or powers of the district as determined by the board of directors.

SECTION 44. APPEARANCE BEFORE RAILROAD COMMISSION. The district through the members of its board or its general manager may appear before the Railroad Commission of Texas and present evidence and information relating to any pending permit application for an injection well to be located within the district.

SECTION 45. PROTECTION OF WATER RIGHTS. The ownership and rights of the owner of land, his lessees, and assigns, in underground and any surface water rights are recognized and this Act does not deprive or divest the owner, his lessees, and assigns of those ownership rights.

SECTION 46. GENERAL FISCAL DUTIES AND AUTHORITY. The district may exercise the powers and shall exercise the duties provided by Subchapter F, Chapter 52, Water Code.

SECTION 47. REPAYMENT OF ORGANIZATIONAL EXPENSES. (a) The district's directors may pay all costs and expenses necessarily incurred in the creation and organization of the district, legal fees, and other incidental expenses and may reimburse any person for money advanced for these purposes.

(b) Payments may be made from money obtained from maintenance taxes or other revenues of the district.

SECTION 48. BOND AND NOTE AND TAX AUTHORITY. The district
may issue and sell bonds and notes and may levy and collect taxes
as provided by Subchapters G and H, Chapter 52, Water Code.

SECTION 49. EMERGENCY. The importance of this legislation
and the crowded condition of the calendars in both houses create an
emergency and an imperative public necessity that the
constitutional rule requiring bills to be read on three several
days in each house be suspended, and this rule is hereby suspended,
and that this Act take effect and be in force from and after its
passage, and it is so enacted.
A BILL TO BE ENTITLED

AN ACT

relating to the creation, administration, powers, eminent domain powers, duties, operations, fiscal procedures, and taxing authority of the Sterling County Underground Water Conservation District and
authorizing the issuance of bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. CREATION OF DISTRICT. On approval at the election called and held under Section 6 of this Act, the Sterling County Underground Water Conservation District is created pursuant to Article XVI, Section 59, of the Texas Constitution.

SECTION 2. DEFINITION. In this Act, "district" means the Sterling County Underground Water Conservation District.

SECTION 3. LEGISLATIVE FINDINGS. The legislature finds that:

(1) the organization of the district is feasible and practicable;
(2) the land to be included in and the residents of the district will be benefited by the creation of the district;
(3) there is a public necessity for the district; and
(4) the creation of the district will further the public welfare.

SECTION 4. BOUNDARIES. The district is composed of all the territory located within Sterling County.

SECTION 5. TEMPORARY DIRECTORS. (a) On the effective date
of this Act, the following persons are designated as temporary
directors of the district:

   (1) Precinct 1--Clyde R. Foster
   (2) Precinct 2--Darwin B. Schrader
   (3) Precinct 3--Frank S. Price
   (4) Precinct 4--Ewing F. McEntire, Jr.
   (5) At large--William C. Humble

(b) If a vacancy occurs in the office of temporary director, the
remaining temporary directors shall select a person with the
qualifications for that position as provided by Section 9 of this
Act to fill the vacancy.

(c) The temporary board shall select from their members
persons to serve as chairman, vice-chairman, and secretary.

SECTION 6. CREATION ELECTION. (a) Not later than the 30th
day after the effective date of this Act, the temporary directors
shall meet and shall call an election to be held not later than the
120th day after the effective date of this Act within the
boundaries of the proposed district to approve the creation of the
district.

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

(c) The temporary directors shall publish notice of the
election at least one time in a newspaper or newspapers that have
general circulation within the boundaries of the proposed district.
The notice must be published before the 30th day preceding the date
of the election.

(d) The ballot for the election must be printed to provide
for voting for or against the proposition: "The creation of the Sterling County Underground Water Conservation District."

(e) If a majority of the votes cast at the election favor the creation of the district, the temporary directors shall declare the district created and shall enter the results in its minutes. If a majority of the votes cast at the election are against the creation of the district, the temporary directors shall declare the district defeated and shall enter the results in its minutes. The temporary directors shall file a copy of the election results with the Texas Water Commission.

(f) If the creation of the district is defeated, further elections may be called by the temporary directors to create the district, but another election to confirm creation of the district may not be called and held before the first anniversary of the most recent creation election. If the district is not created within five years after the effective date of this Act, this Act expires.

(g) Except as specifically provided by this section, a creation election is governed by the Election Code.

SECTION 7. INITIAL DIRECTORS. (a) On approval of the creation of the district under Section 6 of this Act, the temporary directors become the permanent directors of the district and shall serve for terms as provided by Subsection (b) of this section.

(b) The persons serving as directors for Precincts 1 and 3 shall serve as directors until the first regular meeting of the board of directors following the first regular directors' election. The persons serving as directors for Precincts 2 and 4 and the director serving at large shall serve until the first regular
meeting of the board of directors following the second regular directors' election.

SECTION 8. COMPOSITION OF BOARD OF DIRECTORS. (a) The board of directors of the district is composed of five members.
(b) One director shall be elected from the district at large and one director shall be elected from each county commissioner precinct.

SECTION 9. QUALIFICATIONS OF BOARD MEMBERS. (a) To be qualified for election as a director, a person must be a resident of the district and must be at least 18 years of age.
(b) In addition to the requirements of Subsection (a) of this section, a person who is a director from a county commissioner precinct must be a resident of that precinct.

SECTION 10. ELECTION OF DIRECTORS. Beginning in the year following the creation election, an election shall be held on the third Saturday in May every two years to elect the appropriate number of directors to the board.

SECTION 11. TERM OF OFFICE. Except for the initial directors of the district, directors shall serve for staggered four-year terms with two and three terms expiring every second year.

SECTION 12. BEGINNING OF DIRECTOR'S TERM. A director takes office at the first regular meeting of the board following election to the board.

SECTION 13. VACANCY ON BOARD. A vacancy on the board is filled by appointment of the remaining members of the board for the unexpired term.
SECTION 14. OATH. Each director shall take the constitutional oath of office required of state officers.

SECTION 15. COMPENSATION. Directors and officers serve without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. Those expenses must be reported in the district's minutes book or district records and must be approved by the board.

SECTION 16. ORGANIZATION OF BOARD. (a) After each directors' election, the board shall hold a regular meeting at the district office and shall organize by electing from the members of the board one person to serve as chairman, one person to serve as vice-chairman, and one person to serve as secretary.

(b) A person selected to serve as chairman, vice-chairman, or secretary serves in that capacity for a term of two years.

(c) The chairman shall preside over meetings of the board, and in his absence, the vice-chairman shall preside.

(d) The chairman, vice-chairman, and secretary shall perform the duties and may exercise the powers specifically given them by this Act or by orders of the board.

SECTION 17. QUORUM. A majority of the members of the board constitute a quorum for the transaction of business of the district, but official actions of the board are not valid without the affirmative vote of a majority of the members of the board.

SECTION 18. OTHER OFFICERS. (a) The board shall appoint persons to serve as treasurer and attorney for the district.

(b) The persons appointed under this section are entitled to the compensation provided by the district's budget.
(c) The person appointed as treasurer shall execute a bond in the amount determined by the board, payable to the district, conditioned on the faithful performance of the treasurer's duties. The district shall pay for the bond.

SECTION 19. GENERAL MANAGER. (a) The board may employ a general manager to be the chief administrative officer of the district and may delegate to him full authority to manage and operate the affairs of the district subject only to orders of the board.

(b) The general manager shall execute a bond in the amount determined by the board, payable to the district, and conditioned on the faithful performance of the general manager's duties. The district shall pay for the bond.

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SECTION 20. ENGINEER. The board may appoint or contract with a competent professional engineer for the district and may determine the amount of compensation to be paid to the engineer.

SECTION 21. PERSONNEL. (a) The general manager or the board may employ other persons necessary for the proper handling of the business and operation of the district and may employ or contract with expert and specialized personnel who are necessary to carry out this Act.

(b) The board shall determine the terms of employment and the compensation to be paid to employees under this section.

(c) The general manager or a majority of the members of the board may dismiss an employee of the district.
(d) The board shall require each employee or person under contract to the district who collects, pays, or handles any funds of the district to furnish a bond, payable to the district, for an amount sufficient to protect the district from financial loss resulting from actions of the employee or other person. Each bond shall be conditioned on the faithful performance of the employee's or person's duties and on accounting for all money and property of the district in his hands. The district shall pay for each bond.

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Texas to be exercised by the Texas Water Commission under this Act and the Water Code.

SECTION 27. SUITS; PAYMENT OF JUDGMENTS. (a) The district may, through its board, sue and be sued in any court of this state in the name of the district. Service of process in a suit may be had by serving the general manager.

(b) The courts of this state shall take judicial notice of the creation of the district.

(c) A court of this state that renders a money judgment against the district may require the board to pay the judgment from money in the district depository that is not dedicated to the payment of any indebtedness of the district.

SECTION 28. SEAL. The board shall adopt a seal for the district.

SECTION 29. PURPOSE OF DISTRICT. The district is created to provide for the conservation, preservation, protection, recharge, and prevention of waste and pollution of the underground and surface water of the district consistent with the objectives of Article XVI, Section 59, of the Texas Constitution, and Chapters 51 and 52, Water Code.

SECTION 30. RULES. (a) The board may adopt rules that are necessary to carry out the purpose and powers under this Act and may enforce those rules by injunction, mandatory injunction, or other appropriate remedy in a court of competent jurisdiction.

(b) In addition to the rules adopted under Subsection (a) of this section, the board may adopt and enforce rules as provided by Sections 51.127-51.132, Water Code.
SECTION 31. EXERCISE OF POWERS AND DUTIES UNDER WATER CODE.

Except to the extent of any conflict with this Act or as specifically limited by this Act, the district may exercise the powers granted and shall exercise the duties under Subchapters E, O, and P, Chapter 51, Water Code, and Subchapter E, Chapter 52, Water Code, to carry out the purpose of the district and this Act.

SECTION 32. LIMITATION ON PERMIT AUTHORITY. If the district regulates production of underground water by permit as authorized by Chapter 52, Water Code, the board may not deny a permit to drill a well to the owner of land, his heirs, assigns, and lessees on his land and the right to produce water from that well under rules adopted by the district.

SECTION 33. STUDIES AND SURVEYS. The board shall have professional engineers make studies and surveys of the underground and surface water supplies within the district and the facilities available for use in the conservation, preservation, protection, recharge, and prevention of waste and pollution of those water resources. The professional engineers also shall determine the quantities of both underground and surface water in the district.

SECTION 34. PLANS AND SPECIFICATIONS. The district shall develop and implement comprehensive plans for the conservation, preservation, protection, recharge, and prevention of waste and pollution of underground and surface water within the district. The plans shall include all works, facilities, and improvements necessary to implement the plans and the specifications for those works, facilities, and improvements.

SECTION 35. RESEARCH; INFORMATION. The district shall
engage in research projects and shall develop information to be
used by the district in preparing and implementing its plans and in
carrying out its powers and duties under this Act.

SECTION 36. CONTROL, STORAGE, AND PRESERVATION OF WATER FOR
CERTAIN PURPOSES. The district may control, store, and preserve
the storm and flood water in the district and the water of the
rivers and streams in the district for irrigation of arid land,
prevention of floods and flood damage in the district, and
domestic, agricultural, municipal, and industrial uses.

SECTION 37. RECLAMATION. The district may reclaim land
within the district and may construct necessary works, facilities,
and improvements to accomplish this purpose.

SECTION 38. SOIL CONSERVATION AND IMPROVEMENT; TERRACING.
The district may construct and maintain terraces and other
structures on land in the district and may engage in and promote
land treatment measures for soil conservation and improvement.

SECTION 39. ACQUISITION AND CONSTRUCTION OF WORKS,
FACILITIES, AND IMPROVEMENTS. (a) The district may construct or
acquire and improve and maintain works, facilities, and
improvements necessary to carry out the purpose, powers, and plans
of the district.

(b) The district shall construct and acquire works,
facilities, and improvements in the manner provided by Chapter 51,
Water Code, for water control and improvement districts.

SECTION 40. INPUT WELLS. The district may drill, equip,
operate, and maintain input wells, pumps, and other facilities to
carry out its purpose and powers under this Act.
SECTION 41. ACQUISITION OF PROPERTY. The district may acquire by gift, devise, lease, purchase, or condemnation any land or other property necessary to carry out this Act.

SECTION 42. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire by condemnation a fee simple or other interest in property located inside the district if the property interest is necessary to the exercise of the authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, but the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by a district, the district is not required to pay in advance or give bond or other security for costs in the trial court, to give bond for the issuance of a temporary restraining order or a temporary injunction, or to give bond for costs or supersedeas on an appeal or writ of error.

(d) In exercising the power of eminent domain, if the district requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or telegraph, telephone, electric transmission, or distribution lines, conduits, poles, or facilities, the district must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities after deducting the net salvage value derived from the old
SECTION 43. SALE AND DISPOSAL OF PROPERTY. Subject to this
Act and Chapters 51 and 52, Water Code, the district may sell or
otherwise dispose of land and other property of the district that
is not necessary to carry out the purpose or powers of the district
as determined by the board of directors.

SECTION 44. APPEARANCE BEFORE RAILROAD COMMISSION. The
district through the members of its board or its general manager
may appear before the Railroad Commission of Texas and present
evidence and information relating to any pending permit application
for an injection well to be located within the district.

SECTION 45. PROTECTION OF WATER RIGHTS. The ownership and
rights of the owner of land, his lessees, and assigns, in
underground and any surface water rights are recognized and this
Act does not deprive or divest the owner, his lessees, and assigns
of those ownership rights.

SECTION 46. GENERAL FISCAL DUTIES AND AUTHORITY. The
district may exercise the powers and shall exercise the duties
provided by Subchapter F, Chapter 52, Water Code.

SECTION 47. REPAYMENT OF ORGANIZATIONAL EXPENSES. (a) The
district's directors may pay all costs and expenses necessarily
incurred in the creation and organization of the district, legal
fees, and other incidental expenses and may reimburse any person
for money advanced for these purposes.

(b) Payments may be made from money obtained from
maintenance taxes or other revenues of the district.

SECTION 48. BOND AND NOTE AND TAX AUTHORITY. The district
may issue and sell bonds and notes and may levy and collect taxes
as provided by Subchapters G and H, Chapter 52, Water Code.

SECTION 49. EMERGENCY. The importance of this legislation
and the crowded condition of the calendars in both houses create an
emergency and an imperative public necessity that the
constitutional rule requiring bills to be read on three several
days in each house be suspended, and this rule is hereby suspended,
and that this Act take effect and be in force from and after its
passage, and it is so enacted.
TO: Honorable Terral Smith, Chair
  Committee on Natural Resources
  House of Representatives
  Austin, Texas

FROM: Jim Oliver, Director

In Re: House Bill No. 2587
By: Burnett

April 30, 1987

In response to your request for a Fiscal Note on House Bill No. 2587 (relating to the creation, administration, powers, eminent domain powers, duties, operations, fiscal procedures, and taxing authority of the Sterling County Underground Water Conservation District and authorizing the issuance of bonds) this office has determined the following:

No fiscal implication to the State is anticipated.

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House as to its probable fiscal impact on units of local government.

Source: LBB Staff: JO, HES, JWH, GL, MC
Sir:

We, your Committee on Natural Resources to which was referred HB 2587 by Burrett have on 5/27, 1987, had the same under consideration and I am instructed to report it back with the recommendation(s) that it

(✓) do pass and be printed

(  ) do pass and be ordered not printed

(  ) and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. (✓) yes (  ) no

A revised fiscal note was requested. (  ) yes (  ) no

An actuarial analysis was requested. (  ) yes (  ) no

Considered by subcommittee. (  ) yes (  ) no

Senate Sponsor of House Measure ____________ Sims

The measure was reported from Committee by the following vote:

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TOTAL VOTES 9 0 0 2

COMMITTEE CLERK

Chairman

Paper clip the original and one copy of this form to the original bill and retain one copy for your file.
REQUEST FOR LOCAL & UNCONTESTED CALENDAR PLACEMENT

Hon. Roy Blake, Chairman
Administration Committee

Sir:

Notice is hereby given that [HB 2587], by [Bennett (Sim's)], was heard by the Committee on NAT. RES on 5/27/87, and reported out with the recommendation that it be placed on the Local and Uncontested Calendar.


Clerk of the reporting committee

IMPORTANT: A COPY OF THIS FORM MUST BE ATTACHED TO A PRINTED COPY OF THE BILL OR RESOLUTION, WHICH ALONG WITH 14 ADDITIONAL COPIES OF THE BILL OR RESOLUTION SHOULD BE DELIVERED TO THE OFFICE OF THE COMMITTEE ON ADMINISTRATION, ROOM 419. PLEASE CALL 3-0350 IF YOU HAVE ANY QUESTIONS. DEADLINE FOR SUBMITTING BILLS FOR THE LOCAL CALENDAR IS 4:00 P.M. THURSDAYS.

Paper clip the original to the bill; retain one copy for reporting committee files; deliver one copy to the bill sponsor.
AN ACT

relating to the creation, administration, powers, eminent domain
powers, duties, operations, fiscal procedures, and taxing authority
of the Sterling County Underground Water Conservation District and
authorizing the issuance of bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. CREATION OF DISTRICT. On approval at the
election called and held under Section 6 of this Act, the Sterling
County Underground Water Conservation District is created pursuant
to Article XVI, Section 59, of the Texas Constitution.

SECTION 2. DEFINITION. In this Act, "district" means the
Sterling County Underground Water Conservation District.

SECTION 3. LEGISLATIVE FINDINGS. The legislature finds
that:

(1) the organization of the district is feasible and
practicable;

(2) the land to be included in and the residents of the
district will be benefited by the creation of the district;

(3) there is a public necessity for the district; and

(4) the creation of the district will further the public
welfare.

SECTION 4. BOUNDARIES. The district is composed of all the
territory located within Sterling County.

SECTION 5. TEMPORARY DIRECTORS. (a) On the effective date

1
of this Act, the following persons are designated as temporary
directors of the district:

(1) Precinct 1--Clyde R. Foster
(2) Precinct 2--Darwin B. Schrader
(3) Precinct 3--Frank S. Price
(4) Precinct 4--Ewing F. McEntire, Jr.
(5) At large--William C. Humbie

(b) If a vacancy occurs in the office of temporary director,
the remaining temporary directors shall select a person with the
qualifications for that position as provided by Section 9 of this
Act to fill the vacancy.

(c) The temporary board shall select from their members
persons to serve as chairman, vice-chairman, and secretary.

SECTION 6. CREATION ELECTION. (a) Not later than the 30th
day after the effective date of this Act, the temporary directors
shall meet and shall call an election to be held not later than the
120th day after the effective date of this Act within the
boundaries of the proposed district to approve the creation of the
district.

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

(c) The temporary directors shall publish notice of the
election at least one time in a newspaper or newspapers that have
general circulation within the boundaries of the proposed district.
The notice must be published before the 30th day preceding the date
of the election.

(d) The ballot for the election must be printed to provide
for voting for or against the proposition: "The creation of the
Sterling County Underground Water Conservation District."

(e) If a majority of the votes cast at the election favor
the creation of the district, the temporary directors shall declare
the district created and shall enter the results in its minutes.
If a majority of the votes cast at the election are against the
creation of the district, the temporary directors shall declare the
district defeated and shall enter the results in its minutes. The
temporary directors shall file a copy of the election results with
the Texas Water Commission.

(f) If the creation of the district is defeated, further
elections may be called by the temporary directors to create the
district, but another election to confirm creation of the district
may not be called and held before the first anniversary of the most
recent creation election. If the district is not created within
five years after the effective date of this Act, this Act expires.

(g) Except as specifically provided by this section, a
creation election is governed by the Election Code.

SECTION 7. INITIAL DIRECTORS. (a) On approval of the
creation of the district under Section 6 of this Act, the temporary
directors become the permanent directors of the district and shall
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(b) The persons serving as directors for Precincts 1 and 3
shall serve as directors until the first regular meeting of the
board of directors following the first regular directors' election.
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director serving at large shall serve until the first regular
meeting of the board of directors following the second regular directors' election.

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(b) One director shall be elected from the district at large and one director shall be elected from each county commissioner precinct.

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H.B. No. 2587

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carrying out its powers and duties under this Act.

SECTION 36. CONTROL, STORAGE, AND PRESERVATION OF WATER FOR
CERTAIN PURPOSES. The district may control, store, and preserve
the storm and flood water in the district and the water of the
rivers and streams in the district for irrigation of arid land,
prevention of floods and flood damage in the district, and
domestic, agricultural, municipal, and industrial uses.

SECTION 37. RECLAMATION. The district may reclaim land
within the district and may construct necessary works, facilities,
and improvements to accomplish this purpose.

SECTION 38. SOIL CONSERVATION AND IMPROVEMENT; TERRACING.
The district may construct and maintain terraces and other
structures on land in the district and may engage in and promote
land treatment measures for soil conservation and improvement.

SECTION 39. ACQUISITION AND CONSTRUCTION OF WORKS,
FACILITIES, AND IMPROVEMENTS. (a) The district may construct or
acquire and improve and maintain works, facilities, and
improvements necessary to carry out the purpose, powers, and plans
of the district.

(b) The district shall construct and acquire works,
facilities, and improvements in the manner provided by Chapter 51,
Water Code, for water control and improvement districts.

SECTION 40. INPUT WELLS. The district may drill, equip,
operate, and maintain input wells, pumps, and other facilities to
carry out its purpose and powers under this Act.
SECTION 41. ACQUISITION OF PROPERTY. The district may acquire by gift, devise, lease, purchase, or condemnation any land or other property necessary to carry out this Act.

SECTION 42. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire by condemnation a fee simple or other interest in property located inside the district if the property interest is necessary to the exercise of the authority conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, but the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by a district, the district is not required to pay in advance or give bond or other security for costs in the trial court, to give bond for the issuance of a temporary restraining order or a temporary injunction, or to give bond for costs or supersedeas on an appeal or writ of error.

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

SECTION 43. SALE AND DISPOSAL OF PROPERTY. Subject to this
Act and Chapters 51 and 52, Water Code, the district may sell or
otherwise dispose of land and other property of the district that
is not necessary to carry out the purpose or powers of the district
as determined by the board of directors.

SECTION 44. APPEARANCE BEFORE RAILROAD COMMISSION. The
district through the members of its board or its general manager
may appear before the Railroad Commission of Texas and present
evidence and information relating to any pending permit application
for an injection well to be located within the district.

SECTION 45. PROTECTION OF WATER RIGHTS. The ownership and
rights of the owner of land, his lessees, and assigns, in
underground and any surface water rights are recognized and this
Act does not deprive or divest the owner, his lessees, and assigns
of those ownership rights.

SECTION 46. GENERAL FISCAL DUTIES AND AUTHORITY. The
district may exercise the powers and shall exercise the duties
provided by Subchapter F, Chapter 52, Water Code.

SECTION 47. REPAYMENT OF ORGANIZATIONAL EXPENSES. (a) The
district's directors may pay all costs and expenses unnecessarily
incurred in the creation and organization of the district, legal
fees, and other incidental expenses and may reimburse any person
for money advanced for these purposes.

(b) Payments may be made from money obtained from
maintenance taxes or other revenues of the district.

SECTION 48. BOND AND NOTE AND TAX AUTHORITY. The district
H.B. No. 2587

may issue and sell bonds and notes and may levy and collect taxes
as provided by Subchapters G and H, Chapter 52, Water Code.

SECTION 49. EMERGENCY. The importance of this legislation
and the crowded condition of the calendars in both houses create an
emergency and an imperative public necessity that the
constitutional rule requiring bills to be read on three several
days in each house be suspended, and this rule is hereby suspended,
and that this Act take effect and be in force from and after its
passage, and it is so enacted.
H.B. No. 2587

President of the Senate

Speaker of the House

I certify that H.B. No. 2587 was passed by the House on May 25, 1987, by a non-record vote; and, pursuant to the provisions of Article XVI, Section 59(d) of the Constitution of Texas, a copy of H.B. No. 2587 was transmitted to the Governor on April 29, 1987, and the recommendation of the Texas Water Commission was filed with the Speaker of the House on May 26, 1987.

Chief Clerk of the House

I certify that H.B. No. 2587 was passed by the Senate on May 29, 1987, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: ____________________________

Date

Governor
A BILL TO BE ENTITLED

AN ACT

relating to the creation, administration, powers, eminent domain powers, duties, operations, fiscal procedures, and taxing authority of the Sterling County Underground Water Conservation District and authorizing the issuance of bonds.

MAY 25 1987

9. Read third time (amended); finally passed (failed) by (Non-Record Vote) (Record Vote of ______ yea, ______ nays, ______ present, not voting).

10. Caption ordered amended to conform to body of bill.

11. Motion to reconsider and table the vote by which H. B. ______ was finally passed prevailed (failed) by a (Non-Record Vote) (Record Vote of ______ yea, ______ nays, and ______ present, not voting).

MAY 25 1987

12. Ordered Engrossed at 12:19 pm.

MAY 25 1987

13. Engrossed.

MAY 25 1987

14. Returned to Chief Clerk at 6:12 pm.

MAY 26 1987

15. Sent to Senate.

Chief Clerk of the House

MAY 26 1987

16. Received from the House

MAY 26 1987

17. Read, referred to Committee on NATURAL RESOURCES

MAY 26 1987

18. Reported favorably

19. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

20. Ordered not printed.

21. Regular order of business suspended by [a viva voce vote.]

(_______ yea, ______ nays)
22. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of ________ yea, ________ nays.

MAY 29 1987

23. Read second time ________ passed to third reading by:

[aio vote vote] yea, ________ nays.

MAY 29 1987

24. Caption ordered amended to conform to body of bill.

MAY 29 1987

25. Senate and Constitutional 3-Day Rules suspended by vote of ________ yea, ________ nays to place bill on third reading and final passage.

MAY 29 1987

26. Read third time and passed by

[aio vote vote] yea, ________ nays.

OTHER ACTION: OTHER ACTION:

Secretary of the Senate

MAY 29 1987

27. Returned to the House.

MAY 29 1987

28. Received from the Senate ________ (underscored)

MAY 29 1987

29. House (Concurred) (Refused to Concur) in Senate ________ (Amendments) by a (Non-Record Vote) (Record Vote of ________ yea, ________ nays, ________ present, not voting).

MAY 29 1987

30. Conference Committee Ordered.

MAY 29 1987

31. Conference Committee Report Adopted (Rejected) by a (Non-Record Vote) (Record Vote of ________ yea, ________ nays, and ________ present, not voting).

MAY 29 1987

32. Ordered Enrolled at 1:51 pm.
The Honorable Terral Smith  
Chairman, Natural Resources Committee  
House of Representatives  
Austin, Texas

RE: Author's Fiscal Statement, House Bill 2587—Relating to the creation, administration, powers, duties, operations, fiscal procedures, and taxing authority of the Sterling County Water Conservation District.

Mr. Chairman:

In response to your request for an Author's Fiscal Statement on House Bill 2587, I have determined the following:

1. COST TO STATE GOVERNMENT: Absolutely no fiscal implication is anticipated (per Legislative Budget Board).

2. COST TO STERLING COUNTY GOVERNMENT: Funded through tax revenues and permits issued from the Sterling County Water Conservation District:
   
   A. Cost of confirming election
   B. Per diem expenses of board
   C. Compensation for any professional assistance required (attorneys, engineers, studies, surveys, planning, etc.)
   D. Administrative expenses, if any (general manager, additional personnel, operating expenses, etc.)

3. FISCAL YEAR PROJECTIONS

   1987....Cost of confirming election $ 1500.
   ....Per Diem expenses of Board 4750.
   ....Compensation for any professional assistance required 13589.
   ....Administrative expenses 51267.
1988....Per Diem expenses of Board $ 4750.
    ....Compensation for any professional assistance required 2750.
    ....Administrative expenses 35025.
1989....Same as 1988 anticipated
1990....Same as 1988 anticipated
1991....Same as 1988 anticipated

Please let me know if I can provide further information to you.

Dick Burnett
Honorable William P. Clements, Jr.
Governor of Texas

Honorable William P. Hobby
President of the Senate

Honorable Gib Lewis
Speaker of the House of Representatives

Re: S.B. 1472 and H.B. 2587 - Proposed creation of a groundwater district: Sterling County Underground Water Conservation District in Sterling County, pursuant to Article XVI, §59, Texas Constitution

Responsibility of the Texas Water Commission to submit a recommendation on legislation pursuant to Article XVI, Section 59(d), Texas Constitution

Gentlemen:

S.B. 1472 and H.B. 2587 were received by the Commission from the Governor of Texas on May 14, 1987, and May 1, 1987, respectively. These bills would create a conservation and reclamation district to be named as referenced above over all of Sterling County. The district would have essentially the same purposes, powers, and functions as an underground water conservation district created pursuant to Chapter 52, exclusive of Subchapter C, Water Code together with certain powers of water control and improvement districts created under Chapter 51, Water Code. These bills incorporate Subchapters D, F, G, and H of Chapter 52, Water Code, but there appears to be a drafting error in that it appears that Subchapter E of Chapter 52 rather than Subchapter D should be incorporated. Subchapter E contains all of the basic regulatory functions of an underground water conservation district without which this legislation would be largely futile. Therefore, it is recommended that the bills be amended to incorporate Subchapter E rather than Subchapter D of Chapter 52, Water Code.

The bills incorporate Subchapters E, O, and P of Chapter 52 which relate to the addition and exclusion of land, dissolution of the district, and election procedures. Also the bills provide that the district shall construct and acquire works, facilities, and improvements in the manner provided by Chapter 51, Water Code, for water control and improvement districts. This appears to be
a broad authorization and would confer many of the essential functions of a water control and improvement district upon the proposed district.

Additionally, the district is specifically given the authority to engage in reclamation projects for the purpose of reclaiming land, authority to construct and maintain terraces and other structures on land including land treatment measures for soil conservation and improvement, and the authority to drill, equip, operate, and maintain input wells, pumps, and other facilities necessary to carry out its purposes under this legislation. The district would be authorized to appear before the Railroad Commission of Texas through its officials and present evidence and information relating to any pending permit application for an injection well to be located within the district.

The governing board of the district will be composed of five directors to be appointed initially in the bill and thereafter elected for staggered terms of four years. A confirmation election will be required for the creation of the district. The district will be subject to the continuing supervision of the Texas Water Commission. The issuance of bonds and notes by the district will be required to be approved by the Texas Water Commission in the manner provided for bonds of municipal utility districts (§54.516, Water Code).

Because the creation of this proposed district is essentially a matter of local interest subject to a confirmation election, and since benefits to the residents of the district and to the State of Texas may result from this creation, the Commission would support the enactment of S.B. 1472 and H.B. 2587.

Sincerely yours,

Larry R. Soward
Executive Director

cc: Ms. Betty Murray, Chief Clerk, House of Representatives
Ms. Betty King, Secretary of the Senate
Senator H. Tati Santiesteban, Chairman, Senate Natural Resources Committee
Senator Bill Sims
Representative Terral Smith, Chairman, House Natural Resources Committee
Representative Dick Burnett
President of the Senate

I certify that H.B. No. 2587 was passed by the House on May 25, 1987, by a non-record vote;

and, pursuant to the provisions of Article XVI, Section 59(d) of the Constitution of Texas, a copy of H.B. No. 2587 was transmitted to the Governor on April 29, 1987,

and the recommendation of the Texas Water Commission was filed with the Speaker of the House on May 16, 1987.

Chief Clerk of the House

**** Preparation: 'A;CT71;

I certify that H.B. No. 2587 was passed by the Senate on May 29, 1987, by the following vote:

Yeas 30, Nays 0

Secretary of the Senate

APPROVED:

Date

Governor

**** Preparation: 'A;CT34;