

HOUSE JOURNAL

EIGHTIETH LEGISLATURE, REGULAR SESSION

PROCEEDINGS

EIGHTY-FIRST DAY (CONTINUED) — WEDNESDAY, MAY 23, 2007

The house met at 9 a.m. and was called to order by the speaker pro tempore.

The roll of the house was called and a quorum was announced present (Record 1613).

Present — Mr. Speaker; Allen; Alonzo; Anchia; Anderson; Aycock; Bailey; Berman; Bohac; Bolton; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Callegari; Castro; Chavez; Chisum; Christian; Cohen; Coleman; Cook, B.; Cook, R.; Corte; Crabb; Creighton; Crownover; Darby; Davis, J.; Davis, Y.; Delisi; Deshotel; Driver; Dukes; Dunnam; Dutton; Eiland; Eissler; Elkins; England; Escobar; Farabee; Farias; Farrar; Flores; Flynn; Frost; Gallego; Garcia; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goolsby; Haggerty; Hamilton; Hancock; Hardcastle; Harless; Harper-Brown; Hartnett; Heflin; Hernandez; Herrero; Hilderbran; Hill; Hochberg; Hodge; Homer; Hopson; Howard, C.; Howard, D.; Hughes; Isett; Jackson; Jones; Keffer; King, P.; King, S.; King, T.; Kolkhorst; Krusee; Kuempel; Latham; Laubenberg; Leibowitz; Lucio; Macias; Madden; Mallory Caraway; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miles; Miller; Moreno; Morrison; Mowery; Murphy; Naishtat; Noriega; O'Day; Oliveira; Olivo; Orr; Ortiz; Otto; Parker; Patrick; Paxton; Peña; Phillips; Pickett; Pierson; Pitts; Puente; Quintanilla; Raymond; Riddle; Ritter; Rodriguez; Rose; Smith, T.; Smith, W.; Smithee; Solomons; Strama; Straus; Swinford; Talton; Taylor; Thompson; Truitt; Turner; Van Arsdale; Vaught; Veasey; Villarreal; Vo; West; Woolley; Zedler; Zerwas.

Absent — Guillen.

The invocation was offered by Reverend Joseph Phillip Stobaugh, associate pastor, Travis Park United Methodist Church, San Antonio, as follows:

Eternally gracious and loving God, we come before you this morning seeking your presence in this place and striving to do the work that you have called us to do. Lord, as this body struggles with issues that affect all of us, we ask that you send your spirit to be run amongst this house so that its inhabitants would be ever seeking to work for justice for all, toward dignity and respect for all of your creation, from the smallest insects to the beasts of the fields, from the shallowest ponds to the deepest seas, from the plains to the mountaintops, guide these servants in taking care of your creation.

Yahweh, bring the concerns of your littlest ones to this body. Bring the dreams and hopes and visions of all who reside in this great state to the attention of these women and men. Inspire the hearts of all who legislate in this place to realize that we indeed are responsible for one another, we are our brother's keeper.

Open our eyes to the greatness of this responsibility. As we search for security in this world, teach us the important truth that the fastest way to security is to have justice for all peoples. God, you called these, your children, to a great work. Grant them your wisdom as they deliberate so that your spirit of unconditional love and justice for all of your people might be made a greater reality, for it is we who are your hands and feet in this world. Be with these people today, God; give them an extra dose of your grace, your love, and your unrelenting passion for justice. Let all of God's children say, Amen.

The chair recognized Representative Villarreal who led the house in the pledges of allegiance to the United States and Texas flags.

RESOLUTIONS ADOPTED

Representative Deshotel moved to suspend all necessary rules in order to take up and consider at this time **HR 2043 - HR 2045, HR 2491 - HR 2495, HR 2522, HR 2531, HR 2533, and HR 2560.**

The motion prevailed.

The following resolutions were laid before the house:

HR 2043 (by Naishtat), Honoring Leslie Weston for her service as a legislative intern.

HR 2044 (by Naishtat), Honoring Alexander Melis for his service as a legislative intern.

HR 2045 (by Naishtat), Honoring Laurie Hernandez for her service as a legislative intern.

HR 2491 (by Riddle), Honoring Kelsey Brett, legislative intern for Representative Debbie Riddle.

HR 2492 (by Riddle), Honoring June Koo, legislative intern for Representative Debbie Riddle.

HR 2493 (by Riddle), Honoring Jeffrey Chiang, legislative intern for Representative Debbie Riddle.

HR 2494 (by Riddle), Honoring William Owen, legislative intern for Representative Debbie Riddle.

HR 2495 (by Riddle), Honoring Eric Marfin, legislative intern for Representative Debbie Riddle.

HR 2522 (by Dutton), Congratulating the Texas Attorney General's Office—Child Support Division on its receipt of the 2007 Outstanding Program Award from the National Child Support Enforcement Association.

HR 2531 (by Ortiz), Congratulating William G. Otton of Corpus Christi on his retirement as director of the Art Museum of South Texas.

HR 2533 (by Ortiz), Honoring the work of the Fighting to Rid Gangs in America Foundation.

HR 2560 (by C. Howard), Honoring A. J. Foyt on his 50 years of racing Indy cars.

The resolutions were adopted.

On motion of Representative C. Howard, the names of all the members of the house were added to **HR 2043 - HR 2045, HR 2491 - HR 2495, HR 2522, HR 2531, HR 2533, and HR 2560** as signers thereof.

CAPITOL PHYSICIAN

The speaker pro tempore recognized Representative C. Howard who presented Dr. Amina Patel of Sugar Land as the "Doctor for the Day."

The house welcomed Dr. Patel and thanked her for her participation in the Physician of the Day Program sponsored by the Texas Academy of Family Physicians.

LOCAL, CONSENT, AND RESOLUTIONS CALENDAR SECOND READING

The following bills were laid before the house, read second time, and passed to third reading, and the following resolutions were laid before the house on committee report and adopted (members registering votes are shown following the caption):

SB 27 (Delisi - House Sponsor), A bill to be entitled An Act relating to a pilot program to educate residents and families of residents of nursing homes and intermediate care facilities for the mentally retarded about advance care planning.

Amendment No. 1

Representative Isett offered the following amendment to **SB 27**:

Amend **SB 27** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS accordingly:

SECTION _____. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02443 to read as follows:

Sec. 531.02443. IMPLEMENTATION OF COMMUNITY LIVING OPTIONS INFORMATION PROCESS AT STATE INSTITUTIONS FOR CERTAIN ADULT RESIDENTS. (a) In this section:

(1) "Adult resident" means a person with mental retardation who:

(A) is at least 22 years of age; and

(B) resides in a state school.

(2) "Department" means the Department of Aging and Disability Services.

(3) "Legally authorized representative" has the meaning assigned by Section 241.151, Health and Safety Code.

(4) "Local mental retardation authority" has the meaning assigned by Section 531.002, Health and Safety Code.

(5) "State school" has the meaning assigned by Section 531.002, Health and Safety Code.

(b) This section applies only to the community living options information process for an adult resident.

(c) The department shall contract with local mental retardation authorities to implement the community living options information process required by Section 531.02442 for an adult resident.

(d) The contract with the local mental retardation authority must:

(1) delegate to the local mental retardation authority the department's duties under Section 531.02442 with regard to the implementation of the community living options information process at a state school;

(2) include performance measures designed to assist the department in evaluating the effectiveness of a local mental retardation authority in implementing the community living options information process; and

(3) ensure that the local mental retardation authority provides service coordination and relocation services to an adult resident who chooses, is eligible for, and is recommended by the interdisciplinary team for a community living option to facilitate a timely, appropriate, and successful transition from the state school to the community living option.

(e) The department, with the advice and assistance of the interagency task force on ensuring appropriate care settings for persons with disabilities and representatives of family members or legally authorized representatives of adult residents, persons with mental retardation, state schools, and local mental retardation authorities, shall:

(1) develop an effective community living options information process;

(2) create uniform procedures for the implementation of the community living options information process; and

(3) minimize any potential conflict of interest regarding the community living options information process between a state school and an adult resident, an adult resident's legally authorized representative, or a local mental retardation authority.

(f) A state school shall:

(1) allow a local mental retardation authority to participate in the interdisciplinary planning process involving the consideration of community living options for an adult resident;

(2) to the extent not otherwise prohibited by state or federal confidentiality laws, provide a local mental retardation authority with access to an adult resident and an adult resident's records to assist the authority in implementing the community living options information process; and

(3) provide the adult resident or the adult resident's legally authorized representative with accurate information regarding the risks of moving the adult resident to a community living option.

Amendment No. 1 was adopted.

SB 74 (Guillen and Gonzales - House Sponsors), A bill to be entitled An Act relating to the creation of an address confidentiality program to assist victims of family violence, sexual assault, or stalking in maintaining confidential addresses.

Amendment No. 1

On behalf of Representatives Raymond, Guillen, and Dutton, Representative Gonzales offered the following amendment to **SB 74**:

Amend **SB 74** by adding the following appropriately numbered SECTIONS to the bill and renumbering existing SECTIONS of the bill accordingly:

SECTION _____. Title 1, Code of Criminal Procedure, is amended by adding Chapter 57B to read as follows:

CHAPTER 57B. CONFIDENTIALITY OF IDENTIFYING INFORMATION
OF FAMILY VIOLENCE VICTIMS

Art. 57B.01. DEFINITIONS. In this chapter:

(1) "Name" means the legal name of a person.

(2) "Pseudonym" means a set of initials or a fictitious name chosen by a victim to designate the victim in all public files and records concerning the offense, including police summary reports, press releases, and records of judicial proceedings.

(3) "Public servant" has the meaning assigned by Subsection (a), Section 1.07, Penal Code.

(4) "Victim" means a person who is the subject of:

(A) an offense that allegedly constitutes family violence, as defined by Section 71.004, Family Code; or

(B) an offense that is part of the same criminal episode, as defined by Section 3.01, Penal Code, as an offense described by Paragraph (A).

Art. 57B.02. CONFIDENTIALITY OF FILES AND RECORDS. (a) The office of the attorney general shall develop and distribute to all law enforcement agencies of the state a pseudonym form to record the name, address, telephone number, and pseudonym of a victim.

(b) A victim may choose a pseudonym to be used instead of the victim's name to designate the victim in all public files and records concerning the offense, including police summary reports, press releases, and records of judicial proceedings. A victim who elects to use a pseudonym as provided by this article must complete a pseudonym form developed under this article and return the form to the law enforcement agency investigating the offense.

(c) A victim who completes and returns a pseudonym form to the law enforcement agency investigating the offense may not be required to disclose the victim's name, address, and telephone number in connection with the investigation or prosecution of the offense.

(d) A completed and returned pseudonym form is confidential and may not be disclosed to any person other than a defendant in the case or the defendant's attorney, except on an order of a court of competent jurisdiction. The court finding required by Subsection (g) is not required to disclose the confidential pseudonym form to the defendant in the case or to the defendant's attorney.

(e) If a victim completes and returns a pseudonym form to a law enforcement agency under this article, the law enforcement agency receiving the form shall:

(1) remove the victim's name and substitute the pseudonym for the name on all reports, files, and records in the agency's possession;

(2) notify the attorney for the state of the pseudonym and that the victim has elected to be designated by the pseudonym; and

(3) maintain the form in a manner that protects the confidentiality of the information contained on the form.

(f) An attorney for the state who receives notice that a victim has elected to be designated by a pseudonym shall ensure that the victim is designated by the pseudonym in all legal proceedings concerning the offense.

(g) A court of competent jurisdiction may order the disclosure of a victim's name, address, and telephone number only if the court finds that the information is essential in the trial of the defendant for the offense or the identity of the victim is in issue.

(h) Except as required or permitted by other law or by court order, a public servant or other person who has access to or obtains the name, address, telephone number, or other identifying information of a victim younger than 17 years of age may not release or disclose the identifying information to any person who is not assisting in the investigation, prosecution, or defense of the case. This subsection does not apply to the release or disclosure of a victim's identifying information by:

(1) the victim; or

(2) the victim's parent, conservator, or guardian, unless the victim's parent, conservator, or guardian allegedly committed the offense described by Article 57B.01(4).

Art. 57B.03. OFFENSE. (a) A public servant with access to the name, address, or telephone number of a victim 17 years of age or older who has chosen a pseudonym under this chapter commits an offense if the public servant knowingly discloses the name, address, or telephone number of the victim to any person who is not assisting in the investigation or prosecution of the offense or to any person other than the defendant, the defendant's attorney, or the person specified in the order of a court of competent jurisdiction.

(b) Unless the disclosure is required or permitted by other law, a public servant or other person commits an offense if the person:

(1) has access to or obtains the name, address, or telephone number of a victim younger than 17 years of age; and

(2) knowingly discloses the name, address, or telephone number of the victim to any person who is not assisting in the investigation or prosecution of the offense or to any person other than the defendant, the defendant's attorney, or a person specified in an order of a court of competent jurisdiction.

(c) It is an affirmative defense to prosecution under Subsection (b) that the actor is:

(1) the victim; or

(2) the victim's parent, conservator, or guardian, unless the victim's parent, conservator, or guardian allegedly committed the offense described by Article 57B.01(4).

(d) An offense under this article is a Class C misdemeanor.

Art. 57B.04. APPLICABILITY OF CHAPTER TO DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES. Nothing in this chapter requires the Department of Family and Protective Services to use a pseudonym in a department report, file, or record relating to the abuse, neglect, or exploitation of a child or adult who may also be the subject of an offense described by Article 57B.01(4). To the extent permitted by law, the Department of Family and Protective Services and a department employee, as necessary in performing department duties, may disclose the name of a victim who elects to use a pseudonym under this chapter.

Art. 57B.05. APPLICABILITY OF CHAPTER TO POLITICAL SUBDIVISIONS. Nothing in this chapter requires a political subdivision to use a pseudonym in a report, file, or record that is not:

(1) intended for distribution to the public; or

(2) the subject of an open records request under Chapter 552, Government Code.

SECTION ____. Not later than October 1, 2007, the office of the attorney general shall develop and distribute to all law enforcement agencies of the state a pseudonym form to record the name, address, telephone number, and pseudonym of a victim as required by Article 57B.02, Code of Criminal Procedure, as added by this Act.

Amendment No. 1 was adopted.

CSSB 131 (Naishtat - House Sponsor), A bill to be entitled An Act relating to the creation of nursing home family councils. (Harper-Brown recorded voting no.)

SB 141 (Morrison - House Sponsor), A bill to be entitled An Act relating to a feasibility study regarding joint health science courses at a public or private institution of higher education.

Amendment No. 1 (Committee Amendment No. 1)

On behalf of Representative Patrick, Representative Morrison offered the following committee amendment to **SB 141**:

Amend **SB 141** (senate engrossment) as follows:

(1) In SECTION 1 of the bill, in proposed Subsection (a), Section 61.0661, Education Code (page 1, line 13), strike "shall" and substitute "may".

(2) In SECTION 1 of the bill, in proposed Subsection (b), Section 61.0661, Education Code (page 1, lines 18 and 19), strike "Not later than September 30, 2008, the board shall complete the study required by Subsection (a)" and substitute "If the board conducts the study authorized by Subsection (a), not later than September 30, 2008, the board shall complete the study".

Amendment No. 1 was adopted.

SB 191 (Eiland - House Sponsor), A bill to be entitled An Act relating to the demolition of certain sports and community venues. (Harper-Brown recorded voting no.)

SB 231 was withdrawn.

SB 282 (Dutton - House Sponsor), A bill to be entitled An Act relating to notice regarding the availability of programs under which a student may earn college credit in public schools.

Amendment No. 1 (Committee Amendment No. 1)

On behalf of Representative Olivo, Representative Dutton offered the following committee amendment to **SB 282**:

Amend **SB 282** (Engrossed version) as follows:

(1) After SECTION 1 of the bill, adding Section 28.010, Education Code (page 1, between lines 18 and 19), insert the following SECTION, appropriately numbered:

SECTION _____. Section 33.007(b), Education Code, is amended to read as follows:

(b) During the first school year a student is enrolled in a high school or at the high school level in an open-enrollment charter school, and again during a student's senior year, a counselor shall provide information about higher education to the student and the student's parent or guardian. The information must include information regarding:

- (1) the importance of higher education;
- (2) the advantages of completing the recommended or advanced high school program adopted under Section 28.025(a);
- (3) the disadvantages of taking courses to prepare for a high school equivalency examination relative to the benefits of taking courses leading to a high school diploma;
- (4) financial aid eligibility;
- (5) instruction on how to apply for federal financial aid;
- (6) the center for financial aid information established under Section 61.0776;
- (7) the automatic admission of certain students to general academic teaching institutions as provided by Section 51.803; ~~and~~
- (8) the eligibility and academic performance requirements for the TEXAS Grant as provided by Subchapter M, Chapter 56; and
- (9) the availability of programs in the district under which a student may earn college credit, including advanced placement programs, dual credit programs, joint high school and college credit programs, and international baccalaureate programs ~~[, as added by Chapter 1590, Acts of the 76th Legislature, Regular Session, 1999].~~

(2) Renumber the SECTIONS of the bill accordingly.

Amendment No. 1 was adopted.

SB 415 (McReynolds - House Sponsor), A bill to be entitled An Act relating to a risk assessment program for Type 2 diabetes and the creation of the Type 2 Diabetes Risk Assessment Program Advisory Committee. (Harper-Brown recorded voting no.)

SB 552 (Truitt - House Sponsor), A bill to be entitled An Act relating to the accreditation of basic food safety education and training programs for food handlers.

SB 556 (McReynolds - House Sponsor), A bill to be entitled An Act relating to the creation of an interagency obesity council. (Harper-Brown recorded voting no.)

CSSB 560 (Hartnett - House Sponsor), A bill to be entitled An Act relating to reimbursement for jury service.

Amendment No. 1

Representatives Hartnett and Menendez offered the following amendment to **CSSB 560**:

Amend **CSSB 560** (house committee printing) as follows:

(1) In SECTION 5 of the bill, in Subdivision (4), Subsection (a), Section 61.003, Government Code (page 5, line 22), between "county" and the period, insert ", including a program established under Article 56.04(f), Code of Criminal Procedure, that offers psychological counseling to jurors in criminal cases involving graphic evidence or testimony".

(2) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS accordingly:

SECTION _____. Article 56.04, Code of Criminal Procedure, is amended by adding Subsection (f) to read as follows:

(f) The commissioners court may approve a program in which the crime victim liaison or victim assistance coordinator may offer not more than 10 hours of posttrial psychological counseling for a person who serves as a juror or an alternate juror in the trial of an offense under Section 19.02, 19.03, 21.11, 22.011, 22.021, 43.05, 43.25, or 43.251, Penal Code, involving graphic evidence or testimony and who requests the posttrial psychological counseling not later than the 180th day after the date on which the jury in the trial is dismissed. The crime victim liaison or victim assistance coordinator may provide the counseling using a provider that assists local criminal justice agencies in providing similar services to victims.

SECTION _____. The change in law made by this Act in adding Subsection (f), Article 56.04, Code of Criminal Procedure, applies only to the provision of counseling for a juror or an alternate juror in a criminal trial that begins on or after the effective date of this Act.

Amendment No. 1 was adopted.

SB 565 was withdrawn and, pursuant to Rule 6, Section 24 of the House Rules, was returned to the Committee on Calendars.

SB 606 (Gattis - House Sponsor), A bill to be entitled An Act relating to the disclosure of the name of a student or minor who is a victim of abuse or unlawful conduct by an educator.

SB 683 (Zerwas - House Sponsor), A bill to be entitled An Act relating to the creation and powers of the Fort Bend County Municipal Utility District No. 182, including powers related to the construction, maintenance, operation, and financing of roads or turnpikes; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

SB 684 (Zerwas - House Sponsor), A bill to be entitled An Act relating to the creation of the Waller County Municipal Utility District No. 1; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

CSSB 718 (Gattis - House Sponsor), A bill to be entitled An Act relating to the route selection for the Trans-Texas Corridor.

(Guillen now present)

SB 731 was deferred until the end of today's local, consent, and resolutions calendar.

SB 760 (Delisi - House Sponsor), A bill to be entitled An Act relating to participation and reimbursement of telemedicine medical service providers under the Medicaid program.

CSSB 776 (W. Smith - House Sponsor), A bill to be entitled An Act relating to certain educational requirements applicable to the regulation of the practice of chiropractic.

SB 791 (Eiland - House Sponsor), A bill to be entitled An Act relating to classifying oysters as an inherently unsafe product for personal consumption.

SB 827 (Patrick - House Sponsor), A bill to be entitled An Act relating to the public schools eligible to receive certain grants from the Department of Agriculture.

SB 839 (Madden - House Sponsor), A bill to be entitled An Act relating to the exchange of information among agencies related to the Texas Correctional Office on Offenders with Medical or Mental Impairments and the agencies responsible for continuity of care for offenders in the criminal justice system who are physically disabled, terminally ill, or significantly ill; providing a criminal penalty. (Harper-Brown recorded voting no.)

Amendment No. 1

Representative Madden offered the following amendment to **SB 839**:

Amend **SB 839** (house committee printing) as follows:

(1) In SECTION 5 of the bill, in amended Subsection (a)(1), Section 614.017, Health and Safety Code (page 5, line 8), between "continuity of care" and "~~[this chapter]~~", insert "and services".

(2) In SECTION 5 of the bill, in amended Subsection (a)(2), Section 614.017, Health and Safety Code (page 5, line 15), between "continuity of care" and "~~[this chapter]~~", insert "and services".

(3) In SECTION 5 of the bill, in proposed Subsection (e), Section 614.017, Health and Safety Code (page 7, line 12), strike "other than as authorized by this section or other law or without" and substitute:

for purposes other than continuity of care and services, except as authorized by other law or by

Amendment No. 1 was adopted.

SB 878 (Coleman - House Sponsor), A bill to be entitled An Act relating to residential property exemptions from taxes, assessments, and impact fees in the Greater East End Management District.

SB 964 (Hill - House Sponsor), A bill to be entitled An Act relating to the board of directors of a regional tollway authority. (The vote was reconsidered later today, and **SB 964**, as amended, was passed to third reading.)

SB 965 (Hill - House Sponsor), A bill to be entitled An Act relating to the powers and duties of a regional tollway authority related to turnpikes and other related projects. (The vote was reconsidered later today, and **SB 965**, as amended, was passed to third reading.)

SB 994 (Delisi - House Sponsor), A bill to be entitled An Act relating to prescriptions for certain controlled substances.

SB 1032 (Haggerty - House Sponsor), A bill to be entitled An Act relating to the issuance of Insure Texas Kids specialty license plates.

CSSB 1091 (McReynolds - House Sponsor), A bill to be entitled An Act relating to the creation of the Somerset Municipal Utility District No. 1; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

CSSB 1092 (McReynolds - House Sponsor), A bill to be entitled An Act relating to the creation of the Somerset Municipal Utility District No. 2; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

SB 1127 (R. Cook - House Sponsor), A bill to be entitled An Act relating to the penalty for certain violations of county traffic regulations.

SB 1161 (W. Smith - House Sponsor), A bill to be entitled An Act relating to the filing of a complaint or referral to juvenile court by a school district against a student for failing to attend school.

SB 1180 (Morrison - House Sponsor), A bill to be entitled An Act relating to the powers and duties of the DeWitt Medical District.

CSSB 1231 (Morrison - House Sponsor), A bill to be entitled An Act relating to refunding tuition and mandatory fees at institutions of higher education for dropped courses and student withdrawals.

Amendment No. 1

Representatives Morrison and F. Brown offered the following amendment to **CSSB 1231**:

Amend **CSSB 1231** by adding the following appropriately numbered new SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.907 to read as follows:

Sec. 51.907. LIMITATIONS ON NUMBER OF COURSES THAT MAY BE DROPPED UNDER CERTAIN CIRCUMSTANCES. (a) In this section, "governing board" and "institution of higher education" have the meanings assigned by Section 61.003.

(b) This section applies only to an undergraduate student who drops a course at an institution of higher education and only if:

(1) the student was able to drop the course without receiving a grade or incurring an academic penalty;

(2) the student's transcript indicates or will indicate that the student was enrolled in the course; and

(3) the student is not dropping the course in order to withdraw from the institution.

(c) Except as provided under rules adopted under Subsection (d), an institution of higher education may not permit a student to drop more than six courses, including any course a transfer student has dropped at another institution of higher education, under circumstances described by Subsection (b).

(d) The governing board of an institution of higher education may adopt a policy under which the maximum number of courses a student is permitted to drop under circumstances described by Subsection (b) is less than the maximum number of courses that a student may drop under Subsection (c).

(e) The Texas Higher Education Coordinating Board shall adopt rules under which an institution of higher education shall permit a student to drop more courses under circumstances described by Subsection (b) than the number of courses permitted to be dropped under Subsection (c) or under a policy adopted under Subsection (d) if the student shows good cause for dropping more than that number, including a showing of:

(1) a severe illness or other debilitating condition that affects the student's ability to satisfactorily complete a course;

(2) the student's responsibility for the care of a sick, injured, or needy person if the provision of care affects the student's ability to satisfactorily complete a course;

(3) the death of a person who:

(A) is considered to be a member of the student's family under a rule adopted under this subsection for purposes of this subdivision; or

(B) is otherwise considered to have a sufficiently close relationship to the student under a rule adopted under this subsection that the person's death is considered to be a showing of good cause; or

(4) the active duty service as a member of the Texas National Guard or the armed forces of the United States of:

(A) the student; or

(B) a person who is considered to be a member of the student's family under a rule adopted under this subsection for purposes of this subdivision.

(f) In determining the number of courses dropped by a student for purposes of this section, a course, such as a laboratory or discussion course, in which a student is enrolled concurrently with a lecture course is not considered to be a course separate from the lecture course if:

(1) concurrent enrollment in both courses is required; and

(2) in dropping the lecture course, the student would be required to drop the laboratory, discussion, or other course in which the student is concurrently enrolled.

SECTION _____. The Texas Higher Education Coordinating Board shall adopt the rules required by Section 51.907(e), Education Code, as added by this Act, relating to permitting a student who shows good cause to drop more than a specified number of courses, as soon as practicable after this Act takes effect. For that purpose, the coordinating board may adopt the initial rules in the manner provided by law for emergency rules.

SECTION _____. Section 51.907, Education Code, as added by this Act, applies only to the number of courses that may be dropped by a student who beginning with the 2007 fall semester enrolls in a public institution of higher education as a first-time freshman.

Amendment No. 1 was adopted.

CSSB 1232 (Morrison - House Sponsor), A bill to be entitled An Act relating to the manner of payment of higher education tuition and fees and to the repayment of emergency student loans.

Amendment No. 1

Representative Morrison offered the following amendment to **CSSB 1232**:

Amend **CSSB 1232** (house committee printing) in SECTION 2 of the bill, in amended Subsection (a)(2)(B), Section 56.053, Education Code (page 4, line 17), by striking "three" and substituting "1.25".

Amendment No. 1 was adopted.

CSSB 1233 (Morrison - House Sponsor), A bill to be entitled An Act relating to the general deposit paid by a student to a public institution of higher education.

SB 1271 (Giddings - House Sponsor), A bill to be entitled An Act relating to county authority to acquire a water or sewer utility system and provide water and sewer services within a municipality.

SB 1288 (Thompson - House Sponsor), A bill to be entitled An Act relating to requiring certain defendants in common nuisance suits to provide telephone access to and information regarding an information and referral hotline for victims of human trafficking.

CSSB 1383 (Smithee - House Sponsor), A bill to be entitled An Act relating to district hearings and citizen suits for illegally drilling or operating a water well. (The vote was reconsidered later today, Amendment No. 1 was withdrawn, and **CSSB 1383** was passed to third reading.)

Amendment No. 1

Representative Smithee offered the following amendment to **CSSB 1383**:

Amend **CSSB 1383** (House committee printing) in SECTION 1 of the bill as follows:

(1) Strike the recital to the section (page 1, lines 5 and 6) and substitute the following:

Section 36.119, Water Code, is amended by amending Subsections (a), (b), and (c) and adding Subsections (g), (h), (i), (j), and (k) to read as follows:

(2) Immediately following amended Subsection (c), Section 36.119, Water Code (page 2, between lines 8 and 9), insert the following:

(g) Before filing a suit under Subsection (b) or (c), an aggrieved party must file a written complaint with the district having jurisdiction over the well or wells drilled or operated without a required permit or in violation of a district rule. Except as provided by Subsection (h), the district shall investigate the complaint and, after notice and hearing, determine whether a district rule has been violated. Based on evidence presented at the hearing, the district shall make a determination under this subsection:

(1) not later than the 90th day after the date the written complaint was received by the district; or

(2) after providing written notice to the affected parties, not later than a date set by the district that is not later than the 160th day after the date the written complaint was received by the district.

(h) On or before the 10th day after the complaint is received by the district, the district may notify the affected parties that the district declines to conduct an investigation and make a determination under Subsection (g).

(i) The aggrieved party may file a suit under this section not before the earliest of:

(1) the date the district makes a determination under Subsection (g);

(2) the date the district provides notice that the district declines to conduct an investigation and make a determination under Subsection (g);

(3) the 91st day after the date the written complaint was received by the district; or

(4) the day after the date set by the district under Subsection (g)(2).

(j) Notwithstanding Subsection (g), an aggrieved party described by Subsection (b) may sue a well owner or well driller to restrain or enjoin the drilling or completion of an illegal well after filing the written complaint with the district under Subsection (g) and without the need to wait for a hearing on the matter.

(k) This section does not apply to a well that is not subject to a district rule adopted under Section 36.116.

Amendment No. 1 was adopted. (The vote was reconsidered later today, and Amendment No. 1 was withdrawn.)

SB 1404 (Van Arsdale - House Sponsor), A bill to be entitled An Act relating to criminal law hearing officers in certain counties.

SB 1414 (Gonzales - House Sponsor), A bill to be entitled An Act relating to the application of the professional prosecutors law to the district attorney for the 143rd Judicial District.

SB 1440 (Hughes - House Sponsor), A bill to be entitled An Act relating to certain duties of the Office of Rural Community Affairs relating to assisting volunteer fire departments and emergency services districts in rural areas.

SB 1456 (Castro - House Sponsor), A bill to be entitled An Act relating to information and training for public school educators in the prevention of child abuse.

SB 1517 (Hochberg - House Sponsor), A bill to be entitled An Act relating to an exemption for students enrolled in certain advanced courses from the requirement that a student be suspended from participation in extracurricular activities for receiving an unsatisfactory grade.

Amendment No. 1 (Committee Amendment No. 1)

Representative Hochberg offered the following committee amendment to **SB 1517**:

Amend **SB 1517** by striking the sentence beginning on page 2, line 13 and substituting the following:

"Subsections (c) and (d) do not apply to an advanced placement or international baccalaureate course, or to an honors or dual credit course in the subject areas of English language arts, mathematics, science, social studies, economics, or a language other than English."

Amendment No. 1 was adopted.

SB 1526 (Guillen - House Sponsor), A bill to be entitled An Act relating to regulation by the Brookshire-Katy Drainage District of the construction of drainage facilities or improvements.

SB 1531 (Morrison - House Sponsor), A bill to be entitled An Act relating to disposing of salvage or surplus personal property and purchasing by navigation districts.

Amendment No. 1

On behalf of Representative Bohac, Representative Morrison offered the following amendment to **SB 1531**:

Amend **SB 1531** (House Committee Printing) by adding the numbered section to add Sec. 60.004, Water Code to Read as follows:

Section _____. Subchapter A, Chapter 60, Water Code, is amended by adding Section 60.004 to read as follows:

Sec. 60.004. ACT OR PROCEEDING OF DISTRICT PRESUMED VALID. (a) An act or proceeding of a district, its governing body, or any local government corporation, development corporation, or nonprofit corporation of the district is conclusively presumed, as of the date it occurred, to be valid and to have occurred in accordance with all applicable statutes and ordinances if:

(1) the second anniversary of the effective date of the act or proceeding has expired; and

(2) a lawsuit to annul or invalidate the act or proceeding has not been filed on or before that second anniversary.

(b) This section does not apply to:

(1) an act or proceeding that was void at the time it occurred;

(2) an act or proceeding that, under a statute of this state or the United States, was misdemeanor or felony at the time the act or proceeding occurred; or

(3) a matter that on the second anniversary of the effective date of the act or proceeding:

(A) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or

(B) has been held invalid by a final court judgment.

Amendment No. 1 was adopted.

Amendment No. 2 (Committee Amendment No. 1)

On behalf of Representative Krusee, Representative Morrison offered the following committee amendment to **SB 1531**:

Amend **SB 1531** between the enacting clause and SECTION 1 of the bill (Senate Engrossment, page 1, between lines 4 and 5) by inserting the following appropriately numbered SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 60.077, Water Code, is amended to read as follows:

Sec. 60.077. **AUTHORITY OF PEACE OFFICERS.** (a) In prosecutions involving the enforcement of the provisions of this subchapter or the enforcement of any ordinance, rule, or regulation of the district, any sheriff, constable, or other duly constituted peace officer of the State of Texas or any peace officer employed or appointed by the commission may make arrests, serve criminal warrants, subpoenas, or writs, and perform any other service or duty which may be performed by any sheriff, constable, or other duly constituted peace officer of the State of Texas in enforcing other laws of this state.

(b) A peace officer employed or appointed by the commission has the same powers and duties as a peace officer described by Article 2.12, Code of Criminal Procedure.

Amendment No. 2 was adopted.

SB 1548 (Martinez - House Sponsor), A bill to be entitled An Act relating to certain open meetings requirements applicable to a regional mobility authority.

SB 1559 was withdrawn.

SB 1613 (Hilderbran - House Sponsor), A bill to be entitled An Act relating to the liability and indemnification of directors of soil and water conservation districts.

Amendment No. 1

On behalf of Representative Hilderbran, Representative F. Brown offered the following amendment to **SB 1613**:

Amend **SB 1613** (house committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Section 102.001, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 102.001. DEFINITIONS. In this chapter:

(1) "Employee" includes an officer, volunteer, or employee, a former officer, volunteer, or employee, and the estate of an officer, volunteer, or employee or former officer, volunteer, or employee of a local government. The term includes a member of a governing board. The term does not include a county extension agent.

(2) "Local government" means a county, city, town, special purpose district, including a soil and water conservation district, and any other political subdivision of the state.

SECTION 2. The amendment by this Act of Section 102.001, Civil Practice and Remedies Code, is intended to clarify rather than change the existing law.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

Amendment No. 1 was adopted.

SB 1713 (Patrick - House Sponsor), A bill to be entitled An Act relating to the authority of a parent to designate a child-care facility or grandparent's residence for purposes of transportation provided by a public school transportation system.

CSSB 1724 (Noriega - House Sponsor), A bill to be entitled An Act relating to abolishing the Texas Military Facilities Commission and transferring its functions to the adjutant general.

SB 1733 (Bailey - House Sponsor), A bill to be entitled An Act relating to certain required provisions in lease agreements used for developments that are supported with a low income housing tax credit allocation.

CSSB 1871 (Hochberg - House Sponsor), A bill to be entitled An Act relating to the compilation and reporting by the Texas Education Agency of certain student data disaggregated by the instruction method used.

SB 1942 (B. Brown - House Sponsor), A bill to be entitled An Act relating to the creation of the Gastonia-Scurry Special Utility District; providing authority to impose taxes and issue bonds; granting the power of eminent domain.

Amendment No. 1

Representative B. Brown offered the following amendment to **SB 1942**:

Amend **SB 1942** (house committee printing) in SECTION 2 of the bill, on page 12, between lines 1 and 2, by inserting the following:

Thence S 46° 33' 43" E 681.89 ft. for a point for corner;

Amendment No. 1 was adopted.

SB 1954 (Zerwas - House Sponsor), A bill to be entitled An Act relating to the creation of the Waller County Municipal Utility District No. 2; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

SB 1955 (Zerwas - House Sponsor), A bill to be entitled An Act relating to the creation of the Waller County Municipal Utility District No. 3; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

SB 1969 (Kolkhorst - House Sponsor), A bill to be entitled An Act relating to the creation of the Las Damas Management District; providing authority to levy an assessment, impose a tax, and issue bonds.

SB 1986 (Zerwas - House Sponsor), A bill to be entitled An Act relating to the powers and duties of the Cinco Southwest Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.

SB 1987 (Zerwas - House Sponsor), A bill to be entitled An Act relating to the powers and duties of the Cinco Southwest Municipal Utility District No. 2; providing authority to impose a tax and issue bonds.

SB 1988 (Zerwas - House Sponsor), A bill to be entitled An Act relating to the powers and duties of the Cinco Southwest Municipal Utility District No. 3; providing authority to impose a tax and issue bonds.

SB 2025 (Anderson - House Sponsor), A bill to be entitled An Act relating to the appointment of magistrates in McLennan County.

SB 2030 was withdrawn.

HR 1959 (by Bolton), Recognizing Lady Bird Johnson's efforts to beautify the nation's highways and encouraging further collaboration between the Texas Department of Transportation and the Lady Bird Johnson Wildflower Center at The University of Texas at Austin.

CSSB 29 (Truitt - House Sponsor), A bill to be entitled An Act relating to the creation of a minimum data set for the collection of information on health professionals by the statewide health coordinating council.

CSSB 36 (Eiland - House Sponsor), A bill to be entitled An Act relating to the examination of certain applicants for a license to practice medicine.

CSSB 155 (Madden - House Sponsor), A bill to be entitled An Act relating to the regulation of chemical dependency counselors.

SB 162 (Harper-Brown - House Sponsor), A bill to be entitled An Act relating to property tax abatement agreements entered into by the Dallas County Utility and Reclamation District pertaining to single-family residential property and to the validation of certain actions of the district.

SB 230 (Dutton - House Sponsor), A bill to be entitled An Act relating to the notification required when certain school students who engage in certain criminal conduct transfer to a new school.

SB 297 (Lucio - House Sponsor), A bill to be entitled An Act relating to the composition of the committee appointed to review the uniform general conditions of state building construction contracts.

SB 309 (Garcia - House Sponsor), A bill to be entitled An Act relating to the requirement that a career school or college adopt a refund policy for students called to active military service.

SB 333 (Driver - House Sponsor), A bill to be entitled An Act relating to driving a commercial motor vehicle in violation of an out-of-service order; providing a criminal penalty.

CSSB 363 (Noriega - House Sponsor), A bill to be entitled An Act relating to protecting certain members of the Texas National Guard from exposure to depleted uranium and assisting certain members who may have been exposed to obtain federal government services.

SB 401 (B. Brown - House Sponsor), A bill to be entitled An Act relating to the creation of the Moore Farm Water Control and Improvement District No. 1 of Kaufman County; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

CSSB 406 (Hartnett - House Sponsor), A bill to be entitled An Act relating to a motion for recusal or disqualification of a statutory probate court judge.

CSSB 410 (Parker - House Sponsor), A bill to be entitled An Act relating to the authority of certain municipal peace officers on a lake located partly in a municipality.

SB 469 (Patrick - House Sponsor), A bill to be entitled An Act relating to the creation by the Texas Higher Education Coordinating Board of a certificate of recognition for persons who contribute certain gifts or donations to public institutions of higher education.

SB 503 was withdrawn.

SB 585 (Leibowitz - House Sponsor), A bill to be entitled An Act relating to the authority of the Edwards Aquifer Authority to adopt rules relating to fire control.

SB 610 (Heflin - House Sponsor), A bill to be entitled An Act relating to the boundaries, powers, and governance of the Salt Fork Water Quality District.

SB 617 (Dutton - House Sponsor), A bill to be entitled An Act relating to the payment of the child support obligation of a deceased child support obligor.

Amendment No. 1

Representative Dutton offered the following amendment to **SB 617**:

Amend **SB 617** (house committee printing) as follows:

(1) In SECTION 1 of the bill, in amended Subdivision (3), Subsection (a), Section 154.006, Family Code (page 1, line 14), strike "or" and substitute "[~~or~~]".

(2) In SECTION 1 of the bill, in Subdivision (4), Subsection (a), Section 154.006, Family Code (page 1, line 19), between "154.002(a)" and the period, insert the following:

; or

(5) if the child enlists in the armed forces of the United States, the date on which the child begins active service as defined by 10 U.S.C. Section 101

Amendment No. 1 was adopted.

CSSB 649 (Morrison - House Sponsor), A bill to be entitled An Act relating to a study by the Texas Higher Education Coordinating Board concerning the effectiveness of joint partnerships between institutions of higher education.

SB 662 (Hilderbran - House Sponsor), A bill to be entitled An Act relating to transmittal to the Texas Water Development Board and a local groundwater conservation district of certain information by a person applying to subdivide a tract of land.

Amendment No. 1

Representative Hilderbran offered the following amendment to **SB 662**:

Amend **SB 662**:

On page 2, line 20, strike "September 1, 2008" and insert "January 1, 2009".

Amendment No. 1 was adopted.

SB 685 (Noriega and Escobar - House Sponsors), A bill to be entitled An Act relating to an exemption from tuition and mandatory fees for certain members of the Texas National Guard.

SB 704 (Lucio - House Sponsor), A bill to be entitled An Act relating to the small contractor participation assistance program for certain state construction projects.

SB 707 (Flores - House Sponsor), A bill to be entitled An Act relating to the powers and duties of the Rio Grande Regional Water Authority and the establishment of a member conference.

CSSB 714 (Puente - House Sponsor), A bill to be entitled An Act relating to reports regarding certain water wells required by a groundwater conservation district.

SB 737 was deferred until the end of today's local, consent, and resolutions calendar.

SB 747 (Bolton - House Sponsor), A bill to be entitled An Act relating to the authority of the Barton Springs-Edwards Aquifer Conservation District to charge certain fees and limit groundwater production during a drought.

CSSB 778 (Truitt - House Sponsor), A bill to be entitled An Act relating to the use of certain technology to conduct certain mental health proceedings.

CSSB 919 (Pierson - House Sponsor), A bill to be entitled An Act relating to the creation of the Viridian Municipal Management District; providing the authority to issue bonds and impose taxes.

SB 960 was deferred until the end of today's local, consent, and resolutions calendar.

SB 962 was deferred until the end of today's local, consent, and resolutions calendar.

SB 992 (D. Howard - House Sponsor), A bill to be entitled An Act relating to the use of money from the permanent fund for health-related programs to provide grants to nursing education programs.

SB 1007 (Giddings - House Sponsor), A bill to be entitled An Act relating to student representation on the Texas Higher Education Coordinating Board and certain coordinating board advisory committees.

SB 1046 (Morrison - House Sponsor), A bill to be entitled An Act relating to the provision of notice to institutions of higher education of meetings of the Texas Higher Education Coordinating Board and to certain telephone conference meetings of the board and other boards of institutions of higher education.

SB 1050 (Patrick - House Sponsor), A bill to be entitled An Act relating to the administration of the work-study student mentorship program by the Texas Higher Education Coordinating Board.

SB 1051 (Guillen - House Sponsor), A bill to be entitled An Act relating to course requirements for students enrolled in joint degree programs between certain general academic teaching institutions and foreign universities.

SB 1053 (Aycock - House Sponsor), A bill to be entitled An Act relating to assessing the quality and effectiveness of academic advising services offered by public institutions of higher education.

SB 1058 (Noriega, Merritt, Escobar, Raymond, and Hodge - House Sponsors), A bill to be entitled An Act relating to reintegration counseling services and related resources for military servicemembers.

Amendment No. 1

On behalf of Representative Escobar, Representative Noriega offered the following amendment to **SB 1058**:

Amend **SB 1058** (house committee printing) by adding the following appropriately numbered SECTION of the bill and renumbering subsequent SECTIONS of the bill as appropriate:

SECTION _____. Subchapter B, Chapter 431, Government Code, is amended by adding Section 431.0221 to read as follows:

Sec. 431.0221. TEXAS VETERANS POLICY ADVISORY COMMITTEE. (a) The Texas Veterans Policy Advisory Committee shall advise the adjutant general on quality of life issues for veterans from the state.

(b) The Texas Veterans Policy Advisory Committee consists of the following 10 members appointed by the governor:

- (1) one member who is a veteran who served during World War II;
- (2) one member who is a veteran who served during the Korean conflict;
- (3) one member who is a veteran who served during the Vietnam War;
- (4) one member who is a veteran who served during the Persian Gulf War or during operation Iraqi freedom;
- (5) one member who is a veteran who served during any other military conflict from 1980 through 2007; and
- (6) five members who are a military veteran, a person on active duty in the military, or a civilian.

Amendment No. 1 was adopted.

SB 1070 (Olivo - House Sponsor), A bill to be entitled An Act relating to the creation of Booth Ranch Municipal Utility District of Fort Bend County, Texas; providing authority to impose taxes and issue bonds; granting the power of eminent domain.

SB 1071 (Eiland - House Sponsor), A bill to be entitled An Act relating to the creation of Cade Ranch Water Control and Improvement District No. 1 of Galveston County; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

SB 1083 (Frost - House Sponsor), A bill to be entitled An Act relating to authorizing a judge or justice of the peace to request and obtain a copy of certain defendants' driving records from the Department of Public Safety of the State of Texas using TexasOnline.

SB 1128 (R. Cook - House Sponsor), A bill to be entitled An Act relating to the Texas Rural Foundation.

SB 1133 was withdrawn.

SB 1138 was deferred until the end of today's local, consent, and resolutions calendar.

SB 1146 was withdrawn.

CSSB 1185 (Bailey - House Sponsor), A bill to be entitled An Act relating to certain low-interest home loan programs offered by the state.

SB 1205 (B. Brown - House Sponsor), A bill to be entitled An Act relating to the powers and duties of the Kaufman County Municipal Utility District Nos. 2, 3, 4, 5, 6, and 7; providing authority to impose a tax and issue bonds.

CSSB 1207 (W. Smith - House Sponsor), A bill to be entitled An Act relating to the removal by the county commissioners court of appointed special district board members who engage in misconduct.

SB 1234 (Rose - House Sponsor), A bill to be entitled An Act relating to a master plan for higher education in this state.

Amendment No. 1 (Committee Amendment No. 1)

On behalf of Representative D. Howard, Representative Rose offered the following committee amendment to **SB 1234**:

Amend **SB 1234** (senate engrossment) as follows:

(1) In SECTION 1 of the bill, in added Subdivision (12), Subsection (a-1), Section 61.051, Education Code (page 3, line 22), strike "and".

(2) In SECTION 1 of the bill, in added Subdivision (13), Subsection (a-1), Section 61.051, Education Code (page 4, line 2), between "requirement" and the period, insert the following:

; and

(14) consideration of:

(A) the effectiveness of existing family asset-building programs related to higher education, including individual college savings plans, prepaid tuition plans, and universal children's savings accounts; and

(B) the degree to which such programs contribute to each of the following in relation to study at a public or private institution of higher education:

(i) increased student achievement;

(ii) readiness for higher education;

(iii) enrollment rates;

(iv) dropout prevention;

(v) overall student success and well-being; and

(vi) reliance on student loans

Amendment No. 1 was adopted.

SB 1237 (Menendez and Corte - House Sponsors), A bill to be entitled An Act relating to the powers and duties of defense base development authorities; modifying the power of eminent domain.

SB 1238 (Veasey - House Sponsor), A bill to be entitled An Act relating to local regulation of the distance requirements for the sale and consumption of alcoholic beverages near certain homeless shelters and substance abuse treatment centers.

CSSB 1245 (Macias - House Sponsor), A bill to be entitled An Act relating to the creation of Kendall County Water Control and Improvement District No. 2; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

SB 1254 (Taylor - House Sponsor), A bill to be entitled An Act relating to the Texas Health Insurance Risk Pool.

SB 1255 (Taylor - House Sponsor), A bill to be entitled An Act relating to the powers and duties of certain small and large employer health cooperatives.

SB 1274 (Hopson - House Sponsor), A bill to be entitled An Act relating to the compounding of a drug or device by a pharmacist.

SB 1310 (Rose - House Sponsor), A bill to be entitled An Act relating to the reimbursement of travel expenses for state employees.

SB 1380 (Naishtat - House Sponsor), A bill to be entitled An Act relating to fees charged for public health services by certain governmental entities.

SB 1391 (T. Smith - House Sponsor), A bill to be entitled An Act relating to requirements in certain health benefit plans that certain health care services be obtained in a foreign country.

Amendment No. 1

Representative T. Smith offered the following amendment to **SB 1391**:

Amend **SB 1391** (House Committee Printing) as follows:

(1) In SECTION 1 of the bill, in added Subdivision (1), Subsection (a), Section 1215.002, Insurance Code, following the underlined semicolon (page 2, line 15), insert "and".

(2) In SECTION 1 of the bill, in added Subdivision (2), Subsection (a), Section 1215.002, Insurance Code (page 2, line 21), strike ";and" and substitute an underlined period.

(3) In SECTION 1 of the bill, strike added Subdivision (3), Subsection (a), Section 1215.002, Insurance Code (page 2, lines 22-25).

Amendment No. 1 was adopted.

SB 1407 was withdrawn.

SB 1408 was withdrawn.

SB 1409 was withdrawn.

SB 1433 (Rose - House Sponsor), A bill to be entitled An Act relating to the Employers for Education Excellence Award.

SB 1446 (McCall - House Sponsor), A bill to be entitled An Act relating to the removal of indirect cost recovery fees from the list of items that must be accounted for as educational and general funds by institutions of higher education.

SB 1483 (Gonzales - House Sponsor), A bill to be entitled An Act relating to eviction suits in justice courts.

SB 1495 (Swinford - House Sponsor), A bill to be entitled An Act relating to student fees at component institutions of The Texas A&M University System.

SB 1498 was deferred until the end of today's local, consent, and resolutions calendar.

SB 1504 (Villarreal - House Sponsor), A bill to be entitled An Act relating to a school district policy for responding to a train derailment near a district school.

SB 1510 (Quintanilla - House Sponsor), A bill to be entitled An Act relating to the time for preparing an annual budget in certain counties.

SB 1524 (Hilderbran - House Sponsor), A bill to be entitled An Act relating to the protection and preservation of caves in the State of Texas; providing penalties.

CSSB 1535 (Hilderbran - House Sponsor), A bill to be entitled An Act relating to the issuance of bonds by a municipality for a defined area in an abolished municipal utility district; authorizing a tax.

CSSB 1566 (Jackson - House Sponsor), A bill to be entitled An Act relating to the creation of the Texas Bleeding Disorders Advisory Council.

SB 1601 (F. Brown - House Sponsor), A bill to be entitled An Act relating to the operation of the Joint Admission Medical Program and to admission to the program.

Amendment No. 1 (Committee Amendment No. 1)

On behalf of Representative D. Howard, Representative F. Brown offered the following committee amendment to **SB 1601**:

Amend **SB 1601** (senate engrossment) as follows:

(1) In SECTION 1 of the bill, in amended Subsection (b), Section 51.824, Education Code (page 3, lines 8-12), strike "the council shall select students for admission to the program to achieve the purpose of this subchapter, with no more than 30 percent of the program openings allocated to students from private or independent institutions of higher education." and substitute "as appropriate to achieve the purpose of this subchapter the council shall select for admission to the program eligible sophomore-level students who are enrolled in the participating institutions, with not more than 15 percent of the total program openings for any year to be allocated to eligible sophomore-level students who are enrolled at private or independent institutions of higher education."

(2) In SECTION 2 of the bill, in amended Subdivision (5), Subsection (a), Section 51.826, Education Code (page 4, line 6), strike "the date designated by the council" and substitute "a date, as designated by the council, that occurs".

(3) In SECTION 3 of the bill, in amended Subsection (b), Section 51.8265, Education Code (page 5, line 4), strike "(b) An identified student" and substitute "(b) If the student is enrolled at a general academic teaching institution or a private or independent institution of higher education, an ~~An~~ identified student".

Amendment No. 1 was adopted.

CSSB 1624 (Gonzales - House Sponsor), A bill to be entitled An Act relating to genetic testing in proceedings to declare heirship; providing a criminal penalty.

CSSB 1658 (Hopson - House Sponsor), A bill to be entitled An Act relating to the authority of a pharmacist to fill certain prescriptions in the event of a disaster.

SB 1668 (Hilderbran - House Sponsor), A bill to be entitled An Act relating to license, stamp, tag, and permit provisions administered by the Parks and Wildlife Department.

SB 1669 (Hilderbran - House Sponsor), A bill to be entitled An Act relating to revenue generated from and uses of public hunting lands and wildlife management areas.

SB 1714 (Smithee - House Sponsor), A bill to be entitled An Act relating to regulation of dairy products.

Amendment No. 1

Representative Smithee offered the following amendment to **SB 1714**:

Amend **SB 1714** by removing subsection (b) from Section 4 of the bill and removing reference to subsection (b) on pg 2, line 13 of the bill.

Amendment No. 1 was adopted.

CSSB 1729 (Solomons - House Sponsor), A bill to be entitled An Act relating to the regulation of elevators, escalators, and related equipment.

Amendment No. 1

Representative Solomons offered the following amendment to **CSSB 1729**:

Amend **CSSB 1729** in SECTION 2 of the bill, in proposed Section 754.014(l), Health and Safety Code (house committee report, page 2, lines 2 through 3), by striking "The commission may not adopt a version of ASME Code A17.3 revised after January 1, 2004.".

Amendment No. 1 was adopted.

SB 1743 (Frost, Corte, Escobar, Merritt, and Raymond - House Sponsors), A bill to be entitled An Act relating to the powers of the Red River Redevelopment Authority; providing authority to issue bonds.

SB 1762 (Guillen - House Sponsor), A bill to be entitled An Act relating to a study by the Texas Water Development Board regarding the impact of climate change on surface water supplies from the portion of the Rio Grande in Texas subject to the Rio Grande Compact.

SB 1777 was withdrawn.

SB 1778 was withdrawn.

SB 1792 was withdrawn.

SB 1829 (Eiland - House Sponsor), A bill to be entitled An Act relating to fees for certain commercial licenses issued by the Parks and Wildlife Department.

CSSB 1833 (Swinford - House Sponsor), A bill to be entitled An Act relating to the administration and powers of the Canadian River Municipal Water Authority.

SB 1877 (Keffer - House Sponsor), A bill to be entitled An Act relating to the determination of compensation under the Teacher Retirement System of Texas.

CSSB 1912 (Haggerty - House Sponsor), A bill to be entitled An Act relating to certification of educators from outside the state.

SB 1946 (Eissler - House Sponsor), A bill to be entitled An Act relating to the creation of the Hardin Store Road Municipal Utility District No. 1 of Montgomery County; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

SB 1972 (W. Smith - House Sponsor), A bill to be entitled An Act relating to the election by voters regarding the maximum tax rate of a hospital district.

Amendment No. 1

On behalf of Representative Swinford, Representative W. Smith offered the following amendment to **SB 1972**:

Amend **SB 1972** (House Committee Report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 5, Chapter 287, Acts of the 61st Legislature, Regular Session, 1969, is amended to read as follows:

Sec. 5. The board of directors shall manage, control, and administer the hospital system and all funds and resources of the district, but in no event shall any operating, depreciation, or building fund reserves be invested in any funds or securities authorized by law, including Chapter 2256, Government Code. The board is given full authority to establish rules and regulations relating to seniority of employees of the district, including a retirement plan based thereon, and may give effect to previous years of service for those employees who have been continuously employed in the operation or management of the hospital facilities acquired, including those acquired upon the creation thereof by reason of Section 2 of this Act, or constructed by the district. The district, through its board of directors, shall have the power and authority to sue and be sued, and shall be entitled to all causes of action and defenses enjoyed by similar authorities, to promulgate rules and regulations governing the operation of the hospital, hospital system, its staff, and its employees. The board of directors shall appoint a qualified person to be known as the administrator or manager of the hospital district and may in its discretion appoint an assistant to the administrator or manager. Such administrator or manager and assistant administrator or manager, if any, shall serve at the will of the board and shall receive such compensation as may be fixed by the board. The administrator or manager shall, upon assuming his duties, execute a bond payable to the hospital district in an amount to be set by the board of directors, in no event less than \$500,000 conditioned that he shall perform the duties required of him, and containing such other conditions as the board may require. The administrator or manager shall supervise all the work and activities of the district and shall have general direction of the affairs of the district, subject to the limitations as may be prescribed by the board. The board of directors shall have the authority to appoint to the staff such doctors as it may be deemed necessary for the efficient operation of the district, and may provide for temporary appointments to the staff if warranted by circumstances. The board may employ physicians or other health care providers as the board considers necessary for the efficient operation of the district. This section does not authorize the board to supervise or control the practice of medicine, as prohibited

by Subtitle B, Title 3, Occupations Code. The board may delegate to the administrator or manager the authority to employ technicians, nurses, and employees of the district other than physicians. Such board shall be authorized to contract with any other public or private entity, including a county, municipality, hospital district, or any other political subdivision, or a charitable organization, to provide health care or related services inside or outside of the district.

Amendment No. 1 was adopted.

SB 1974 (C. Howard - House Sponsor), A bill to be entitled An Act relating to the powers and duties of the Harris County Municipal Utility District No. 473; providing authority to impose a tax and issue bonds.

SB 1976 (Anderson - House Sponsor), A bill to be entitled An Act relating to the composition of the McLennan County Juvenile Board.

CSSB 1984 (Allen - House Sponsor), A bill to be entitled An Act relating to the creation of the Spectrum Management District; providing authority to levy an assessment, impose a tax, and issue bonds.

CSSB 1985 (Dunnam - House Sponsor), A bill to be entitled An Act relating to the creation of the McLennan County Groundwater Conservation District; providing authority to impose a tax and issue bonds.

SB 1989 (Zerwas - House Sponsor), A bill to be entitled An Act relating to the powers and duties of the Cinco Southwest Municipal Utility District No. 4; providing authority to impose a tax and issue bonds.

SB 1990 (Garcia - House Sponsor), A bill to be entitled An Act relating to the creation of the Calhoun County Municipal Utility District No. 1; granting the power of eminent domain.

SB 1991 (Zerwas - House Sponsor), A bill to be entitled An Act relating to the powers and duties of the Fort Bend County Municipal Utility District No. 58; providing authority to impose a tax and issue bonds.

SB 1997 (Eiland - House Sponsor), A bill to be entitled An Act relating to the creation of the Galveston County Municipal Utility District No. 65; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

SB 2000 (Bonnen - House Sponsor), A bill to be entitled An Act relating to a program to reduce the emissions of nitrogen oxides from certain stationary compressor engines.

Amendment No. 1

Representative Bonnen offered the following amendment to **SB 2000**:

Amend **SB 2000** as follows:

(1) In SECTION 1 of the bill, in the recital to that section, strike "Subsections (d) and (e)" and substitute "Subsection (d)".

(2) In SECTION 1 of the bill, in amended Section 382.051866, Health and Safety Code, strike Subsection (e).

(3) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS accordingly:

SECTION _____. Section 382.051866(e), Health and Safety Code, is repealed.

Amendment No. 1 was adopted.

SB 2002 (P. King - House Sponsor), A bill to be entitled An Act relating to the creation of the Rolling V Ranch Water Control and Improvement District No. 1 of Wise County; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

SB 2003 (Phillips - House Sponsor), A bill to be entitled An Act relating to the creation of the King's Crossing Municipal Utility District of Grayson County; providing authority to impose a tax and issue bonds; granting the power of eminent domain. (The vote was reconsidered later today, and **SB 2003**, as amended, was passed to third reading.)

Amendment No. 1

Representative Puente offered the following amendment to **SB 2003**:

Amend **SB 2003** (house committee printing) as follows:

(1) Between the enacting clause and SECTION 1 of the bill (page 1, between lines 5 and 6), insert the following:

ARTICLE 1. KING'S CROSSING MUNICIPAL UTILITY DISTRICT OF
GRAYSON COUNTY

(2) Redesignate SECTIONS 1-3 of the bill as SECTIONS 1.01-1.03.

(3) In SECTION 1 of the bill, in added Subsection (a), Section 8251.005, Special District Local Laws Code (page 2, line 10), strike "Section 2 of the Act" and substitute "Section 1.02 of the Act".

(4) In SECTION 1 of the bill, in added Subsection (b), Section 8251.005, Special District Local Laws Code (page 2, lines 11 and 12), strike "Section 2 of the Act" and substitute "Section 1.02 of the Act".

(5) In SECTION 3 of the bill (page 12, lines 10-27), strike "Act" each time the word appears and substitute "article".

(6) Strike SECTION 4 of the bill (page 13, lines 1-5), substitute the following appropriately numbered articles and sections, and renumber subsequent articles and sections accordingly:

ARTICLE _____. DOUBLE PLATINUM RANCH WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 1 OF GRAYSON COUNTY

SECTION _____.01. Subtitle I, Title 6, Special District Local Laws Code, is amended by adding Chapter 9206 to read as follows:

CHAPTER 9206. DOUBLE PLATINUM RANCH WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 1 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9206.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a member of the board.

(3) "District" means the Double Platinum Ranch Water Control and Improvement District No. 1 of Grayson County.

Sec. 9206.002. NATURE OF DISTRICT. The district is a water control and improvement district in Grayson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 9206.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 9206.064 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Grayson County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 9206.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section _____.02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section _____.02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or other indebtedness; or

(4) the legality or operation of the district or the board.

Sec. 9206.005. ANNEXATION BY CITY OF GUNTER. (a) Notwithstanding any other law, if all of the territory of the district is annexed by the City of Gunter into the corporate limits of that municipality before the date of the election held to confirm the creation of the district, the district may not be dissolved and shall continue until the district is dissolved under Section 43.074, Local Government Code.

(b) Any future annexation or inclusion of additional territory into a district governed by this chapter may not occur unless the City of Gunter is allowed to voluntarily annex the same territory into its corporate limits.

[Sections 9206.006-9206.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9206.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 9206.061 of this code and Section 49.102, Water Code, directors serve staggered four-year terms, with the terms of two or three directors expiring June 1 of each even-numbered year.

Sec. 9206.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

[Sections 9206.053-9206.060 reserved for expansion]

SUBCHAPTER B-1. TEMPORARY PROVISIONS

Sec. 9206.061. INITIAL DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as initial directors the five persons named in the petition.

(b) The commission shall appoint as initial directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If an initial director fails to qualify for office, the commission shall appoint a person to fill the vacancy.

(d) Initial directors serve until the earlier of:

(1) the date the first directors are elected at the confirmation election under Section 9206.064; or

(2) the date this subchapter expires under Section 9206.066.

Sec. 9206.062. ORGANIZATIONAL MEETING OF INITIAL DIRECTORS. As soon as practicable after all the initial directors have qualified under Section 49.055, Water Code, the initial directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the initial directors shall elect officers from among the initial directors and conduct any other district business.

Sec. 9206.063. CONSENT OF MUNICIPALITY REQUIRED. The initial directors may not hold an election under Section 9206.064 until all of the territory of the district is included in the corporate limits of the City of Gunter.

Sec. 9206.064. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. The initial directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

Sec. 9206.065. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 9206.064 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 9206.066. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 9206.067-9206.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9206.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

(b) Notwithstanding Subsection (a), the district may not act as a retail provider of water or wastewater services.

(c) The district shall make its water and wastewater facilities available to an entity holding the applicable certificate of convenience and necessity.

Sec. 9206.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(c) If a portion of the territory of the district is excluded from the corporate limits of the City of Gunter, the district shall:

(1) improve, maintain, repair, and operate the roads located in that portion of territory in accordance with the ordinances and rules of the political subdivision possessing jurisdiction over the roads in that portion of territory; and

(2) pay the entire cost of performing the district's duties under Subdivision (1).

Sec. 9206.103. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if:

(1) the district has no outstanding bonded debt;

(2) the district is not imposing ad valorem taxes; and

(3) each new district is within the corporate limits of the City of Gunter.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code. Sections 51.748 through 51.753, Water Code, do not apply to the district.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) At the time of creation, any new district created by the division of the district may not contain any land outside the area described by Section ____ .02 of the Act creating this chapter.

[Sections 9206.104-9206.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9206.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 9206.201.

[Sections 9206.152-9206.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 9206.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of a project under Section 9206.101 or 9206.102.

(b) The district may not issue bonds to finance projects authorized by Section 9206.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 9206.102 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION _____.02. The Double Platinum Ranch Water Control and Improvement District No. 1 of Grayson County includes all the territory contained in the following area:

TRACT ONE:

All that certain tract or parcel of land situated in the John Palms Survey, Abstract Number 926, County of Grayson, State of Texas, said tract being part of a called 197.3 acre tract as described in Deed to Dryden Dorchester Ltd., filed 27 December 2000, and Recorded in Volume 3014, Page 743 of the Deed Records of the County of Grayson, State of Texas, and being more fully described as follows:

BEGINNING for the northeast corner of the tract being herein at a Wood Fence corner Post, said post being the northeast corner of said Dryden tract, and the southeast corner of a tract as described in Deed to Gordon W. Doodier et ux, Delores Goodier, filed 14 January 1971, and Recorded in Volume 1179, Page 63 of said Deed Records, said post also being on a west line of a called 1022 acre tract as described in Tract 7 in Deed to Jeribeth Sharp, filed 30 June 1998, and Recorded in Volume 2668 Page 09 of said Deed Records;

THENCE South 00 degrees 20 minutes 01 seconds East, with the east line of said Dryden tract, and west line of said Sharp tract, a distance of 3318.06 feet to a set 1/2 inch Steel Square Tubing for the southeast corner of said Dryden tract, and an ell corner of said Sharp tract;

THENCE South 88 degrees 45 minutes 58 8 seconds West, with the south line at said Dryden tract, a distance of 2576.18 feet to a set 1/2 inch Steel Square Tubing for the southwest corner of said Dryden tract, and an ell corner of said Sharp tract,

Thence: North 00 degrees 23 minutes 33 seconds West, with the west line of said Dryden tract, a distance of 3325.00 feet to a found 1/2 inch Steel Rebar at the base of a wood fence corner post, being an ell corner of said Dryden tract and Sharp tract and the Palms Survey, and being the northeast corner of the John D. Nelson Survey, Abstract Number 902;

THENCE South 89 degrees 45 minutes 03 seconds West, with a wire fence line, and a south line of said Dryden tract, and a line of said Sharp tract, a distance of 790.04 feet to a Wood Fence post for the southwest corner of said Dryden tract, an ell corner of said Palms Survey, and the southeast corner of the Antonia Hernandez Survey, Abstract Number 489;

THENCE North, a distance of 26.12 feet to a set 1/2 inch Steel Square Tubing like the northwest corner of said Dryden tract, and the southwest corner of a tract described in Deed to Marjoriet Limited, filed 24 March 1999, and Recorded in Volume 2769 Page 624 of said Deed Records;

THENCE North 89 degrees 45 minutes 03 seconds East, with the north line of said Dryden tract, and the south line of said Marjoriet tract, a distance of 789.43 feet to a Wood Fence corner Post for a corner;

THENCE North 89 degrees 30 minuses 06 seconds East, with the north line of said Dryden tract, and passing the southeast corner of said Marjoret tract, and the southwest corner of said Goodier tract, and continuing on said course for a total distance of 2579.75 feet to the POINT OF BEGINNING and containing 197.783 acres of land.

TRACT TWO:

Being a 1,022.20 acre tract of land situated in the John Palms Survey, Abstract No. 926, and the John D. Nelson Survey, Abstract No. 902, and being that certain tract of land conveyed to as Tract I, to Marita Wiseman Sharp, Marita Wiseman Sharp Grantor Trust, and Billy Jack Sharp Grantor Trust, by deed recorded in Volume 2427, Page 448, and also conveyed as Tract 7, to Billy Jack Sharp Grantor Trust, by deed recorded in Volume 2668, Page 00009, all of the Deed Records of Grayson County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod set for corner, said point being the southeast corner of said Billy Jack Sharp Grantor Trust tract, and being at the centerline intersection more or less, of McDonald Road, and Kimberlin Road;

THENCE North 86°52'06" West, along the common line of said Billy Jack Sharp Grantor Trust tract, and the centerline more or less of said Kimberlin Road, and along the south line of said Palms Survey, passing the southwest corner of said Palms Survey, same being the southeast corner of said Nelson Survey, and continuing along the south line of said Nelson Survey, a distance of 6400.79 feet to a 1/2 inch iron rod set for corner, said point being in the centerline of Kimberlin Road more or less, said point being the southwest corner of said Billy Jack Sharp Grantor Trust tract, and being the southeast corner of a called 1073.77 acre tract of land conveyed to Davidson Land and Cattle Company, by deed recorded in Volume 2235, Page 583, of the Deed Records of Grayson County, Texas;

THENCE North 02°35'02" East, along the common line of said Billy Jack Sharp Grantor Trust tract, and said called 1073.77 acre tract, a distance of 3806.58 feet to a 1/2 inch iron rod found for corner;

THENCE North 85°53'34" West, continuing along the common line of said Billy Jack Sharp Grantor Trust tract, and said called 1073.77 acre tract, a distance of 150.50 feet to a 1/2 inch iron rod found for corner;

THENCE North 02°33'45" East, continuing along the common line of said Billy Sank Grantor Trust tract, and said called 1073.77 acre tract, a distance of 1112.85 feet to a 1/2 inch iron rod found for corner;

THENCE South 87°09'16" East, continuing along the common line of said Billy Jack Sharp Grantor Trust tract, and said called 1073.77 acre tract, a distance of 149.97 feet to a 1/2 inch iron rod found for corner;

THENCE North 02°38'21" East, continuing along the common line of said Billy Jack Sharp Grantor Trust tract, and said called 1073.77 acre tract, a distance of 2500.00 feet to a 1/2 inch iron rod found for corner, said point being in the north line of said Nelson Survey, and the south line of Antonio Hernandez Survey, Abstract No. 489, and being in the south line of a called 300 acre tract of land conveyed to Lucian Touchtone, et ux, by deed recorded in Volume 1013,

Page 677, of the Deed Records of Grayson County, Texas, and being the northeast corner of said called 1073.77 acre tract, and being the northwest corner of said Billy Jack Sharp Grantor Trust tract;

THENCE South $87^{\circ}07'47''$ East, along the common line of said Palms Survey, and the said Antonio Survey, and the common line of said Billy Jack Sharp Grantor Trust tract, and said called 300 acre tract, and passing the southeast corner of said called 300 acre tract, same being the southeast corner of said Antonio Survey, same being the southwest corner of said Palms Survey, and being the southwest corner of a called 108.84 acre tract of land conveyed to Lucian Touchtone, by deed recorded in Volume 1219, Page 360, of the Deed Records of Grayson County, Texas, and continuing a total distance of 2698.53 feet to a 1/2 inch iron rod found for corner, said point being the northeast corner of said Nelson Survey, and an ell corner of a called 197.3 acre tract of land conveyed to S.A. Schott by deed recorded in Volume 359, Page 369, of the Deed Records of Grayson County, Texas;

THENCE South $02^{\circ}52'48''$ West, along the common line of said Billy Jack Sharp Grantor Trust tract, and said called 197.3 acre tract, a distance of 3325.00 feet to a 1/2 inch iron rod set for corner, said point being the southwest corner of said called 197.3 acre tract;

THENCE South $87^{\circ}56'40''$ East, along the common line of said Billy Jack Sharp Grantor Trust tract, and said called 197.3 acre tract, a distance of 2577.31 feet to a 1/2 inch iron rod set for corner, said point being the southeast corner of said called 197.3 acre tract;

THENCE North $02^{\circ}54'54''$ East, along the common line of said Billy Jack Sharp Grantor Trust tract, and said called 197.3 acre tract, a distance of 3318.06 feet to a 1/2 inch iron rod set for corner, said point being the northwest corner of said called 197.3 acre tract, same being the southeast corner of a called 245.67 acre tract of land conveyed to Gordon W. Goodier, et ux, by deed recorded in Volume 1179, Page 63, of the Deed Records of Grayson County, Texas;

THENCE North $03^{\circ}09'39''$ East, along the common line of said Billy Jack Sharp Grantor Trust tract, and said called 245.67 acre tract, a distance of 4542.15 feet to a 1/2 inch iron rod found for corner, said point being the northwest corner of said Billy Jack Sharp Grantor Trust tract, same being the northeast corner of said called 245.67 acre tract, and being in the south right-of-way line of F.M. Highway 902;

THENCE South $86^{\circ}51'00''$ East, along the north line of said Billy Jack Sharp Grantor Trust tract, with the south right-of-way line of F.M. Highway 902, a distance of 1119.25 feet to a railroad spike found for corner, said point being in the centerline intersection more or less of the south right-of-way line of F.M. Highway 902, and McDonald Road, and being in the east line of said Palms Survey;

THENCE South $02^{\circ}47'31''$ West, with the east line of said Palms Survey, and the east line of said Billy Jack Sharp Grantor Trust tract, and along the centerline of McDonald Road more or less, a distance of 12,018.20 feet to the POINT OF BEGINNING and containing 44,527,033 square feet or 1,022.20 acres of computed land.

SECTION _____.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE _____. FOUR SEASONS RANCH MUNICIPAL UTILITY
DISTRICT NO. 1 OF DENTON COUNTY

SECTION _____.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8208 to read as follows:

CHAPTER 8208. FOUR SEASONS RANCH MUNICIPAL UTILITY
DISTRICT NO. 1 OF DENTON COUNTY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8208.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Four Seasons Ranch Municipal Utility District No. 1 of Denton County.

Sec. 8208.002. NATURE OF DISTRICT. The district is a municipal utility district in Denton County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8208.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8208.024 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:

(A) pay any debts incurred;

(B) transfer to Denton County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 8208.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section _____.02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section _____.02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

- (1) the organization, existence, or validity of the district;
- (2) the right of the district to impose taxes;
- (3) the validity of the district's bonds, notes, or other indebtedness; or
- (4) the legality or operation of the board.

[Sections 8208.005-8208.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8208.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office, the commission shall appoint a person to fill the vacancy.

(d) Temporary directors serve until the earlier of:

- (1) the date directors are elected under Section 8208.024; or
- (2) the date this subchapter expires under Section 8208.026.

Sec. 8208.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Sec. 8208.023. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8208.024 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located, if any, has adopted a resolution consenting to the creation of the district.

Sec. 8208.024. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

Sec. 8208.025. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8208.024 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8208.026. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 8208.027-8208.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8208.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Sec. 8208.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

[Sections 8208.053-8208.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8208.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8208.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.

(d) The district shall, at its sole cost and expense, maintain, improve, operate, and repair all roads constructed or acquired by the district unless the municipality or county in which a road is located voluntarily assumes the obligation. An assumption of an obligation under this subsection is not valid or binding unless the assumption is in writing, executed by the necessary parties, and filed in the land records of the county in which the road is located.

Sec. 8208.103. COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8208.104. ANNEXATION OF LAND IN GRAYSON COUNTY. The district may not annex land located in Grayson County without the prior consent of the Commissioners Court of Grayson County.

Sec. 8208.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) A new district, at the time it is created by the division of the district, may not contain land outside the area described by Section _____.02 of the Act creating this chapter.

[Sections 8208.106-8208.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8208.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8208.201.

[Sections 8208.152-8208.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8208.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Sections 8208.101 and 8208.102.

(b) The district may not issue bonds to finance projects authorized by Section 8208.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8208.102 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION _____.02. The Four Seasons Ranch Municipal Utility District No. 1 of Denton County initially includes all the territory contained in the following area:

All that certain tract or parcel of land situated in the Juana Curbello Survey, Abstract Number 213, and the A. H. Gee Survey, Abstract Number 1522, County of Denton, State of Texas, said tract being all of a Tract, as described in deed to Sadot Venture, LTD , filed 03 December 2003, and recorded in clerk number 2003-195563, and being all of a tract as described in deed to McKinney 17 Venture L.T.D., filed 28 May 2002, and recorded in volume 3257 page 22 of the Deed Records of the County of Grayson, State of Texas, and recorded in volume 5094 page 2020 of the Deed Records of the County of Denton, State of Texas, said tract being all of a Tract, as described in deed to Sadot Venture, LTD , filed 17 December 2003, and recorded in clerk number 2003-203006, and being all of a tract as described in deed to Netzer Environmental Consulting,, filed 28 May 2002, and recorded in volume 5094 page 2014 of the Deed Records of the County of Denton, State of Texas and being more fully described as follows:

Beginning for the southwest corner of the tract being described herein at a found 1½ inch rebar at the intersection of Garell Road and Fritcher Road, said rebar being the southwest corner of said Brock South tract;

Thence: North 00 degrees 32 minutes 08 seconds West, with the west line of said Brock South tract, and with the center of said Garell Road, a distance of 2487.12 feet to a found 1½ inch rebar for an angle point in the west line of said Brock South tract, same being an angle point in said road;

Thence: North 00 degrees 01 minutes 19 seconds West, with the west line of said Brock South tract, and with the center of said road, a distance of 1439.64 feet to a found 1½ inch rebar for the northwest corner of said Brock South tract, same being a turn in said road;

Thence: North 86 degrees 29 minutes 35 seconds East, with the north line of said Brock South tract, and with the center of said road, a distance of 256.11 feet to a found 1½ inch rebar for an ell corner of this tract, and said rebar being the southwest corner of said Street tract, same being a turn in said road, said rebar also being an angle point in the north line of said Brock South tract;

Thence: North 02 degrees 34 seconds 12 seconds East, with the west line of said Netzer tract, and with the center of said road, a distance of 2019.60 feet to a point for an ell corner of this tract;

Thence: North 89 degrees 56 minutes 50 seconds East, a distance of 27.25 feet to a found 1½ inch steel rebar for a corner of this tract;

Thence: North 02 degrees 25 seconds 53 seconds East, with the west line of said Venture tract, and with the east side of said road, a distance of 1028.83 feet to a point for an ell corner of this tract;

Thence: North 89 degrees 53 minutes 08 seconds East, a distance of 521.59 feet to a found 1½ inch rebar;

Thence: North 00 degrees 00 minutes 32 seconds East, with the west line of said venture tract, a distance of 4225.1 feet to a found 1½ inch steel square tubing for the northwest corner of said Venture tract;

Thence: North 89 degrees 31 minutes 51 seconds East, with the north line of said Venture tract, a distance of 866.39 feet to a set 1½ inch steel square tubing for an ell corner of this tract;

Thence: South 00 degrees 06 minutes 09 seconds East, a distance of 18.01 feet to a set 1½ inch steel square tubing for an ell corner of this tract;

Thence: North 89 degrees 45 minutes 28 seconds East, with the north line of said Brock North tract, and with the center of said road, a distance of 1130.35 feet for a corner of this tract;

Thence: South 00 degrees 07 minutes 51 seconds East, with the approximate location of the county line, a distance of 2818.67 feet for a corner of this tract;

Thence: North 89 degrees 45 minutes 28 seconds East, with the approximate location of the county line a distance of 2100.00 feet for a corner of this tract;

Thence: South 89 degrees 59 minutes 54 seconds East, a distance of 244.55 feet to a found 1½ inch steel square tubing, said tubing being in the intersection of Merilee Road and County Road Number 10;

Thence: South 00 degrees 17 minutes 37 seconds East, with the center of said road, a distance of 1409.82 feet to a found 1½ inch rebar;

Thence: South 00 degrees 18 minutes 38 seconds East, with the east line of said Street tract, and with the center of said road, and passing at 3031.32 feet the southeast corner of said Street tract, same being the northeast corner of said Brock South tract, and continuing on said course a total distance of 3071.37 feet to a found 1½ inch rebar for an angle point in said road;

Thence: South 00 degrees 23 minutes 56 seconds East, with the east line of said Brock South tract, and with the center of said road, a distance of 1104.84 feet to a found 1½ inch rebar for the most easterly southeast corner of said Brock South tract;

Thence: North 89 degrees 30 minutes 05 seconds West, a distance of 27.25 feet to a old wood fence corner post;

Thence: South 00 degrees 19 minutes 28 seconds East, with the east line of said road, a distance of 1292.99 feet to a pipe fence corner post for an ell corner of this tract;

Thence: North 89 degrees 31 minutes 21 seconds West, with the south line of said Venture tract, a distance of 3326.78 feet to a pipe fence corner post for an ell corner of said Venture South tract;

Thence: South 00 degrees 41 minutes 02 seconds East, a distance of 1534.63 feet to a found nail for the southeast corner of said Venture tract, said nail being in the center of Fritcher Road;

Thence: North 89 degrees 30 minutes 14 seconds West, with the south line of said Venture tract, and with the center of said road, a distance of 527.38 feet to a found 1/2 inch rebar for an ell corner of said Venture tract;

Thence: South 89 degrees 34 minutes 19 seconds West, with the south line of said Venture tract, and with the center of said road, a distance of 1437.85 feet to the POINT OF BEGINNING and containing 979.408 acres of land.

SECTION ____ .03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE ____ . GUNTER MUNICIPAL UTILITY DISTRICT NO. 1

SECTION ____ .01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8238 to read as follows:

CHAPTER 8238. GUNTER MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8238.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a member of the board.

(3) "District" means the Gunter Municipal Utility District No. 1.

Sec. 8238.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8238.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Sec. 8238.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district.

(b) The district is created to accomplish:

(1) the purposes of a municipal utility district as provided by general law; and

(2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or improvements in aid of those roads.

Sec. 8238.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section _____.02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section _____.02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Sec. 8238.006. ANNEXATION BY CITY OF GUNTER. Notwithstanding any other law, if all of the territory of the district is annexed by the City of Gunter into the corporate limits of that municipality before the date of the election under Section 8238.003, the district may not be dissolved and shall continue until the district is dissolved under Section 43.074, Local Government Code.

[Sections 8238.007-8238.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8238.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8238.053, directors serve staggered four-year terms.

Sec. 8238.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Sec. 8238.053. INITIAL DIRECTORS. (a) The initial board consists of:

(1) Erik Nelson;

(2) David Kelly;

(3) Jeff Sallas;

(4) Howell Kemp; and

(5) Jill Tate.

(b) Unless the initial board otherwise agrees, the initial directors shall draw lots to determine which two directors shall serve until the first regularly scheduled election of directors and which three directors shall serve until the second regularly scheduled election of directors.

Sec. 8238.054. CONSENT OF MUNICIPALITY REQUIRED. The initial directors may not hold an election under Section 8238.003 until:

(1) all of the territory of the district is included in the corporate limits of the City of Gunter; and

(2) the City of Gunter has adopted a resolution consenting to the creation of the district.

[Sections 8238.055-8238.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8238.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

(c) Notwithstanding Subsection (a), the district may not act as a retail provider of water or wastewater service.

(d) The district shall make the district's water and wastewater facilities available to an entity holding the applicable certificate of public convenience and necessity.

Sec. 8238.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or improvements in aid of those roads.

(b) A road project must meet all applicable standards, regulations, and ordinances of the municipality or county in whose jurisdiction the district is located.

(c) If a portion of the territory of the district is excluded from the corporate limits of the City of Gunter, the district shall:

(1) improve, maintain, repair, and operate the roads located in that portion of territory in accordance with the ordinances and rules of the political subdivision possessing jurisdiction over the roads in that portion of territory; and

(2) pay the entire cost of performing the district's duties under Subdivision (1).

Sec. 8238.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the municipality that consents to the creation of the district or to the inclusion of lands within the district.

[Sections 8238.104-8238.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8238.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Sec. 8238.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8238.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

[Sections 8238.153-8238.200 reserved for expansion]

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8238.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds to finance projects authorized by Section 8238.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8238.102 may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 8238.202. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

SECTION ____ .02. The Gunter Municipal Utility District No. 1 initially includes all the territory contained in the following area:

BEING a tract of land located in the JESSE BARKER SURVEY, ABSTRACT NO. 70, ROBERT MASON SURVEY, ABSTRACT NO. 784 and the THOMAS POLK SURVEY, ABSTRACT NO. 938, Grayson County, Texas and being part of a tract of land described as Tract 2 in Deed to Crooked Cross Partners, LTD., recorded in Volume 3491, Page 263, Deed Records, Grayson County, Texas and being more particularly described as follows:

BEGINNING at a 1/2 inch square pipe found at the most Northerly Northwest corner of said Tract 2 and the Northeast corner of a tract of land described in Deed to Marion Lewis Cole and Linda Rudolf Cole, recorded in Volume 2796, Page 848, Deed Records, Grayson County, Texas, said point being

the Southeast corner of a tract of land described in Deed to Martinek Grain and Bins, Inc, a Texas Corporation recorded in Volume 2352, Page 18, Deed Records Grayson County, Texas, and the Southwest corner of a tract of land described in Deed to Kenneth B. Jaresh and Gail A. Jaresh, recorded in Volume 2344, Page 66, Deed Records, Grayson County, Texas;

THENCE along the North line of said Tract 2 the following three (3) courses and distances:

South 88 degrees 57 minutes 20 seconds East, a distance of 941.12 feet to a 1/2 inch square pipe found at the Southeast corner of said Jaresh tract and the Southwest corner of a tract of land described in Deed to Beatrice Ann Jaresh, recorded in Volume 1251, Page 169, Deed Records, Grayson County, Texas;

South 88 degrees 45 minutes 17 seconds East, a distance of 739.56 feet to a 1/2 inch iron rod found at the Southeast corner of said Beatrice Ann Jaresh tract;

South 88 degrees 52 minutes 54 seconds East, a distance of 1,736.94 feet to a 1/2 inch iron rod with a red plastic cap stamped "3258" found at the Northeast corner of said Tract 2 and the Northwest corner of a tract of land described in Deed to Longhorn Trail Ranch II, LTD., recorded in Volume 3768, Page 454, Deed Records Grayson County, Texas;

THENCE South 00 degrees 43 minutes 35 seconds West, leaving said North line, a distance of 2,252.51 feet to a 1/2 inch iron rod found at the Southwest corner of said Longhorn tract;

THENCE South 42 degrees 04 minutes 28 seconds West, a distance of 3,007.40 feet to a 1/2 inch iron rod found at the Northeast corner of a tract of land described in Deed to D.B. Tate, Jr. and Betty Jane Tate, recorded in Volume 2460, Page 683, Deed records, Grayson County, Texas;

THENCE North 89 degrees 19 minutes 32 seconds West, a distance of 4,477.51 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set in the approximate center line of Old Scaggs School Road, at the most Northerly Southwest corner of said Tract 2 from which a 1/2 inch iron rod found bears South 49 degrees 24 minutes 30 seconds West, a distance of 9.55 feet;

THENCE along the approximate center line of said Old Scaggs School Road the following four (4) courses and distances:

North 00 degrees 07 minutes 27 seconds West, a distance of 1,448.47 feet to a 1/2 inch iron rod found at the most Southerly Northwest corner of said Tract 2;

South 89 degrees 02 minutes 31 seconds East, a distance of 3,081.02 feet to a 1/2 inch iron rod found at a Westerly Ell corner of said Tract 2 and the Southeast corner of a tract of land described in Deed to Platinum Ranch Venture, LTD., recorded in Volume 3072, Page 217, Deed Records, Grayson County, Texas;

North 00 degrees 20 minutes 32 seconds East, a distance of 1,561.57 feet to a 1/2 inch iron rod found at the Northeast corner of said Platinum Ranch Venture tract and the Southeast corner of a said Cole tract;

North 00 degrees 38 minutes 33 seconds East, a distance of 1,540.67 feet to the POINT OF BEGINNING and containing 404.154 acres of land, more or less.

SECTION _____.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE _____. GUNTER MUNICIPAL UTILITY DISTRICT NO. 2

SECTION _____.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8239 to read as follows:

CHAPTER 8239. GUNTER MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8239.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a member of the board.

(3) "District" means the Gunter Municipal Utility District No. 2.

Sec. 8239.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8239.003. CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district as provided by Section 49.102, Water Code.

Sec. 8239.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district.

(b) The district is created to accomplish:

(1) the purposes of a municipal utility district as provided by general law; and

(2) to the extent authorized by Section 52, Article III, Texas Constitution, the construction, acquisition, improvement, maintenance, or operation of macadamized, graveled, or paved roads or improvements in aid of those roads.

Sec. 8239.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section _____.02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section _____.02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

- (1) organization, existence, or validity;
- (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
- (3) right to impose or collect an assessment or tax; or
- (4) legality or operation.

Sec. 8239.006. ANNEXATION BY CITY OF GUNTER. Notwithstanding any other law, if all of the territory of the district is annexed by the City of Gunter into the corporate limits of that municipality before the date of the election under Section 8239.003, the district may not be dissolved and shall continue until the district is dissolved under Section 43.074, Local Government Code.

[Sections 8239.007-8239.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8239.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8239.053, directors serve staggered four-year terms.

Sec. 8239.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Sec. 8239.053. INITIAL DIRECTORS. (a) The initial board consists of:

- (1) Jennifer Milstead;
- (2) Collette Sallas;
- (3) Eddie Collins;
- (4) Herschel Pierce; and
- (5) Todd Cook.

(b) Unless the initial board otherwise agrees, the initial directors shall draw lots to determine which two directors shall serve until the first regularly scheduled election of directors and which three directors shall serve until the second regularly scheduled election of directors.

Sec. 8239.054. CONSENT OF MUNICIPALITY REQUIRED. The initial directors may not hold an election under Section 8239.003 until:

- (1) all of the territory of the district is included in the corporate limits of the City of Gunter; and
- (2) the City of Gunter has adopted a resolution consenting to the creation of the district.

[Sections 8239.055-8239.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8239.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

(c) Notwithstanding Subsection (a), the district may not act as a retail provider of water or wastewater service.

(d) The district shall make the district's water and wastewater facilities available to an entity holding the applicable certificate of public convenience and necessity.

Sec. 8239.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or improvements in aid of those roads.

(b) A road project must meet all applicable construction standards, regulations, and ordinances of the municipality or county in whose jurisdiction the district is located.

(c) If a portion of the territory of the district is excluded from the corporate limits of the City of Gunter, the district shall:

(1) improve, maintain, repair, and operate the roads located in that portion of territory in accordance with the ordinances and rules of the political subdivision possessing jurisdiction over the roads in that portion of territory; and

(2) pay the entire cost of performing the district's duties under Subdivision (1).

Sec. 8239.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the municipality that consents to the creation of the district or to the inclusion of lands within the district.

[Sections 8239.104-8239.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8239.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Sec. 8239.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8239.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

[Sections 8239.153-8239.200 reserved for expansion]

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8239.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds to finance projects authorized by Section 8239.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8239.102 may not exceed one-fourth of the assessed value of the real property in the district.

Sec. 8239.202. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

SECTION _____.02. The Gunter Municipal Utility District No. 2 initially includes all the territory contained in the following area:

BEING a tract of land located in the W.H. CAMPBELL SURVEY, ABSTRACT NO. 243, W.M. LAKIN SURVEY, ABSTRACT NO. 714, JOHN McMULLEN AND JAMES MCGLOIN SURVEY, ABSTRACT NO. 761, ROBERT MASON SURVEY, ABSTRACT NO. 784 and the THOMAS POLK SURVEY, ABSTRACT NO. 938, Grayson County, Texas and being all of a tract of land described as Tract 1 and being part of a tract of land described as Tract 2 in Deed to Crooked Cross Partners, LTD., recorded in Volume 3491, Page 263, Deed Records, Grayson County, Texas and being more particularly described as follows:

BEGINNING at a PK nail found in the approximate center line of Marilee Road, at the Southwest corner of said Tract 2;

THENCE North 00 degrees 11 minutes 49 seconds West, a distance of 2,905.02 feet to a railroad tie fence post found for corner;

THENCE North 00 degrees 20 minutes 00 seconds West, a distance of 1,448.81 feet to a 1/2 inch iron rod found at the Northeast corner of a tract of land described in Deed to D.B. Tate, Jr. and Betty Jane Tate, recorded in Volume 2460, Page 683, Deed Records, Grayson County, Texas;

THENCE North 42 degrees 04 minutes 28 seconds East, a distance of 3,007.40 feet to a 1/2 inch iron rod found at the Southwest corner of a tract of land described in deed to Longhorn Trail Ranch II, LTD., recorded in Volume 3768, Page 454, Deed Records, Grayson County, Texas;

THENCE South 89 degrees 02 minutes 27 seconds East, a distance of 1,756.30 feet to a 1/2 inch iron rod found at the most Easterly Northeast corner of said Tract 2 and the Northwest corner of said Tract 1;

THENCE South 88 degrees 58 minutes 07 seconds East, a distance of 2,459.10 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "#5439" found in the approximate centerline of Longhorn Trail Drive at the Northeast corner of said Tract 1 and the Northwest corner of a tract of land described as Tract 2 in Deed to Jenchin Partners, LTD., recorded in Volume 3014, Page 569, Deed Records, Grayson County, Texas;

THENCE South 00 degrees 33 minutes 16 seconds East, along the West line of said Jenchin Tract 2 and said approximate centerline of said Longhorn Trail Drive, a distance of 2,473.20 feet to a 5/8 inch iron rod found at the Southeast corner of said Tract 1 and the Northeast corner of a tract of land described in Deed to J.B. Hunn and wife, Mitzi M. Hunn, recorded in Volume 2625, Page 182, Deed Records, Grayson County, Texas;

THENCE North 89 degrees 28 minutes 11 seconds West, a distance of 2,498.95 feet to a 5/8 inch iron rod found at the Southwest corner of said Tract 1 in the East line of said Tract 2 at the Northwest corner of said Hunn tract

THENCE South 00 degrees 32 minutes 49 seconds West, a distance of 2,235.87 feet to a metal fence post found at the Southwest corner of said Hunn tract and the Northwest corner of a tract of a tract of land described in Deed to Thomas O. Eller, recorded in Volume 1281, Page 315, Deed Records, Grayson County, Texas;

THENCE South 00 degrees 08 minutes 34 seconds East, a distance of 1,878.75 feet to a 1/2 inch iron rod found in the approximate centerline of said Marilee Road at the Southeast corner of said Tract 2 and the Southwest corner of said Eller tract;

THENCE North 89 degrees 11 minutes 55 seconds West, a distance of 3,720.37 feet To the POINT OF BEGINNING and containing 657.166 acres of land, more or less.

SECTION _____.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE _____. BEXAR METROPOLITAN WATER DISTRICT

SECTION _____.01. Section 5A, Chapter 306, Acts of the 49th Legislature, Regular Session, 1945, is amended by adding Subsection (c) to read as follows:

(c) The District's boundaries for the purpose of conducting an election are coextensive with the boundaries of Bexar County.

SECTION _____.02. Chapter 306, Acts of the 49th Legislature, Regular Session, 1945, is amended by adding Section 7A and amending Section 9 to read as follows:

Sec. 7A. The District is governed by the Commissioners Court of Bexar County serving ex officio as the board of directors of the district.

Sec. 9. The Board of Directors from time to time shall be authorized to make or cause to be made surveys and engineering investigations for the information of the District to facilitate the accomplishment of the purposes for which the District is created, as expressed in the provisions of this Act; and may employ engineers, attorneys and all other technical and non-technical employees or assistants and fix and provide the amount and manner of their compensation, and may provide for payment of expenditures deemed essential to the proper maintenance and administration of the District. Notwithstanding Section 49.060, Water Code, a member [~~The members~~] of the Board of Directors is not entitled to receive fees of office [~~shall receive a per diem of not more than Ten Dollars (\$10) per day, for the time actually expended on business of the District, together with traveling and other necessary expenses, provided that such per diem fee shall not be paid to a Director for more than one hundred (100) days in any one year~~].

SECTION _____.03. Section 8, Chapter 306, Acts of the 49th Legislature, Regular Session, 1945, is repealed.

SECTION _____.04. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE _____. KIMBERLIN RANCH MUNICIPAL UTILITY DISTRICT
NO. 1 OF GRAYSON COUNTY

SECTION _____.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8264 to read as follows:

CHAPTER 8264. KIMBERLIN RANCH MUNICIPAL UTILITY DISTRICT
NO. 1 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8264.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Kimberlin Ranch Municipal Utility District No. 1 of Grayson County.

Sec. 8264.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8264.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8264.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:

(A) pay any debts incurred;

(B) transfer to Grayson County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 8264.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section ____ .02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section ____ .02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

[Sections 8264.005-8264.020 reserved for expansion]

SUBCHAPTER A-I. TEMPORARY PROVISIONS

Sec. 8264.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office, the commission shall appoint a person to fill the vacancy.

(d) Temporary directors serve until the earlier of:

(1) the date directors are elected under Section 8264.023; or

(2) the date this chapter expires under Section 8264.003.

Sec. 8264.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Sec. 8264.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION; ANNEXATION BY CITY. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) The temporary directors may not hold the election until the City of Gunter has annexed into its corporate limits all territory described by Section .02 of the Act creating this chapter.

Sec. 8264.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8264.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8264.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 8264.026-8264.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8264.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

[Sections 8264.052-8264.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8264.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8264.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.

(b) The district may not provide retail water or wastewater services.

Sec. 8264.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8264.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Sec. 8264.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:

(1) outside the area described by Section ____ .02 of the Act creating this chapter; or

(2) outside the corporate limits of the city of Gunter.

Sec. 8264.106. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.

(b) Section 43.075, Local Government Code, does not apply to the district.

[Sections 8264.107-8264.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8264.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8264.201.

[Sections 8264.152-8264.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8264.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8264.101 or 8264.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8264.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8264.103 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION ____ .02. The Kimberlin Ranch Municipal Utility District No. 1 of Grayson County includes all the territory contained in the following area: BEING situated in the County of Grayson, State of Texas, being parts of the JOHN NELSON SURVEY, ABSTRACT NO. 902, the JOHN W. BERGIN SURVEY, ABSTRACT NO. 75, and the ANTONIO HERNANDEZ SURVEY, ABSTRACT NO. 489, also being the 1073.77 acre tract of land conveyed to Davidson Land and Cattle Company, L.P. by deed recorded in Volume 2235, Page 597, Real Property Records, GRAYSON County, Texas and being described by metes and bounds as follows:

BEGINNING at a 2 inch steel rod set at the Southeast corner of the 758.750 acre tract of land conveyed to Larry Lehman, et ux, by deed of record in Volume 2555, Page 624-655, of said Real Property Records, the Southwest corner of said 1073.77 acre tract of land, said rod also being in the North line of the 208.67 acre tract of land conveyed to James and Juanell Bridges Family Living Trust by deed of record in Volume 2506, Page 146, of said Real Property Records;

THENCE North 00 degrees 00 minutes 00 seconds West with the West line of said 1073.77 acre tract and the center of a public road a distance of 4674.02 feet to a 2 inch steel rod set at the Southwest corner of a 177.93 acre tract of land conveyed to Louis M. Rexrode, et ux, by deed of record in Volume 2205, Page 639, of said Real Property Records, also being the Southeast corner of the 133.05 acre tract of land conveyed to Henry S. Jackson, et ux, by deed of record in Volume 2059, Page 273, of said Real Property Records;

THENCE North 89 degrees 22 minutes 34 seconds East with the South line of said 177.93 acre tract a distance of 2805.74 feet to a 2 inch steel rod set at a found wooden stake at the Southeast corner of said 177.93 acre tract;

THENCE North 00 degrees 32 minutes 19 seconds West with a fence and the East line of said 177.93 acre tract of land a distance of 2774.19 feet to a 2 inch steel rod set at a found wooden stake at the Northeast corner of said 177.93 acre tract;

THENCE South 89 degrees 47 minutes 48 seconds West with the North line of said 177.93 acre tract of land a distance of 2765.01 feet to a 2 inch steel rod set at the Northwest corner of said 177.93 acre tract, being in the East line of said 133.05 acre tract;

THENCE North 00 degrees 00 minutes 00 seconds West with the center of a public road and said East line a distance of 1296.86 feet to a 2 inch steel rod set at the Northwest corner of said 1073.77 acre tract, the Southeast corner of the 362.631 acre tract of land conveyed to Taylor Strawn and Ernest B. Strawn, Jr., by deed of record in Volume 2209, Page 772, of said Real Property Records, also being the Southwest corner of the 121.14 acre tract of land described as Part Two and conveyed to Jeribeth Sharp by deed of record in Volume 2668, Page 009, of said Real Property Records;

THENCE North 89 degrees 37 minutes 51 seconds East with the South line of said 121.14 acre tract, a distance of 4016.31 feet to a 2 inch steel rod set at a fence corner, being the Southeast corner of said 121.14 acre tract;

THENCE South 00 degrees 10 minutes 16 seconds East with a fence a distance of 1298.84 feet to a 2 inch steel rod set at a fence post;

THENCE North 89 degrees 30 minutes 06 seconds East with a fence a distance of 2512.99 feet to a 2 inch steel rod set at the most Easterly Northeast corner of said 1073.77 acre tract, the Northwest corner of the 1022.21 acre tract of land described as Part One as conveyed to Jeribeth Sharp by deed of record in Volume 2668, Page 009, of said Real Property Records;

THENCE with the West line of said 1022.21 acre tract of land and an existing fence line, the following calls and distances:

South 00 degrees 40 minutes 13 seconds East, a distance of 2497.50 feet to a 2 inch steel rod set at a fence corner;

South 89 degrees 32 minutes 01 seconds West a distance of 150.18 feet to a 2 inch steel rod set a fence corner;

South 00 degrees 44 minutes 41 seconds East_ a distance of 1112.81 feet to a 2 inch steel rod set a fence corner;

South 89 degrees 13 minutes 04 seconds East a distance of 150.56 feet to a 2 inch steel rod set a fence corner;

South 00 degrees 45 minutes 51 seconds East a distance of 3832.16 feet to a 2 inch steel rod set in a public road, being the Southeast corner of said 1073.77 acre tract, also being in the North line of the 67 acre tract of land conveyed to James S. Rodgers, et ux, by deed of record in Volume 1045, Page 759, of the Deed Records, Grayson County, Texas;

THENCE South 89 degrees 24 minutes 04 seconds West with the South line of said 1073.77 acre tract a distance of 6642.95 feet to the POINT OF BEGINNING and CONTAINING 1065.860 acres of land, more or less.

SECTION _____.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE _____. KIMBERLIN RANCH MUNICIPAL UTILITY DISTRICT
NO. 2 OF GRAYSON COUNTY

SECTION _____.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8265 to read as follows:

CHAPTER 8265. KIMBERLIN RANCH MUNICIPAL UTILITY DISTRICT
NO. 2 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8265.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Kimberlin Ranch Municipal Utility District

No. 2 of Grayson County.

Sec. 8265.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8265.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8265.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:

(A) pay any debts incurred;

(B) transfer to Grayson County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 8265.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section _____.02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section _____.02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

- (1) the organization, existence, or validity of the district;
- (2) the right of the district to impose taxes;
- (3) the validity of the district's bonds, notes, or indebtedness; or
- (4) the legality or operation of the district or the board.

[Sections 8265.005-8265.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8265.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office, the commission shall appoint a person to fill the vacancy.

(d) Temporary directors serve until the earlier of:

- (1) the date directors are elected under Section 8265.023; or
- (2) the date this chapter expires under Section 8265.003.

Sec. 8265.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Sec. 8265.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION; ANNEXATION BY CITY. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) The temporary directors may not hold the election until the City of Gunter has annexed into its corporate limits all territory described by Section _____.02 of the Act creating this chapter.

Sec. 8265.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8265.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8265.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 8265.026-8265.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8265.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

[Sections 8265.052-8265.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8265.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8265.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.

(b) The district may not provide retail water or wastewater services.

Sec. 8265.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8265.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Sec. 8265.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:

(1) outside the area described by Section ____ .02 of the Act creating this chapter; or

(2) outside the corporate limits of the city of Gunter.

Sec. 8265.106. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.

(b) Section 43.075, Local Government Code, does not apply to the district.

[Sections 8265.107-8265.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8265.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8264.201.

[Sections 8265.152-8265.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8265.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8265.101 or 8265.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8265.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8265.103 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION _____.02. The Kimberlin Ranch Municipal Utility District No. 2 of Grayson County includes all the territory contained in the following area:

SITUATED in the County of GRAYSON, State of Texas, being a part of the ROBERT MASON SURVEY, ABSTRACT NO. 784 and the SAMUEL Q. PETTUS SURVEY, ABSTRACT NO. 939, being a part of a 297.715 acre tract of land (described as 300.715 acres less 3.00 acres) conveyed by Regis J. Sutton to Jean Anna Sutton in Agreement of Regis J. Sutton and Jean Anna Sutton Partitioning Community Property dated June 3, 1983, recorded in Volume 1650, Page 260, Deed Records, GRAYSON County, Texas, and being more particularly described by metes and bounds as follows to-wit:

BEGINNING at a found 1/2 inch rebar on the most Southerly South line of said 297.715 acre tract, the North line of a 201.711 acre tract of land conveyed by Charles C. Graham, et ux to Mario Feliciano, Trustee by Deed dated July 9, 1980, recorded in Volume 1523, Page 109, Deed Records, GRAYSON County, Texas, said rebar being North 87 degrees 08 minutes 06 seconds West, a distance of 626.13 feet from a found spike nail maintaining the most Southerly Southeast corner of said 297.715 acre tract, the most Northerly Northeast corner of said 201.711 acre tract, in a public road known as Wall Street Road and on an East line of said Mason Survey, the West line of the William Kinnamon Survey, Abstract No. 676;

THENCE North 87 degrees 08 minutes 06 seconds West, with the general line of a fence, the most Southerly South line of said 297.715 acre tract, the North line of said 201.711 acre tract, a distance of 1141.44 feet to a fence post;

THENCE North 87 degrees 24 minutes 28 seconds West, continuing with the general line of said fence, the Southerly South line of said 297.715 acre tract, the North line of said 201.77 acre tract, a distance of 2156.98 feet to a set spike nail at the base of a fence corner post for the Northwest corner of said 201.711 acre tract, the most Southerly Southwest corner of said 297.715 acre tract, on the East

line of a 223.5639 acre tract of land conveyed by Kent Berlin to The Berlin Family Limited Partnership by Deed dated January 10, 2000, recorded in Volume 2881, Page 924, Official Public Records, GRAYSON County, Texas;

THENCE North 03 degrees 33 minutes 37 seconds East, with the general line of a fence, the East line of said 223.5639 acre tract, a distance of 1112.63 feet to a fence corner post maintaining the Northeast corner of said 223.5639 acre tract, an ell corner of said 297.715 acre tract on a North line of said Mason Survey, the South line of said Pettus Survey;

THENCE North 87 degrees 19 minutes 23 seconds West, with the general line of a fence, the North line of said 223.5639 acre tract, a North line of said Mason Survey, the South line of said Pettus Survey, passing the Northwest corner of said 223.5639 acre tract, the Northeast corner of a 20 foot wide strip of land described in Second Tract in Deed from George M. Carter, et ux to Joe D. Johnson by Deed dated March 29, 1961, recorded in Volume 930, Page 211, Deed Records, GRAYSON County, Texas and continuing for a total distance of 2911.41 feet to a set spike nail at the base of a fence corner post for the Northwest corner of said Mason Survey, the most Westerly Southwest corner of said 297.715 acre tract, the Southwest corner of said Pettus Survey, on the East line of the Sarah Shoto Survey, Abstract No. 1079, the East line of a 100 acre tract of land described in First Tract in said Volume 930, Page 211;

THENCE North 03 degrees 27 minutes 34 seconds East, with the West line of said Pettus Survey, the East line of both said Shoto Survey and 100 acre tract, passing the Northeast corner of said 100 acre tract, the Southeast corner of a 499.67 acre tract of land conveyed by Mary H. Martinek to Mary H. Martinek, Trustee of the Mary H. Martinek Revocable Living Trust by Deed dated April 11, 1997, recorded in Volume 2562, Page 196, Official Public Records, GRAYSON County, Texas and continuing with an East line of said 499.67 acre tract for a total distance of 1263.89 feet to a found 1/2 inch rebar at the base of a fence corner post, said rebar maintaining the Northwest corner of said 297.715 acre tract, the Southwest corner of a 223 acre tract of land now or formerly owned by Thelma Hunter (no Deed reference available);

THENCE South 87 degrees 25 minutes 47 seconds East, with the general line of a fence, the South line of said 223 acre tract, at a distance of 6798.67 feet to a found 3/8 inch rebar maintaining the Southeast corner of said 223 acre tract, the most Northerly Northeast corner of said 297.715 acre tract, in said Wall Street Road and on the East line of said Pettus Survey, the West line of said William Kinnamon Survey, the West line of a tract of land described in North Tract in Quitclaim Deed dated September 30, 1997 from Susan C. deCordova to Susan C. deCordova, Trustee of the deCordova Trust recorded in Volume 2577, Page 155, Official Public Records, GRAYSON County, Texas;

THENCE South 03 degrees 15 minutes 00 seconds West, with an East line of both said 297.715 acre tract and Mason Survey, the West line of both said Kinnamon Survey and North Tract, passing the Southeast corner of said Pettus Survey, the most Northerly Northeast corner of said Mason Survey and continuing for a total distance of 1680.66 feet to a found spike nail maintaining a Southeast corner of said 297.715 acre tract, the Northeast corner of a 3.00 acre

tract of land conveyed by Anna Houck Trust to AHG Trust by Deed dated January 30, 2002, recorded in Volume 3194, Page 458, Official Public Records, GRAYSON County, Texas;

THENCE North 87 degrees 04 minutes 00 seconds West with the North line of said 3.00 acre tract, a distance of 626.13 feet to a found 1/2 inch rebar maintaining its Northwest corner;

THENCE South 03 degrees 15 minutes 00 seconds West, with the West line of said 3.00 acre tract, at a distance of 208.71 feet passing a found 1/2 inch rebar maintaining its Southwest corner and continuing for a total distance of 711.76 feet to the PLACE OF BEGINNING and CONTAINING 288.92 acres of land, more or less.

TRACT 2

All that certain tract or parcel of land situated in the Robert Mason Survey, Abstract Number 784 County of Grayson, State of Texas, said tract being part of a called 69 1/2 acres tract as described in Deed to Marshall E. Anderson et ux, Marquerite Anderson, filed 11 January 1962, and Recorded in Volume 947 Page 387 of the Deed Records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the northeast corner of the tract being described herein at a set 1/2 inch Steel Square Tubing, said tubing being the northeast corner of said Anderson tract, and the southeast corner of a called 100 acres tract as described in the First Tract, and on the west line of a called 1.56 acre tract as described in the Second tract in Deed to Joe D. Johnson, filed 30 March 1961, and Recorded in Volume 930 Page 211 of said Deed Records;

Thence: South 03 degrees 29 minutes 22 seconds West, with the east line of said Anderson tract, and with the west line of said Johnson Second Tract, a distance of 609.07 feet to a found 1/2 inch Steel Square Tubing for the northeast corner of a 1.25 acre tract as surveyed out for Dennis Keating dated 27 December 1999;

Thence: North 86 degrees 56 minutes 26 seconds West, with the north line of said Keating tract, a distance of 124.72 feet to a found 1/2 inch Steel Square Tubing for the northwest corner of said Keating tract;

Thence: South 03 degrees 32 minutes 41 seconds West, with the west line of said Keating tract, a distance of 435.58 feet to a found 1/2 inch Steel Square Tubing for the southwest corner of said Heating tract, and on the north Right-of-Way line of Farm-to-Market Road Number 121 as described in Deed to The State of Texas, filed 11 November 1953 and Recorded in Volume 744 Page 72 of said Deed Records

Thence: North 87 degrees 07 minutes 47 seconds West, with the south line of said Anderson tract, and the north ROW line of said FM 121, a distance of 1856.89 feet to a found State of Texas Concrete Right-of-Way Monument for a corner;

Thence: North 73 degrees 24 minutes 31 seconds West, with the south line of said Anderson tract, and the north ROW line of FM 121, a distance of 332.15 feet to a found 1/2 inch Steel Square Tubing for the southeast corner of a 5 acre tract as described in Deed to Ronald R. Baker et ux, Joanie C. Baker, filed 06 November 1995, and Recorded in Volume 2428 Page 31 of said Deed Records;

Thence: North 29 degrees 08 minutes 03 seconds West, with the east line of said Baker tract, a distance of 1078.23 feet to a found 1½ inch Steel Square Tubing for the northeast corner of said Baker tract, and on the south line of a tract as described in Deed to Steve Bryant et ux, Judy Bryant, filed 02 January 2003, and Recorded in Volume 3393 Page 846 of said Deed Records;

Thence: South 88 degrees 17 minutes 06 seconds East, with the north line of said Anderson tract, and with the south line of said Bryant tract, a distance of 1574.07 feet to a found 1½ inch Steel Rebar at the base of a wood fence corner post for the southeast corner of said Bryant tract, and the southwest corner of said Johnson First tract;

Thence: South 87 degrees 58 minutes 16 seconds East, with the north line of said Anderson tract, and the south line of said Johnson First Tract, a distance of 1313.83 feet to the POINT OF BEGINNING and containing 58.946 acres of land.

TRACT 3

All that certain tract or parcel of land situated in the Robert Mason Survey, Abstract Number 784 and the Sarah Shoto Survey, Abstract Number 1079, County of Grayson, State of Texas, said tract being all of a called 100 acres tract as described in the First Tract, and all of a called 1.56 acre tract as described in the Second tract in Deed to Joe D. Johnson, filed 30 March 1961, and Recorded in Volume 930 Page 211 of the Deed Records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the southeast corner of the tract being described herein at a found 1½ inch Steel Square Tubing, said tubing being the southeast corner of said Johnson tract, and the southwest corner of a called 223.457 acre tract as described in Deed to Gunter 223, LTD, filed 06 June 2005, and Recorded in Volume 3870 Page 800 of said Deed Records, said tubing also being on the north Right-of-Way line of Farm-to-Market Road Number 121 as described in Deed to The State of Texas, filed 11 November 1953 and Recorded in Volume 744 Page 72 of said Deed Records;

Thence: North 86 degrees 52 minutes 52 seconds West, with the south line of said Johnson Seconds Tract, and with the north ROW line of said FM 121, a distance of 20.00 feet to a found 1½ inch Steel Square Tubing for the southwest corner of said Johnson Seconds Tract, and the southeast corner of a 1.25 acre tract as surveyed out for Dennis Keating dated 27 December 1999;

Thence: North 03 degrees 29 minutes 02 seconds East, with the west line of said Johnson Second tract, a distance of 1044.78 feet to a set 1½ inch Steel Square Tubing with a plastic cap marked COX 4577 for the southeast corner of said Johnson First tract and the northeast corner of a tract as described in Deed to Marshall E. Anderson et ux, Marquerite Anderson, filed 11 January 1962, and Recorded in Volume 947 Page 387 of said Deed Records;

Thence: North 87 degrees 58 minutes 16 seconds West, with the south line of said Johnson First Tract, and with the north line of said Anderson tract, a distance of 1313.82 feet to a found 1½ inch Steel Rebar for the southwest corner of said

Johnson First Tract, and the southeast corner of a tract as described in Deed to Steve Bryant et ux, Judy Bryant, filed 02 January 2003, and Recorded in Volume 3393 Page 846 of said Deed Records;

Thence: North 03 degrees 21 minutes 26 seconds East, with the west line of said Johnson First Tract, a distance of 3311.44 feet to a Wood Fence corner Post for the northwest corner of said Johnson First Tract;

Thence: South 86 degrees 54 minutes 56 seconds East, with the north line of said Johnson First Tract, a distance of 1313.67 feet to a set 1/2 inch Steel Square Tubing for the northeast corner of said Johnson First Tract, and on the west line of a called 288.92 acre tract as described in Deed to Inwood Plaza Joint Venture, filed 07 January 2004, and Recorded in Volume 3594 Page 147 of said Deed Records;

Thence: South 03 degrees 27 minutes 34 seconds West, with the east line of said Johnson First Tract, a distance of 960.75 feet to a found 1/2 inch Steel Rebar at the base of a Wood Fence corner Post for the northwest corner of said Johnson Second Tract, and the southwest corner of said Inwood Plaza Joint Venture tract;

Thence: South 87 degrees 14 minutes 29 seconds East, with the north line of said Johnson Second Tract, and with the south line of said Inwood Plaza tract, a distance of 20.98 feet to a found 1/2 inch Steel Rebar at the base of a wood fence corner post for the northeast corner of said Johnson Second Tract, and the northwest corner of said Gunter 223 tract;

Thence: South 03 degrees 20 minutes 36 seconds West, with the east line of said Johnson Second Tract, and the west line of said Gunter 223 tract, a distance of 2326.24 feet to a Wood Fence corner Post for an angle point;

Thence: South 03 degrees 29 minutes 00 seconds West, with the east line of said Johnson Second Tract, and the west line of said Gunter 223 tract, a distance of 1045.16 feet to the POINT OF BEGINNING and containing 101.005 acre of land.

SECTION _____.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE _____. KIMBERLIN RANCH MUNICIPAL UTILITY DISTRICT
NO. 3 OF GRAYSON COUNTY

SECTION _____.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8266 to read as follows:

CHAPTER 8266. KIMBERLIN RANCH MUNICIPAL UTILITY DISTRICT
NO. 3 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8266.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Kimberlin Ranch Municipal Utility District
No. 3 of Grayson County.

Sec. 8266.002. NATURE OF DISTRICT. The district is a municipal utility
district in Grayson County created under and essential to accomplish the purposes
of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8266.003. CONFIRMATION ELECTION REQUIRED. If the creation
of the district is not confirmed at a confirmation election held under Section
8266.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district
shall:

(A) pay any debts incurred;

(B) transfer to Grayson County any assets that remain after the
payment of debts; and

(C) maintain the organization of the district until all debts are paid
and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 8266.004. INITIAL DISTRICT TERRITORY. (a) The district is
initially composed of the territory described by Section _____.02 of the Act
creating this chapter.

(b) The boundaries and field notes contained in Section _____.02 of the Act
creating this chapter form a closure. A mistake made in the field notes or in
copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

[Sections 8266.005-8266.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8266.021. TEMPORARY DIRECTORS. (a) On or after September 1,
2007, a person who owns land in the district may submit a petition to the Texas
Commission on Environmental Quality requesting that the commission appoint
as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons
named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office, the commission shall
appoint a person to fill the vacancy.

(d) Temporary directors serve until the earlier of:

(1) the date directors are elected under Section 8266.023; or

(2) the date this chapter expires under Section 8266.003.

Sec. 8266.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Sec. 8266.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION; ANNEXATION BY CITY. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) The temporary directors may not hold the election until the City of Gunter has annexed into its corporate limits all territory described by Section .02 of the Act creating this chapter.

Sec. 8266.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8266.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8266.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 8266.026-8266.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8266.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

[Sections 8266.052-8266.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8266.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8266.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.

(b) The district may not provide retail water or wastewater services.

Sec. 8266.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8266.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Sec. 8266.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:

(1) outside the area described by Section ____ .02 of the Act creating this chapter; or

(2) outside the corporate limits of the city of Gunter.

Sec. 8266.106. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.

(b) Section 43.075, Local Government Code, does not apply to the district.

[Sections 8266.107-8266.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8266.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8266.201.

[Sections 8266.152-8266.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8266.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8266.101 or 8266.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8266.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8266.103 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION ____ .02. The Kimberlin Ranch Municipal Utility District No. 3 of Grayson County includes all the territory contained in the following area: All that certain tract or parcel of land situated in the Ricardo Garcia Survey, Abstract Number 446 and the M.S. Herrera Survey, Abstract Number 545, County of Grayson, State of Texas, said tract being all of a 303.943 acre tract as

described in Deed to Morris Morgan Jr., et ux, Bonita Morgan, filed 26 October 1996, and Recorded in Volume 2364 Page 637, and all of a 20.333 acre tract as described in Deed to Morris Morgan Jr., et ux, Bonita Morgan, filed 02 May 2003, and Recorded in Volume 3446 Page 71, and all of a 22.469 acre tract as described in Deed to Morris Morgan Jr., et ux, Bonita Morgan, filed 20 February 2004, and Recorded in Volume 3616 Page 79 of the Deed Records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the southeast corner of the tract being described herein at a found 3/4 inch Steel Rod, said rod being the southeast corner of said Morgan 303.943 acre tract, and the northeast corner of a tract as described in Deed to Martinek Grain & Bin Inc., filed 03 August 1994, and Recorded in Volume 2352 Page 18 of said Deed Records, said rod also being in Scharff Road (gravel surfaced);

Thence: South 88 degrees 48 minutes 47 seconds West, with the south line of said Morgan 303.943acre tract, and passing at 22.90 feet a wood fence corner post on the west side of said road, and continuing on said course for a total distance of 3725.83 feet to a found 1½ inch Steel Square Tubing with a plastic cap marked Cox 4577 for the southwest corner of said Morgan 303.943 acre tract, and the southeast corner of said Morgan 20.333 acre tract;

Thence: South 89 degrees 50 minutes 58 seconds West, with the south line of said Morgan 20.333 acre tract, a distance of 624.98 feet to a found 1½ inch Steel Square Tubing with a plastic cap marked COX 4577 for the southwest corner of said Morgan 20.333 acre tract, and the southeast corner of said Morgan 22.469 acre tract;

Thence: South 89 degrees 52 minutes 55 seconds West, with the south line of said Morgan 22.469 acre tract, a distance of 719.91 feet to a found 1½ inch Steel Square Tubing with a plastic cap marked COX 4577 for the southwest corner of said Morgan 22/469 acre tract;

Thence: North 01 degrees 01 minutes 06 seconds West, with the west line of said Morgan 22.469 acre tract, a distance of 1400.92 feet to a found 1½ inch Steel Rebar by a wood Fence corner Post for the northwest corner of said Morgan 22.469 acre tract, and an ell corner of said Morgan 303.943 acre tract;

Thence: North 01 degrees 01 minutes 06 seconds West, with the west line of said Morgan 303.943 acre tract, a distance of 1583.19 feet to a found 1½ inch Steel Rebar by a wood Fence corner Post for the northwest corner of said Morgan 303.943 acre tract;

Thence: North 89 degrees 11 minutes 45 seconds East, with the north line of said Morgan 303.943acre tract, a distance of 1378.61 feet to a found 1½ inch Steel Rebar by a wood fence corner post for a corner;

Thence: North 89 degrees 04 minutes 46 seconds East, with the north line of said Morgan 303.943 tract, a distance of 3678.41 feet to a found 3/4 inch Steel Rod for th3e northeast corner of said Morgan 303.943 acre tract, and in Scharff Road.

Thence: South 01 degrees 16 minutes 42 seconds East, with the east line of said Morgan 303.943 tract, and in said road, a distance of 2982.52 feet to the POINT OF BEGINNING and containing 347.744 acres of land.

SECTION _____.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE _____. PLATINUM RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF GRAYSON COUNTY

SECTION _____.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8256 to read as follows:

CHAPTER 8256. PLATINUM RANCH MUNICIPAL UTILITY DISTRICT
NO. 1 OF GRAYSON COUNTY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8256.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a member of the board.

(3) "District" means the Platinum Ranch Municipal Utility District No.

1 of Grayson County.

Sec. 8256.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8256.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8256.055 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Grayson County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 8256.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section _____.02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section _____.02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

- (1) the organization, existence, or validity of the district;
- (2) the right of the district to impose taxes;
- (3) the validity of the district's bonds, notes, or other indebtedness; or
- (4) the legality or operation of the district or the board.

Sec. 8256.005. ANNEXATION INTO CITY OF GUNTER. (a) Notwithstanding any other law, if all of the territory of the district is annexed by the City of Gunter into the corporate limits of that municipality before the date of the election held to confirm the creation of the district, the district is not dissolved and shall continue in full force and effect.

(b) Any future annexation or inclusion of additional territory into a district governed by this chapter may not occur unless the City of Gunter is allowed to voluntarily annex the same territory into the municipality's corporate limits.

Sec. 8256.006. DISSOLUTION. Section 43.074, Local Government Code, applies to the dissolution of the district.

[Sections 8256.007-8256.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8256.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Except as provided by Section 8256.053, directors serve staggered four-year terms.

Sec. 8256.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Sec. 8256.053. INITIAL DIRECTORS. (a) The initial board consists of:

- (1) Mark McClure;
- (2) Greg Meador;
- (3) Lance Hancock;
- (4) David Howell; and
- (5) Mark Smith.

(b) The terms of the first three directors named in Subsection (a) expire on the uniform election date in May 2008, and the terms of the last two directors named in Subsection (a) expire on the uniform election date in May 2010.

(c) This section expires September 1, 2011.

Sec. 8256.054. INCORPORATION OF DISTRICT TERRITORY INTO MUNICIPALITY REQUIRED. The directors may not hold an election under Section 8256.055 until all of the territory of the district is included in the corporate limits of the City of Gunter.

Sec. 8256.055. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. The initial directors shall hold an election to confirm the creation of the district.

[Sections 8256.056-8256.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8256.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. (a) The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

(b) Notwithstanding Subsection (a), the district may not act as a retail provider of water or wastewater service.

(c) The district shall make the district's water and wastewater facilities available to an entity holding the applicable certificate of convenience and necessity.

Sec. 8256.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads, inside the district.

(b) A road project must meet all applicable construction standards, subdivision requirements, and regulatory ordinances of the municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(c) If a portion of the territory of the district is excluded from the corporate limits of the City of Gunter, the district shall:

(1) improve, maintain, repair, and operate the roads located in that portion of territory in accordance with the ordinances and rules of the political subdivision possessing jurisdiction over the roads in that portion of territory; and

(2) pay the entire cost of performing the district's duties under Subdivision (1).

Sec. 8256.103. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if:

(1) the district has no outstanding bonded debt;

(2) the district is not imposing ad valorem taxes; and

(3) each new district is within the corporate limits of the City of Gunter.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) At the time of creation, any new district created by the division of the district may not contain any land outside the area described by Section _____.02 of the Act creating this chapter.

[Sections 8256.104-8256.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8256.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8256.201.

[Sections 8256.152-8256.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8256.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8256.101 or 8256.102.

(b) The district may not issue bonds to finance projects authorized by Section 8256.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8256.102 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION _____.02. The Platinum Ranch Municipal Utility District No. 1 of Grayson County includes all the territory contained in the following area:

All that certain tract or parcel of land situated in the William Richards Survey, Abstract Number 998, the Robert Mason Survey, Abstract Number 784, the J.R. Worrall Survey, Abstract Number 1357, and the William Wells Survey, Abstract Number 1354, County of Grayson, State of Texas and being all that called 339.24 acre tract of land as described in Deed to Platinum Ranch Venture, LTD, filed 16 February 2001 and recorded in Volume 3033 Page 185 of the Deed Records of the County of Grayson, State of Texas, and being all that called 300.264 acre tract of land as described in Deed to Platinum Ranch Venture, LTD, filed 16 February 2001 and recorded in Volume 3033 Page 189 of said Deed Records, and being all that called 100.00 acre tract of land as described in Deed to Platinum Ranch Venture, LTD, filed 01 March 2001 and recorded in Volume 3038 Page 100 of said Deed Records, and being all that called 851.808 acre tract of land as described in Deed to Platinum Ranch Venture, LTD, filed 16 May 2001 and recorded in Volume 3072 Page 217 of said Deed Records, and being all that called 78.427 acre tract of land as described in Deed to Platinum Ranch Venture, LTD, filed 23 May 2002 and recorded in Volume 3253 Page 743 of said Deed Records, and being more fully described as follows:

BEGINNING for the Southeast corner of the tract being described herein at a found 1/2 inch iron rod at the intersection of Old Scaggs School Road and Merilee Roads for the Southeast corner of said 851.808 acre tract, said rod being on the South line of said Mason Survey;

Thence: South 89 degrees 57 minutes 55 seconds West, with the South line of said 851.808 acre tract and said Mason Survey, along the centerline of said Marilee Road, a distance of 3186.43 feet to a found 1/2 inch iron rod for the Southwest corner of said 851.808 acre tract and the Southeast corner of said 329.424 acre tract;

Thence: North 89 degrees 22 minutes 52 seconds West, with the South line of said 329.424 acre tract, continuing along the centerline of said road, and passing at 4174.77 feet the Southwest corner of said 329.424 acre tract and the Southeast corner of said 100.00 acre tract, and continuing along said course, a total distance of 5198.85 feet to a found 1/2 inch steel square tube for corner at the intersection of said Marilee Road and County Road Number 10;

Thence: North 88 degrees 59 minutes 54 seconds West, continuing with the South line of said 100.00 acre tract, along the centerline of said Marilee Road, a distance of 244.55 feet to a found 1/2 inch steel square tube at the intersection of said Marilee Road and Blaine Road for the Southwest corner of said 100.00 acre tract;

Thence: North 00 degrees 07 minutes 57 seconds West, with the West line of said 100.00 acre tract, along the centerline of said Blaine Road, and passing at 3425.72 feet the Northwest corner of said 100.00 acre tract and the Southwest corner of said 300.264 acre tract, and continuing along said course and road, and

passing at 5630.58 feet the Northwest corner of said 300.264 acre tract and the Southwest corner of said 78.427 acre tract, and continuing along said course and road, a total distance of 7236.34 feet to a found 1½ inch steel square tube at the intersection of said Blaine Road and Jaresh Road for the Northwest corner of said 78.427 acre tract;

Thence: North 88 degrees 26 minutes 13 seconds East, with the North line of said 78.427 acre tract, along the centerline of said Jaresh Road, a distance of 2076.20 feet to a found 1½ inch iron rod for the Northeast corner of said 78.427 acre tract;

Thence: South 01 degrees 09 minutes 52 seconds East, with the East line of said 78.427 acre tract, and passing at 14.0 feet a cross-tie fence corner post on the South side of said Jaresh Road, and continuing along said course, along and near a fence, a total distance of 1662.51 feet to a found 1½ inch steel square tube for the Southeast corner of said 78.427 acre tract, said tubing being on the North line of said 300.264 acre tract, said tubing also being the Southwest corner of a called 252.043 tract of land as described in Deed to Ronald Evans Box, et ux Nita Gay Box, filed 15 December 1992 and recorded in Volume 2246 Page 173 of said Deed Records;

Thence: North 89 degrees 32 minutes 42 seconds East, with the North line of said 300.264 acre tract and the South line of said Box tract, with a fence, a distance of 1771.60 feet to a bois d' arc post for corner;

Thence: North 89 degrees 04 minutes 11 seconds East, continuing with the North line of said 300.264 acre tract and the South line of said Box tract, with a fence, a distance of 1940.19 feet to a cross-tie fence corner post for an ell corner of this tract, said corner also being the Southeast corner of said Box tract;

Thence: North 00 degrees 40 minutes 31 seconds West, with the West line of said 851.808 acre tract and the East line of said Box tract, along and near a fence, a distance of 1208.96 feet to a wood fence corner post for an ell corner of this tract and a Northeast corner of said Box tract;

Thence: South 87 degrees 48 minutes 54 seconds West, continuing with the West line of said 851.808 acre tract and the East line of said Box tract, along and near a fence, a distance of 1749.62 feet to a pipe fence corner post for corner;

Thence: North 01 degrees 29 minutes 27 seconds West, continuing with the West line of said 851.808 acre tract and the East line of said Box tract, along and near a fence, a distance of 1664.74 feet to a pipe fence corner post for corner;

Thence: North 87 degrees 51 minutes 31 seconds East, continuing with the West line of said 851.808 acre tract and the East line of said Box tract, along and near a fence, 849.86 feet to a pipe fence corner post for corner;

Thence: North 01 degrees 26 minutes 50 seconds West, continuing with the West line of said 851.808 acre tract and the East line of said Box tract, along and near a fence, a distance of 1216.06 feet to a pipe fence corner post for the Northwest corner of said 851.808 acre tract, said post also being the Southwest corner of a called 374.17 acre tract of land as described in Deed to Martinek Grain & Bins, Inc., filed 01 June 1993 and recorded in Volume 2272 Page 912 of said Deed Records;

Thence: North 87 degrees 58 minutes 36 seconds East, with the North line of said 851.808 acre tract and the South line of said 374.17 acre tract, with the general course of a fence, a distance of 973.27 feet to a wood post for corner;

Thence: North 87 degrees 53 minutes 22 seconds East, continuing with the North line of said 851.808 acre tract and the South line of said 374.17 acre tract, with said fence, a distance of 1091.88 feet to a wood fence corner post for corner;

Thence: North 89 degrees 57 minutes 15 seconds East, continuing with the North line of said 851.808 acre tract and the South line of said 374.17 acre tract, with said fence, a distance of 1491.72 feet to a cross-tie fence corner post for the Northeast corner of said 851.808 acre tract, said post also being the most Westerly Northwest corner of a called 178.842 acre tract of land as described in Deed to Martinek Grain & Bins, Inc., dated 03 August 1994 and recorded in Volume 2352 Page 18 of said Deed Records;

Thence: South 02 degrees 33 minutes 15 seconds East, with the East line of said 851.808 acre tract, along and near a fence, a distance of 960.89 feet to a found 1/2 inch iron rod for a Southwest corner of said 178.842 acre tract, said rod also being the Northwest corner of a called 112.268 acre tract of land as described in Deed to Marion Cole, et ux Linda Cole, dated 27 May 1999 and recorded in Volume 2796 Page 848 of said Deed Records;

Thence: South 02 degrees 57 minutes 08 seconds East, continuing with the East line of said 851.808 acre tract and the West line of said Cole tract, along and near a fence, a distance of 1552.77 feet to a found 1/2 inch iron rod for the Southwest corner of said Cole tract;

Thence: South 89 degrees 54 minutes 04 seconds East, continuing with the East line of said 851.808 acre tract and the South line of said Cole tract, along and near a fence, and passing a cross-tie fence corner post on the West side of Old Skaggs School Road, and continuing along said course, a distance of 3118.80 feet to a set 1/2 inch steel square tube with a plastic cap marked COX 4577 in the centerline of said Old Skaggs School Road for the Southeast corner of said Cole tract;

Thence: South 00 degrees 04 minutes 13 seconds East, continuing with the East line of said 851.808 acre tract, along the center of said Old Skaggs School Road, a distance of 1561.21 feet to a found 1/2 inch iron rod for corner, said road making a turn to the West at this corner;

Thence: North 89 degrees 46 minutes 04 seconds West, continuing with the East line of said 851.808 acre tract, along the center of said Old Skaggs School Road, a distance of 3072.50 feet to a found nail for corner, said nail being at a turn of said Old Skaggs School Road;

Thence: South 00 degrees 51 minutes 03 seconds East, continuing with the East line of said 851.808 acre tract, along the center of said Old Skaggs School Road, a distance of 5800.26 feet to the POINT OF BEGINNING and containing 1659.998 acres of land.

SECTION ____.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to

all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE ____ . PRESTON SUMMIT MUNICIPAL UTILITY DISTRICT NO.
1 OF GRAYSON COUNTY

SECTION ____ .01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8254 to read as follows:

CHAPTER 8254. PRESTON SUMMIT MUNICIPAL UTILITY DISTRICT NO.
1 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8254.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Preston Summit Municipal Utility District No.

1 of Grayson County.

Sec. 8254.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8254.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8254.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that the district shall:

(A) pay any debts incurred;

(B) transfer to Grayson County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 8254.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section ____ .02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section ____ .02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

- (3) the validity of the district's bonds, notes, or indebtedness; or
- (4) the legality or operation of the district or the board.

[Sections 8254.005-8254.020 reserved for expansion]

SUBCHAPTER A-I. TEMPORARY PROVISIONS

Sec. 8254.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office, the commission shall appoint a person to fill the vacancy.

(d) Temporary directors serve until the earlier of:

- (1) the date directors are elected under Section 8254.023; or
- (2) the date this chapter expires under Section 8254.003.

Sec. 8254.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Sec. 8254.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION; ANNEXATION BY CITY. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) The temporary directors may not hold the election until the City of Gunter has annexed into its corporate limits all territory described by Section .02 of the Act creating this chapter.

Sec. 8254.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8254.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8254.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 8254.026-8254.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8254.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

[Sections 8254.052-8254.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8254.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8254.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.

(b) The district may not provide retail water or wastewater services.

Sec. 8254.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8254.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Sec. 8254.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:

(1) outside the area described by Section ____ .02 of the Act creating this chapter; or

(2) outside the corporate limits of the city of Gunter.

Sec. 8254.106. COMPLIANCE WITH MUNICIPAL CONSENT RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8254.107. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.

(b) Section 43.075, Local Government Code, does not apply to the district.

[Sections 8254.108-8254.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8254.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8254.201.

[Sections 8254.152-8254.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8254.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8254.101 or 8254.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8254.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8254.103 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION __.02. The Preston Summit Municipal Utility District No. 1 of Grayson County includes all the territory contained in the following area:

TRACT 1:

SITUATED in the County of Grayson, State of Texas, being a part of the John Blundell Survey, Abstract No. 95, a part of the Orry A. VanDusen Survey, Abstract, No. 1424, a part of the William P. Johnson Survey, Abstract No. 628 and a part of the Daniel Lloyd Survey, Abstract No. 706, being a part of the 709.93648 acre tract of land (Tract Two) and a part of the "approximate" 68.3 acre tract of land (Tract One), conveyed by Correction Warranty Deed from C. J. Christie and wife, Mattie P. Christie, to Christie Farm, Ltd., on February 12, 1993 (effective date: June 17, 1992), recorded in Volume 2255, Page 516, Real Property Records, Grayson County, Texas, and being more particularly described as one tract of land, by metes and bounds as follows, to-wit:

BEGINNING at a 1/2 inch rebar set in the South line of said Blundell Survey and the North line of the Asa Hartfield Survey, Abstract No. 490, at an angle point in the East line of the Tommy Allen, III, 537.375 ac. in Vol. 3187, Pg. 766, O.P.R.G.C.T., at the Southwest corner of said Christie 709.93648 ac. and the Northwest corner of the Sangani Properties, Ltd. 26.861 ac. (Tract 3) in Vol. 3684, Pg. 182, O.P.R.G.C.T., said rebar being in the West ditch of Fallon Road, a "North-South" public road, and being 15.5 ft. West of the center of the asphalt paving of Fallon Road, and being in-line with the center of Savage Road, a public road to the East;

THENCE North 24 deg. 58 min. 30 sec. East, with the East line of said Allen 537.375 ac., intersecting the center of the asphalt paving of Fallon Road at about 100 ft., and continuing now with said center of Fallon Road, leaving said center of road at about 2400, and continuing for a total distance of 2457.37 ft. to a 1/2 inch rebar set near the East edge of said asphalt paving of said road, in the East line of said VanDusen Survey and the most Western West line of said Johnson Survey, at an angle point in said East line of the Allen 537.375 ac.;

THENCE North 01 deg. 50 min. 30 sec. East, with said East line of the VanDusen Survey and then the most Eastern East line of the H.T. & B.R.R. Survey, Abstract No. 605 and with said Western West line of the Johnson Survey, intersecting the center of the asphalt paving of Fallon Road at about 80 ft., and

continuing now with said center of Fallon Road, leaving said center of road at about 4800, and continuing for a total distance of 5330.70 ft. to a 1/2 inch rebar set in an "East-West" wire fence maintaining the South line of both the John S. Thom (AKA.; John. S. Thorn) Survey, Abstract No. 1189 and the Phillip S. Wildman 183.689 ac. (Exhibit "A") in Vol. 2535, Pg. 484, O.P.R.G.C.T., at the Northwest corner of both said Johnson Survey and the Christie 709.93648 ac., the most Eastern Northeast corner of said H.T. & B.R.R. Survey;

THENCE South 89 deg. 00 min. 22 sec. East, with the general course of said wire fence maintaining said South line of the Thom Survey and the North line of said Johnson Survey, a distance of 1618.98 ft. to a 5/8 inch rebar found in concrete, at the Southeast base of a crosstie corner post, at the Southeast corner of said Wildman 183.689 ac. and the Southwest corner of the Phillip Sherwood Wildman and wife, Teresa Marie "Donohoe" Wildman 240.811 ac. (Exhibit "A") in Vol. 2583, Pg. 538, O.P.R.G.C.T.;

THENCE South 87 deg. 56 min. 05 sec. East, with the "scattered" remains of an old fence, continuing with said South line of the Thom Survey and said North line of the Johnson Survey, a distance of 2665.50 ft. to a spike nail found near the West base of a corner post, in the center of an old "North-South" public road, now abandoned, in the West line of both the Mary Miller Survey, Abstract No. 775 and the Jack A. Turpin 233.480 ac. (Tract No. 1) in Vol. 1963, Pg. 436. R.P.R.G.C.T., at the Southeast corner of both the Thom Survey and the Wildman 240.811 ac., the Northeast corner of both the Johnson Survey and the Christie 709.93648 ac.;

THENCE South 00 deg. 12 min. 02 sec. East, with the general course of a wire fence along the center of said abandoned road, with said West line of the Miller Survey and the East line of said Johnson Survey, a distance of 1331.48 ft. to an 8 inch wood post maintaining an angle point in the west line of said Turpin 233.480 ac.;

THENCE South 17 deg. 23 min.. 18 sec. East, with a wire fence maintaining the West line of said Turpin 233.480 ac., but not with said Miller & Johnson Survey lines and not with the center of said abandoned road, a distance of 301.70 ft. to an 8 inch wood post maintaining another angle point in the West said Turpin 233.480 ac, in the West line of said abandoned road;

THENCE South 00 deg. 28 min. 22 sec. East, with the general course of a wire fence maintaining the West line of said Turpin 233.480 ac., and along the West line of said abandoned road, a distance of 1461.48 ft. to a crosstie corner post maintaining the Southwest corner of said Turpin 233.480 ac.;

THENCE South 89 deg. 20 min. 53 sec. East, with a wire fence maintaining the South line of said Turpin 233.480 ac., a distance of 16.97 ft. to a 1/2 inch rebar found at the base of a corner post, in the center of said abandoned road, in the East line of both said Johnson Survey and the Christie 709.93648 Sc., the West line of said Miller Survey, at the Northwest corner of the Edwin A. Trapp, Jr. Revocable Trust, 278.389 ac. (Tract One Exhibit "A") in Vol. 2271, Pg. 274, R.P.R.G.C.T.;

THENCE South 00 deg. 17 min. 02 sec. East, with the general course of a wire fence along the center of said abandoned road, with said West line of the Miller Survey and said East line of the Johnson Survey, a distance of 1813.09 ft. to a 5/8 inch rebar found at the base of a corner post, at the Southwest corner of said Miller Survey, the most Western Southwest corner of said Trapp 278.389ac. and the Northwest corner of both said Daniel Lloyd Survey and the Christie 68.3 ac.; THENCE North 89 deg. 30 min. 05 sec. East, with the general course of a wire fence maintaining a South line of said Miller Survey and the North line of both said Lloyd Survey and the Christie 68.3 ac., leaving said abandoned road at 17 ft., and continuing with said fence, for a total distance 914.48 ft. to a 1/2 inch rebar found at the base of a corner post, in the West right-of-way line of State Hwy. 289, at the most Eastern Northeast corner of the herein described tract; THENCE Southwesterly, with the West right-of-way line of State Hwy. 289, the following calls and distances:

1. South 28 deg. 15 min. 55 sec. West, a distance of 774.73 ft. to a point at the East base of fence post;
2. South 15 deg. 32 min. 08 sec. West, a distance of 251.91 ft. to a point at the East base of a corner post, in North right-of-way line of the St. Louis, San Francisco & Texas (Frisco) Railroad, at the most Eastern Southeast corner of the herein described tract;

THENCE Southwesterly, with the North right-of-way line of said Frisco Railroad, the following calls and distances:

1. South 76 deg. 48 min. 15 sec. West, a distance of 3250.09 ft. to a point at the beginning of a curve;
2. Southwesterly, with a curve to the left having a central angle (delta) of 29 deg. 09 min. 37 sec. and a radius of 3869.83 ft. (chord bears South 62 deg. 13 min.. 27 sec. West, 1948.33 ft.), an arc distance of 1969.52 ft. to a 1/2 inch rebar set in the center of said Savage Road, in the South line of said Blundell Survey and the North line of said Hartfield Survey, at the most Southern Southeast corner of both the Christie 709.93648 ac. and the herein described tract;

THENCE North 88 deg. 36 mm, 08 sec. West, with the center of Savage Road and with said Survey lines, a distance of 1216.55 ft. to the PLACE OF BEGINNING and containing 721.495 ACRES of land.

TRACT 2:

SITUATED in the County of Grayson, State of Texas, being a part of the John Blundell Survey, Abstract No. 95, a part of the William P. Johnson Survey, Abstract No. 628 and a part of the Daniel Lloyd Survey, Abstract No. 706, being part of the 90.71166 acre tract of land (Tract Three) and a part of the "approximate" 68.3 acre tract of land (Tract One), conveyed by Correction Warranty Deed from C. J. Christie and wife, Mattie P. Christie, to Christie Farm, Ltd., on February 12, 1993 (effective date: June 17, 1992), recorded in Volume 2255, Page 516, Real Property Records, Grayson County, Texas, and being more particularly described as one tract of land, by metes and bounds as follows, to-wit:

BEGINNING at a 1/2 inch rebar found in the West right-of-way line of State Hwy. 289 and the center of Savage Road, a public road to the West, in the most Southern South line of said Johnson Survey, in the South line of said Christie 90.71166 ac. and the North line of the Asa Hartfield Survey, Abstract No. 490, at the most Southern Southeast corner of the herein described tract and the Northeast corner of the Sangani Properties, Ltd. 278.933 ac. (Tract 2) in Vol. 3684, Pg. 182, O.P.R.G.C.T.;

THENCE Westerly, with the center of Savage Road, with the South line of said Christie 90.71166 ac. and the North line of said Sangani 278.933 ac., the following calls and distances:

1. North 88 deg. 01 min. 29 sec. West, a distance of 2702.40 ft. to an angle point;
2. North 88 deg. 36 min. 08 sec. West, 969.77 ft. to a 1/2 inch rebar set in the South or Southeast right-of-way line of the St. Louis, San Francisco & Texas (Frisco) Railroad, at the Southwest corner of said Christie 90.71166 ac. and the Northwest corner of said Sangani 278.933 ac.;

THENCE Northeasterly, with the South or Southeast right-of-way line of said Frisco Railroad, the following calls and distances:

1. Northeasterly, with a curve to the right having a central angle (Δ) of 27 deg. 32 min. 56 sec. and a radius of 3769.83 ft. (chord bears North 61 deg. 01 min. 47 sec. East, 1795.20 ft.), an arc distance of 1812.61 ft. to a point at the end of said curve;
2. North 76 deg. 48 min. 15 sec. East, a distance of 3195.27 ft. to a point at the East base of a corner post, in the West right-of-way line of State Hwy. 289, at the Northeast corner of the herein described tract;

THENCE Southeasterly, with the West right-of-way line of State Hwy. 289. the following calls and distances:

1. South 15 deg. 32 min. 08 sec. West, a distance of 625.74 ft. to a point on a concrete & brass monument, said point being North 38 deg. West, 0.5 ft. from the center of said monument;
2. South 25 deg. 08 min. 43 sec. West, a distance of 632.15 ft. to a point on a concrete & brass monument, said point being North 17 deg. West, 0.3 ft. from the center of said monument;
3. South 41 deg. 35 min. 40 sec. West, a distance of 314.23 ft. to a point on a concrete & brass monument, said point being North 21 deg. West, 0.2 ft. from the center of said monument;
4. South 46 deg. 32 min. 40 sec. West, a distance of 251.92 ft. to a point on a concrete & brass monument, in the North line of said Savage Road, said point being North 47 deg. West, 0.2 ft. from the center of said monument;

THENCE North 88 deg. 59 min. 29 sec. West, continuing with said West right-of-way line of Hwy. 289, along a "flare-out in said right-of-way and with the North line of Savage Road, a distance of 210.77 ft. to a point on a concrete & brass monument, said point being 0.8 ft. South of the center of said monument;

THENCE South 01 deg. 37 min. 50 sec. West, again with said West right-of-way line of Hwy. 289 and partially across Savage Road, a distance of 33.58 ft. to the PLACE OF BEGINNING and containing 95.259 ACRES of land.

TRACT 3:

SITUATED in the County of Grayson, State of Texas, being a part of the Daniel Lloyd Survey, Abstract No. 706, being a part of the "approximate" 68.3 acre tract of land (Tract One), conveyed by Correction Warranty Deed from C. J. Christie and wife, Mattie P. Christie, to Christie Farm, Ltd., on February 12, 1993 (effective date: June 17, 1992), recorded in Volume 2255, Page 516, Real Property Records, Grayson County, Texas, and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at a 1/2 inch rebar found in East right-of-way line of State Hwy. 289 and the center of Strawn Road, an "East-West" public road, in the North line of the Asa Hartfield Survey, Abstract No. 490, at the Southwest corner of both said Daniel Lloyd Survey and the Christie 68.3 ac., the Southeast corner of the William P. Johnson Survey, Abstract No. 628;

THENCE North 00 deg. 13 min. 14 sec. West, with the East right-of-way line of said Hwy. 289, with the West line of both said Daniel Lloyd Survey and the Christie 68.3 ac. and the East line of said Johnson Survey, a distance of 180.01 ft. to a point in the center of a concrete & brass monument, at an angle point in said right-of-way;

THENCE Northeasterly, continuing with said East right-of-way line of Hwy. 289, but not with said Survey lines, the following calls and distances:

1. North 39 deg. 45 min. 23 sec. East, a distance of 104.24 ft. to a point in the center of a concrete & brass monument at an angle point;
2. North 46 deg. 32 min. 40 sec. East, a distance of 656.69 ft. to a point at the beginning of a curve;
3. Northeasterly, with a curve to the left having a central angle (delta) of 42 deg. 14 min. 00 sec. and a radius of 1482.21 ft. (chord bears North 25 deg. 25 min. 40 sec. East, 1067.99 ft.), an arc distance of 1092.55 ft. to a point at the end of said curve;
4. North 04 deg. 18 min. 40 sec. East, a distance of 75.10 ft. to a 1/2 inch rebar set in the South right-of-way line of the St. Louis, San Francisco & Texas (Frisco) Railroad, at most Northern Northwest corner of the herein described tract;

THENCE North 76 deg. 48 min. 15 sec. East, with the South right-of-way line of said Frisco Railroad, a distance of 324.79 ft. to a point in the East line of said Christie 68.3 ac. and a West line of the Edwin A. Trapp, Jr. Revocable Trust, 278.389 ac. (Tract One, Exhibit "A") in Vol. 2271, Pg. 274, R.P.R.G.C.T., at the Northeast corner of the herein described tract;

THENCE South 00 deg. 09 min. 43 sec. East, with said West line of the Trapp 278.389 ac., passing a crosstie corner post at 8 ft., and continuing now with the general course of a wire fence, passing a 1/2 inch rebar found in fence at 1777.7 ft., passing a corner post in the North line of Strawn Road and leaving said fence at about 1792 ft., and continuing for a total distance of 1816.60 ft. to a point in the center of Strawn Road in the South line of said Daniel Lloyd Survey and the North line of said Hartfield Survey, at the Southeast corner of said Christie 68.3 ac. and the most Southern Southwest corner of said Trapp 278.389 ac.;

THENCE South 89 deg. 37 min. 18 sec. West, with the center of Strawn Road and with said Survey lines, a distance of 1328.26 ft. to the PLACE OF BEGINNING and containing 29.764 ACRES of land.

TRACT 4:

SITUATED in the County of Grayson, State of Texas, being a part of the Daniel Lloyd Survey, Abstract No. 706, being a part of the "approximate" 68.3 acre tract of land (Tract One), conveyed by Correction Warranty Deed from C. J. Christie and wife, Mattie P. Christie, to Christie Farm, Ltd., on February 12, 1993 (effective date: June 17, 1992), recorded in Volume 2255, Page 516, Real Property Records, Grayson County, Texas, and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at a point in the East right-of-way line of State Hwy. 289, in the North line of both said Daniel Lloyd Survey and the Christie 68.3 ac., in the South line of the Mary Miller Survey, Abstract No. 775 and a South line of the Edwin A. Trapp, Jr. Revocable Trust, 278.389 ac. (Tract One, Exhibit "A") in Vol. 2271, Pg. 274, R.P.R.G.C.T., at the Northwest corner of the herein described tract, said point being 2.1 ft. West of a 1/2 inch rebar found at the base of a corner post;

THENCE North 89 deg. 36 min. 08 sec. East, with said South line of the Trapp 278.389 ac. and with said Survey lines, passing said rebar at 2.1 ft., and continuing now with a wire fence, for a total distance of 155.34 ft. to a 1/2 inch rebar found at the base of a corner post, at the Northeast corner of said Christie 68.3 ac. and an Ell corner of said Trapp 278.389 ac.;

THENCE South 00 deg. 09 min. 43 sec. East, with the general course of a wire fence maintaining a West line of said Trapp 278.389 ac. and the East line of said Christie 68.3 ft., a distance of 727.30 ft. to a point in the North right-of-way line of the St. Louis, San Francisco & Texas (Frisco) Railroad, at the Southeast corner of the herein described tract;

THENCE South 76 deg. 48 min. 15 sec. West with the North right-of-way line of said Frisco Railroad, a distance of 316.39 ft. to a concrete & brass monument found in said East right-of-way line of State Hwy. 289, at the Southwest corner of the herein described tract;

THENCE North 10 deg. 41 min. 06 sec. East, with the East right-of-way line of State Hwy. 289, a distance of 812.53 ft. to the PLACE OF BEGINNING and containing 3.995 ACRES of land.

SECTION _____.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE ____ . SANGANI RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF GRAYSON COUNTY

SECTION ____ .01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8258 to read as follows:

CHAPTER 8258. SANGANI RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8258.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a board member.
- (3) "District" means the Sangani Ranch Municipal Utility District No. 1

of Grayson County.

Sec. 8258.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8258.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8258.023 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that the district shall:

(A) pay any debts incurred;

(B) transfer to Grayson County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Sec. 8258.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section ____ .02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section ____ .02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

[Sections 8258.005-8258.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8258.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office, the commission shall appoint a person to fill the vacancy.

(d) Temporary directors serve until the earlier of:

(1) the date directors are elected under Section 8258.023; or

(2) the date this chapter expires under Section 8258.003.

Sec. 8258.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Sec. 8258.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION; ANNEXATION BY CITY. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) The temporary directors may not hold the election until the City of Gunter has annexed into its corporate limits all territory described by Section .02 of the Act creating this chapter.

Sec. 8258.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8258.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8258.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 8258.026-8258.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8258.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

[Sections 8258.052-8258.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8258.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8258.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.

(b) The district may not provide retail water or wastewater services.

Sec. 8258.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8258.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Sec. 8258.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:

- (1) outside the area described by Section ____ .02 of the Act creating this chapter; or
- (2) outside the corporate limits of the city of Gunter.

Sec. 8258.106. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.

(b) Section 43.075, Local Government Code, does not apply to the district.

[Sections 8258.107-8258.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8258.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8258.201.

[Sections 8258.152-8258.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8258.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8258.101 or 8258.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8258.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8258.103 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION ____ .02. The Sangani Ranch Municipal Utility District No. 1 of Grayson County includes all the territory contained in the following area:

Tract 1

All that certain tract or parcel of land situated in the A. S. A. Hartfield Survey, Abstract Number 490, Grayson County, Texas, and being part of a called Tract No. 3 as described in a deed from Jack A. Turpin to JMS & Co., a Texas General Partnership as recorded in Volume 1963, Page 451, Deed Records of Grayson County, Texas, and being more particularly described as follows:

Beginning at a 1/2" iron rod found in the south line of said Tract No. 3 and in the east right-of-way line of State Highway 289 and also in an asphalt road under apparent public use posted as Mackey Road;

Thence North 00 Degrees 32 Minutes 59 Seconds West with the said east monumented right-of-way line and generally with a fence line, a distance of 114.58 feet to a right-of-way monument found for corner;

Thence North 45 Degrees 35 Minutes 10 Seconds East with the said east monumented right-of-way line and generally with a fence line, a distance of 180.50 feet to a right-of-way monument found for corner;

Thence North 40 Degrees 07 Minutes 07 Seconds East with the said east right-of-way line and generally with a fence line, a distance of 329.14 feet to a 1/2" capped iron rod set for corner;

Thence North 45 Degrees 35 Minutes 13 Seconds East with the said east right-of-way line and generally with a fence line, a distance of 1391.07 feet to a 1/2" capped iron rod set for corner;

Thence North 51 Degrees 15 Minutes 05 Seconds East with the said east monumented right-of-way line and generally with a fence line, a distance of 494.20 feet to a concrete monument for corner;

Thence North 45 Degrees 35 Minutes 13 Seconds East with the said east right-of-way line and generally with a fence line, a distance of 131.23 feet to a 1/2" capped iron rod set for corner;

Thence North 42 Degrees 32 Minutes 58 Seconds East with the said east monumented right-of-way line and generally with a fence line, a distance of 315.33 feet to a concrete monument for corner;

Thence North 45 Degrees 35 Minutes 13 Seconds East with the said east right-of-way line and generally with a fence line, a distance of 98.43 feet to a 1/2" capped iron rod set for corner;

Thence North 40 Degrees 15 Minutes 20 Seconds East with the said east right-of-way line and generally with a fence line, a distance of 354.85 feet to a 1/2" capped iron rod set for the north corner of said Tract No. 3 and at the northwest corner of a called 26.14 acre tract of land described in a deed to Penny S. Avery as recorded in Volume 2670, Page 802, Deed Records of Grayson County, Texas;

Thence South 01 Degrees 16 Minutes 21 Seconds East with the east line of said Tract No. 3 and with the west line of said 26.14 acre tract and also with or near a fence line, passing a 1/2" iron rod found at 2400.96 feet and continuing along said coarse for a total distance of 2425.74 feet to a 60 D nail found at the southeast corner of said Tract No. 3 and at the southwest corner of said 26.14 acre tract and also in said asphalt road;

Thence South 89 Degrees 39 Minutes 37 Seconds West with the south line of said Tract No. 3 and along said asphalt road, a distance of 2379.51 feet to the POINT OF BEGINNING and containing in total 69.234 acres of land and in the occupied road way and a total of 1.413 acres of land.

Tract 2

All that certain tract or parcel of land situated in the A. S. A. Hartfield Survey, Abstract Number 490, Grayson County, Texas, and being part of a called Tract No. 2 as described in a deed from Jack A. Turpin to JMS & Co., a Texas General Partnership as recorded in Volume 1963, Page 451, Deed Records of Grayson County, Texas, and being more particularly described as follows:

Beginning at a 1/2" capped iron rod set at the southwest corner of said Tract No. 2 and in an asphalt road under apparent public use posted as Fallow Road and also in the west line of said Hartfield Survey;

Thence North 00 Degrees 57 Minutes 46 Seconds East with the west line of said Tract No. 2 and along said asphalt road most of the way and also with the said west line, a distance of 1786.81 feet to a 1/2" capped iron rod set for corner in the southeast right-of-way line of S.C. & S.F. RAILROAD;

Thence North 12 Degrees 29 Minutes 16 Seconds East with the west line of said Tract No. 2 and with the said southeast right-of-way line, a distance of 1260.61 feet to a 1/2" capped iron rod set for corner at the start of a curve to the right having a radius of 3699.71 feet;

Thence with said curve to the right and with the said west line and also with the said southeast right-of-way line an arc length of 991.94 feet and said curve having a chord bearing of North 20 Degrees 16 Minutes 14 Seconds East, a distance of 988.97 feet to a 1/2" capped iron rod set for corner at the start of a curve to the right having a radius of 3772.73 feet;

Thence with said curve to the right and with the said west line and also with the said southeast right-of-way line an arc length 1350.21 feet and said curve having a chord bearing of North 38 Degrees 02 Minutes 43 Seconds East, a distance of 1343.02 feet to a 60 D nail found at the northwest corner of said Tract No. 2 and in an asphalt road under apparent public use posted as Savage Road;

Thence South 89 Degrees 33 Minutes 30 Seconds East with the north line of said Tract No. 2 and along said asphalt road, a distance of 969.10 feet to a 60 D nail found for corner;

Thence South 89 Degrees 58 Minutes 51 Seconds East with the said north line and along said asphalt road, a distance of 2702.37 feet to a point for the northeast corner of said Tract No. 2 and in the west right-of-way line of State Highway 289;

Thence South 00 Degrees 40 Minutes 28 Seconds West with the said west monumented right-of-way line, a distance of 198.93 feet to a 1/2" iron rod found in concrete for corner;

Thence South 45 Degrees 35 Minutes 18 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 967.85 feet to a brass capped monument found for corner;

Thence South 51 Degrees 18 Minutes 23 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 494.83 feet to a brass capped monument found for corner;

Thence South 45 Degrees 49 Minutes 03 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 97.35 feet to a brass capped monument found for corner;

Thence South 39 Degrees 52 Minutes 13 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 494.65 feet to a brass capped monument found for corner;

Thence South 45 Degrees 35 Minutes 18 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 1205.10 feet to a brass capped monument found for corner;

Thence South 51 Degrees 19 Minutes 11 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 329.75 feet to a brass capped monument found for corner;

Thence South 45 Degrees 28 Minutes 36 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 98.33 feet to a brass capped monument found for corner;

Thence South 48 Degrees 35 Minutes 13 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 315.45 feet to a brass capped monument found for corner;

Thence South 45 Degrees 56 Minutes 27 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 130.31 feet to a brass capped monument found for corner;

Thence South 39 Degrees 47 Minutes 37 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 495.56 feet to a brass capped monument found for corner;

Thence South 45 Degrees 35 Minutes 13 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 1226.52 feet to a concrete monument found for corner;

Thence South 51 Degrees 18 Minutes 15 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 494.51 feet to a concrete monument found for corner;

Thence South 46 Degrees 15 Minutes 32 Seconds West with the said west monumented right-of-way line and generally near a fence line, a distance of 97.79 feet to a concrete monument found for corner;

Thence South 37 Degrees 09 Minutes 28 Seconds West with the said west right-of-way line, a distance of 409.29 feet to a 1/2" capped iron rod set at the southeast corner of said Tract No. 2;

Thence South 89 Degrees 39 Minutes 37 Seconds West with the south line of said Tract No. 2, a distance of 261.85 feet to the POINT OF BEGINNING and containing in total 278.933 acres of land and in the occupied in roadway and a total of 6.477 acres of land.

Tract 3

All that certain tract or parcel of land situated in the A. S. A. Hartfield Survey, Abstract Number 490, Grayson County, Texas, and being all of a called Tract No. 1 and all of a called Tract No. 4 as described in a deed from Jack A. Turpin to JMS & Co., a Texas General Partnership as recorded in Volume 1963, Page 451, Deed Records of Grayson County, Texas, and being more particularly described as follows:

Beginning at a 1/2" capped iron rod set at the northwest corner of said Tract No. 1 and at the northwest corner of said Hartfield Survey and also in an asphalt road under apparent public use posted as Fallow Road;

Thence South 89 Degrees 33 Minutes 30 Seconds East with the north line of said Tract No. 1 and with the north line of said Hartfield Survey, a distance of 1212.54 feet to a 60 D nail found for the northeast corner of said Tract No. 4 and in an asphalt road under apparent public use posted as Savage Road and in the northwest right-of-way line of S.C. & S.F. RAILROAD and also in a curve to the left having a radius of 3872.73 feet;

Thence with said curve to the left and with the said northwest right-of-way line an arc length of 1276.90 feet and said curve having a chord bearing of South 37 Degrees 14 Minutes 32 Seconds West, a distance of 1271.12 feet to a 1/2" capped iron rod set for corner at the start of a curve to the left having a radius of 3799.71 feet;

Thence with said curve to the left and with said northwest line an arc length of 1018.75 feet and said curve having a chord bearing of South 20 Degrees 16 Minutes 14 Seconds West, a distance of 1015.70 feet to a 1/2" capped iron rod set for corner;

Thence South 12 Degrees 29 Minutes 16 Seconds West with the said northwest right-of-way line, a distance of 771.10 feet to a 60 D nail set for the south corner of said Tract No. 1 and in said Fallow Road and also in the west line of said Hartfield Survey;

Thence North 00 Degrees 57 Minutes 32 Seconds East with the west line of said Tract No. 1 and with the said west line and also with said Fallow Road, a distance of 1721.54 feet to a 60 D nail set for corner;

Thence North 01 Degrees 57 Minutes 45 Seconds East with the west line of said Tract No. 1 and with the said west line and also with said Fallow Road, a distance of 866.75 feet to a 60 D nail set for corner;

Thence North 06 Degrees 54 Minutes 43 Seconds East with the west line of said Tract No. 1, a distance of 140.40 feet to the POINT OF BEGINNING and containing in total 26.861 acres of land and in an occupied road way and a total of 2.173 acres of land.

SECTION __.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE _____. SANGANI RANCH MUNICIPAL UTILITY DISTRICT NO.
2 OF GRAYSON COUNTY

SECTION _____.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8259 to read as follows:

CHAPTER 8259. SANGANI RANCH MUNICIPAL UTILITY DISTRICT NO.
2 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8259.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Sangani Ranch Municipal Utility District No. 2 of Grayson County.

Sec. 8259.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8259.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8259.023 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that the district shall:

(A) pay any debts incurred;

(B) transfer to Grayson County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Sec. 8259.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section _____.02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section _____.02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

[Sections 8259.005-8259.020 reserved for expansion]

SUBCHAPTER A-I. TEMPORARY PROVISIONS

Sec. 8259.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office, the commission shall appoint a person to fill the vacancy.

(d) Temporary directors serve until the earlier of:

(1) the date directors are elected under Section 8259.023; or

(2) the date this chapter expires under Section 8259.003.

Sec. 8259.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Sec. 8259.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION; ANNEXATION BY CITY. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) The temporary directors may not hold the election until the City of Gunter has annexed into its corporate limits all territory described by Section .02 of the Act creating this chapter.

Sec. 8259.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8259.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8259.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 8259.026-8259.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8259.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

[Sections 8259.052-8259.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8259.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8259.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.

(b) The district may not provide retail water or wastewater services.

Sec. 8259.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8259.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Sec. 8259.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:

- (1) outside the area described by Section ____ .02 of the Act creating this chapter; or
- (2) outside the corporate limits of the city of Gunter.

Sec. 8259.106. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.

(b) Section 43.075, Local Government Code, does not apply to the district.

[Sections 8259.107-8259.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8259.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8259.201.

[Sections 8259.152-8259.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8259.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8259.101 or 8259.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8259.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8259.103 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION _____.02. The Sangani Ranch Municipal Utility District No. 2 of Grayson County includes all the territory contained in the following area:

Tract One

All that certain tract or parcel of land situated in the Daniel Lloyd Survey, Abstract Number 706, County of Grayson, State of Texas, said tract being part of Tract One a called 278.389 acre tract as described in deed to Edwin A. Trapp Jr., Trustee, filed 24 may 1993, and recorded in volume 2271 page 274 of the real property records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the southwest corner of the tract being described herein at a set 1\2 inch steel square tubing, said tubing being the most southerly southwest corner of said Trapp Tract One, same being the southeast corner of Tract One as described in deed to Christie Farm Ltd., filed 16 February 1993, and recorded in volume 2255 page 516 of said real property records, and said tubing being on the north line of Tract Two a called 400.00 acre tract as described in said Trapp deed, said tubing also being in Strawn Road;

Thence: North 01 degrees 32 minutes 43 seconds West, with the west line of said Trapp Tract One, and with the east line of said Christie Farm tract, and passing at 38.88 feet a set 1\2 inch steel square tubing on the north side of said road, and continuing on said course with an old barbed wire fence, and tree line, a total distance of 1816.23 feet to a set 1\2 inch steel square tubing for the northwest corner of this tract, said tubing being on the south line of the Burlington Northern Railroad;

Thence: North 75 degrees 22 minutes 08 seconds East, with the south line of said railroad, a distance of 1154.39 feet to a set 1\2 inch steel square tubing for the start of a curve to the left having a central angle of 19 degrees 36 minutes 08 seconds, and a radius of 2898.24 feet, and chord bearing of North 65 degrees 34 minutes 04 seconds East, and a chord distance of 986.73 feet;

Thence: With the south line of said railroad and with said curve to the left, an arc length of 991.56 feet to a set 1\2 inch steel square tubing for the northeast corner of this tract, said tubing being an ell corner of said Trapp Tract One;

Thence: South 01 degrees 55 minutes 00 seconds East, with the east line of said Trapp Tract One, and with the center of said road, a distance of 2456.64 feet to a set 1\2 inch steel square tubing in a turn in said road for the most southerly southeast corner of said Trapp Tract One, and said tubing being on the north line of Tract 2 a called 114 acre tract as described in deed to Brandon Douglas Hunter, filed 11 July 2002, and recorded in volume 3278 page 336 of the official public records of Grayson County, Texas;

Thence: South 88 degrees 19 minutes 20 seconds West, with the south line of said Trapp Tract One, and with the north line of said Hunter tract, and with said road, and passing at a distance of 1410.88 feet to a found railroad spike, and continuing on said course a total distance of 1854.17 feet to a found 1\2 inch rebar for the northwest corner of said Hunter tract, same being the northeast corner of said Trapp Tract Two, said rebar also being at the intersection of said Strawn Road and Harris Road;

Thence: South 88 degrees 19 minutes 19 seconds West, with the south line of said Trapp Tract One, and with the north line of said Trapp Tract Two, and with said Strawn Road, a distance of 195.22 feet to the POINT OF BEGINNING and containing 97.316 acres of land.

Tract Two

All that certain tract or parcel of land situated in the Daniel Lloyd Survey, Abstract Number 706, County of Grayson, State of Texas, said tract being part of Tract One a called 278.389 acre tract as described in deed to Edwin A. Trapp Jr., Trustee, filed 24 may 1993, and recorded in volume 2271 page 274 of the real property records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the southwest corner of the tract being described herein at a set 1\2 inch steel square tubing, said tubing being the most westerly southwest corner of said Trapp Tract One, same being the northwest corner of Tract One as described in deed to Christie Farm Ltd., filed 16 February 1993, and recorded in volume 2255 page 516 of said real property records, and said tubing being on the east line of Tract Two as described in said Christie deed, said tubing also being in an abandoned road;

Thence: North 01 degrees 39 minutes 37 seconds West, with the west line of said Trapp Tract One, and with the east line of said Christie Tract Two, and with a barbed wire fence in the center of said abandoned road bed, a distance of 1813.36 feet to a found 1\2 inch rebar for the northwest corner of said Trapp Tract One, said rebar being on the south line of a called 233.48 acre tract as described in deed to JMS Ltd., filed 23 June 2004, and recorded in volume 3684 page 164 of the official public records of Grayson County, Texas;

Thence: North 88 degrees 52 minutes 52 seconds East, with the north line of said Trapp Tract One, and with the south line of said JMS tract, and with an old barbed wire fence, a distance of 1395.71 feet to a found 1\2 inch rebar with a plastic cap marked Underwood for the northeast corner of this tract, said rebar being the southeast corner of said JMS tract, and said rebar being on the west line of State Highway Number 289;

Thence: With the west line of said highway the following five (5) calls:

1. South 10 degrees 50 minutes 55 seconds West, a distance of 27.66 feet,
2. South 05 degrees 41 minutes 07 seconds West, a distance of 164.82 feet,
3. South 11 degrees 06 minutes 58 seconds West, a distance of 823.97 feet,
4. South 14 degrees 04 minutes 31 seconds West, a distance of 656.55 feet,

5. South 27 degrees 11 minutes 10 seconds West, a distance of 194.90 feet to a found 1/2 inch rebar with a plastic cap marked Underwood for the southeast corner of this tract, said rebar being on the south line of said Trapp Tract One, same being the north line of said Christie Tract One;

Thence: South 88 degrees 07 minutes 17 seconds West, with the south line of said Trapp Tract One, and with the north line of said Christie Tract One, a distance of 914.29 feet to the POINT OF BEGINNING and containing 49.540 acres of land.

Tract Three

All that certain tract or parcel of land situated in the Daniel Lloyd Survey, Abstract Number 706, County of Grayson, State of Texas, said tract being part of Tract One a called 278.389 acre tract as described in deed to Edwin A. Trapp Jr., Trustee, filed 24 may 1993, and recorded in volume 2271 page 274 of the real property records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the northwest corner of the tract being described herein at a found 1/2 inch rebar with a plastic cap marked Underwood, said rebar being on the north line of said Trapp Tract One, and said rebar being the southwest corner of a called 134.431 acre tract as described in deed to JMS Ltd., filed 23 June 2004, and recorded in volume 3684 page 164 of the official public records of Grayson County, Texas, said rebar also being on the east line of State Highway Number 289;

Thence: North 89 degrees 11 minutes 13 seconds East, with the north line of said Trapp Tract One, and with the south line of said JMS tract, and with an old barbed wire fence, and tree line, a distance of 2500.41 feet to a found 1/2 inch rebar by an old wood fence corner post for the northeast corner of said Trapp Tract One, same being the northwest corner of a called 76 acre tract, the Second Tract in Exhibit "B" as described in deed to Freels Family Limited Partnership, filed 09 January 1997, and recorded in volume 2516 page 609 of said official public records;

Thence: South 00 degrees 53 minutes 47 seconds East, with the east line of said Trapp Tract One, and with the west line of said Freels tract, a distance of 1192.97 feet to a set 1/2 inch steel square tubing for the southeast corner of this tract, said tubing being on the north line of the Burlington Northern Railroad, said tubing also being in a curve to the right having a central angle of 39 degrees 50 minutes 05 seconds, and a radius of 2798.24 feet, and chord bearing of South 55 degrees 27 minutes 06 seconds West, and a chord distance of 1906.53 feet;

Thence: With the north line of said railroad, and with said curve to the right, an arc length of 1945.47 feet to a set 1/2 inch steel square tubing for the end of said curve;

Thence: South 75 degrees 22 minutes 08 seconds West, with the north line of said railroad, a distance of 1131.15 feet to a set 1/2 inch steel square tubing for the most southerly southwest corner of this tract, said tubing being on the west line of said Trapp Tract One, and said tubing being on the east line of Tract One as described in deed to Christie Farm Ltd., filed 16 February 1993, and recorded in volume 2255 page 516 of said real property records;

Thence: North 01 degrees 32 minutes 43 seconds West, with the west line of said Trapp Tract One, and with the east line of said Christie Tract One, and with an old barbed wire fence and tree line, a distance of 727.86 feet to a found 1½ inch rebar by a wood fence corner post for an ell corner of said Trapp Tract One, same being the northeast corner of said Christie Tract One;

Thence: South 88 degrees 13 minutes 00 seconds West, with the south line of said Trapp Tract One, and with the north line of said Christie Tract One, and with an old barbed wire fence and tree line, a distance of 152.97 feet to a found 1½ inch rebar with a plastic cap marked Underwood for the most westerly southwest corner of this tract, said rebar being on the east line of said highway;

Thence: With the east line of said highway the following three (3) calls:

1. North 09 degrees 22 minutes 56 seconds East, a distance of 129.92 feet,
2. North 08 degrees 16 minutes 56 seconds East, a distance of 657.02 feet,
3. North 11 degrees 12 minutes 13 seconds East, a distance of 1042.97 feet to the POINT OF BEGINNING and containing 127.870 acres of land.

Tract Four

All that certain tract or parcel of land situated in the Daniel Lloyd Survey, Abstract Number 706, County of Grayson, State of Texas, said tract being part of Tract One a called 278.389 acre tract as described in deed to Edwin A. Trapp Jr., Trustee, filed 24 may 1993, and recorded in volume 2271 page 274 of the real property records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the southeast corner of the tract being described herein at a set 1½ inch steel square tubing, said tubing being the most easterly southeast corner of said Trapp Tract One, same being the southwest corner of a called 76 acre tract, the Second Tract in Exhibit "B" as described in deed to the Freels Family Limited Partnership, filed 09 January 1997, and recorded in volume 2516 page 609 of the official public records of Grayson County, Texas, said tubing also being in the center of Strawn Road;

Thence: South 89 degrees 06 minutes 49 seconds West, with the south line of said Trapp Tract One, and with the center of said road, a distance of 389.89 feet to a set 1½ inch steel square tubing for the southwest corner of this tract, said tubing being on the south line of the Burlington Northern Railroad, said tubing also being in a curve to the left having a central angle of 11 degrees 00 minutes 26 seconds, and a radius of 2898.24 feet, and a chord bearing of North 43 degrees 38 minutes 14 seconds East, and a chord distance of 555.93 feet;

Thence: With the south line of said railroad, and with said curve to the left, an arc length of 556.78 feet to a set 1½ inch steel square tubing for the northeast corner of this tract, said tubing being on the east line of said Trapp Tract One, same being the west line of said Freels tract;

Thence: South 00 degrees 53 minutes 47 seconds West, with the east line of said Trapp Tract One, and with the west line of said Freels Tract, and passing at 366.36 feet a set 1½ inch steel square tubing on the north side of said road, and continuing on said course a total distance of 396.36 feet to the POINT OF BEGINNING and containing 1.660 acres of land.

Tract 5

All that certain tract or parcel of land situated in the Asa Hartfield Survey, Abstract Number 490 and the Harry Campbell Survey, Abstract Number 244, County of Grayson, State of Texas, said tract being the remainder of Tract Two a called 400.00 acre tract as described in deed to Edwin A. Trapp Jr., Trustee, filed 24 may 1993, and recorded in volume 2271 page 274 of the real property records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the most northerly northeast corner of the tract being described herein at a found 1\2 inch rebar, said rebar being the most northerly northeast corner of said Tract Two, and said rebar being the northwest corner of Tract 2, a called 114 acre tract as described in deed to Brandon Douglas Hunter, filed 11 July 2002, and recorded in volume 3278 page 336 of the official public records of Grayson County, Texas, and said rebar being on the south line of Tract One a called 278.389 acre tract as described in said Trapp deed, said rebar also being at the intersection of Strawn Road and Harris Road;

Thence: South 01 degrees 41 minutes 56 seconds East, with the east line of said Tract Two, and with the west line of said Hunter Tract 2, and with said Harris Road, a distance of 1637.62 feet to a found 1\2 inch rebar for an ell corner of said Tract Two, same being the southwest corner of said Hunter Tract 2;

Thence: North 88 degrees 41 minutes 40 seconds East, with the north line of said Tract Two, and with the south line of said Hunter Tract 2, and with an old barbed wire fence and tree line, and passing at 3859.69 feet a wood fence post, and continuing on said course a total distance of 3994.01 feet to a point in the East Fork of the Trinity River for the most easterly northeast corner of said Tract Two;

Thence: With the East Fork of the Trinity River the following thirty five (35) calls:

1. South 04 degrees 16 minutes 06 seconds West, a distance of 13.44 feet,
2. South 71 degrees 38 minutes 03 seconds West, a distance of 30.00 feet,
3. South 16 degrees 22 minutes 03 seconds West, a distance of 35.50 feet,
4. South 44 degrees 05 minutes 05 seconds East, a distance of 118.73 feet,
5. South 21 degrees 02 minutes 52 seconds East, a distance of 114.70 feet,
6. South 28 degrees 15 minutes 39 seconds East, a distance of 49.91 feet,
7. South 46 degrees 49 minutes 00 seconds East, a distance of 93.47 feet,
8. South 59 degrees 59 minutes 37 seconds East, a distance of 97.33 feet,
9. North 87 degrees 21 minutes 13 seconds East, a distance of 56.79 feet,
10. North 41 degrees 45 minutes 50 seconds East, a distance of 32.24 feet,
11. North 21 degrees 45 minutes 20 seconds West, a distance of 68.89 feet,
12. North 13 degrees 33 minutes 07 seconds East, a distance of 51.57 feet,
13. South 76 degrees 46 minutes 26 seconds East, a distance of 67.85 feet,
14. South 56 degrees 03 minutes 42 seconds East, a distance of 47.74 feet,
15. South 05 degrees 21 minutes 57 seconds West, a distance of 66.45 feet,
16. South 19 degrees 16 minutes 48 seconds West, a distance of 44.53 feet,
17. South 62 degrees 01 minutes 44 seconds West, a distance of 46.70 feet,
18. South 24 degrees 16 minutes 44 seconds East, a distance of 107.73 feet,
19. North 80 degrees 21 minutes 03 seconds East, a distance of 72.00 feet,
20. North 41 degrees 38 minutes 02 seconds East, a distance of 51.16 feet,

21. North 71 degrees 31 minutes 13 seconds East, a distance of 90.02 feet,
22. South 87 degrees 37 minutes 31 seconds East, a distance of 84.31 feet,
23. South 29 degrees 55 minutes 31 seconds East, a distance of 251.82 feet,
24. South 36 degrees 47 minutes 19 seconds West, a distance of 208.87 feet,
25. South 39 degrees 55 minutes 52 seconds West, a distance of 166.41 feet,
26. South 27 degrees 53 minutes 18 seconds East, a distance of 118.83 feet,
27. South 51 degrees 28 minutes 57 seconds East, a distance of 47.21 feet,
28. South 35 degrees 04 minutes 21 seconds East, a distance of 307.05 feet,
29. South 89 degrees 36 minutes 39 seconds East, a distance of 85.00 feet,
30. North 85 degrees 30 minutes 21 seconds East, a distance of 155.00 feet,
31. South 11 degrees 27 minutes 21 seconds West, a distance of 200.00 feet,
32. South 43 degrees 02 minutes 39 seconds East, a distance of 160.00 feet,
33. South 07 degrees 28 minutes 29 seconds East, a distance of 135.00 feet,
34. South 02 degrees 28 minutes 21 seconds West, a distance of 95.00 feet,
35. South 43 degrees 16 minutes 03 seconds East, a distance of 77.43 feet to a point in a Soil Conservation Lake for the southeast corner of said Tract Two, said point being on the north line of a tract as described in deed to W. J. Harris, filed 08 November 1950, and recorded in volume 629 page 119 of the deed records of said Grayson County, Texas;

Thence: South 88 degrees 00 minutes 17 seconds West, with the south line of said Tract Two, and with the north line of said Harris tract, and passing at 540.02 feet a set 1½ inch steel square tubing on the west edge of said lake, and continuing on said course with an old barbed wire fence and tree line, a total distance of 3456.64 feet to a found 1½ inch rebar for the northeast corner of a called 4.461 acre tract as described in deed to Barry Harris et ux, Vickie Lynn Harris, filed 03 September 1993, and recorded in volume 2291 page 101 of said real property records;

Thence: South 88 degrees 44 minutes 13 seconds West, with the south line of said Tract Two, and with the north line of said Harris 4.461 acre tract, and with said fence and tree line, a distance of 334.09 feet to a found 1½ inch rebar for the northwest corner of said Harris 4.461 acre tract;

Thence: South 88 degrees 38 minutes 06 seconds West, with the south line of said Tract Two, and with said fence and tree line, a distance of 1370.38 feet to a found 1½ inch rebar in said Harris Road for the most southerly southwest corner of said Tract Two, same being the northwest corner of said W. J. Harris tract, and said rebar being on the east line of Tract 1, a called 105.27 acre tract as described in said Hunter deed;

Thence: North 01 degrees 42 minutes 39 seconds West, with the west line of said Tract Two, and with the east line of said Hunter Tract 1, and with said road, a distance of 780.48 feet to a set 1½ inch steel square tubing for an ell corner of said Tract Two, same being the northeast corner of said Hunter Tract 1;

Thence: South 88 degrees 47 minutes 26 seconds West, with the south line of said Tract Two, and with the north line of said Hunter Tract 1, and passing at 207.13 feet a wood fence post, and continuing on said course with an old barbed wire fence, and tree line, a total distance of 2201.38 feet to a found 1½ inch rebar for

the northwest corner of said Hunter Tract 1, same being the northeast corner of a tract as described in partition deed to Edna M. Woodall, filed 12 September 1977, and recorded in volume 1404 page 596 of said deed records;

Thence: South 88 degrees 46 minutes 48 seconds West, with the south line of said Tract Two, and with the north line of said Woodall tract, and with said fence, a distance of 772.94 feet to a set 1/2 inch steel square tubing for a southwest corner of said Tract Two, same being the southeast corner of a called 26.14 acre tract as described in deed to Penny S. Avery, filed 07 July 1998, and recorded in volume 2670 page 802 of said official public records;

Thence: North 02 degrees 17 minutes 36 seconds West, with the west line of said Tract Two, and with the east line of said Avery tract, a distance of 710.78 feet to a found 1/2 inch rebar for an ell corner of said Tract Two, same being the northeast corner of said Avery tract;

Thence: North 63 degrees 23 minutes 26 seconds West, with the south line of said Tract Two, and with the north line of said Avery tract, a distance of 710.78 feet to a found 1/2 inch rebar for the most westerly southwest corner of said Tract Two, same being the most northerly corner of said Avery tract, and said rebar being on the east line of State Highway Number 289;

Thence: With the east line of said Highway the following nine (9) calls:

1. North 45 degrees 06 minutes 45 seconds East, a distance of 386.68 feet,
2. South 44 degrees 48 minutes 33 seconds East, a distance of 20.00 feet,
3. North 45 degrees 11 minutes 27 seconds East, a distance of 1000.00 feet,
4. North 44 degrees 48 minutes 33 seconds East, a distance of 20.13 feet,
5. North 45 degrees 07 minutes 15 seconds East, a distance of 872.90 feet,
6. North 50 degrees 55 minutes 36 seconds East, a distance of 164.98 feet,
7. North 45 degrees 21 minutes 48 seconds East, a distance of 120.47 feet,
8. North 88 degrees 27 minutes 27 seconds East, a distance of 216.10 feet,
9. North 00 degrees 42 minutes 19 seconds West, a distance of 26.46 feet to a set 1/2 inch steel square tubing in said Strawn Road for the remainder northwest corner of said Tract Two, same on the southwest corner of Tract One as described deed to Christie Farm Ltd., filed 16 February 1993, and recorded in volume 2255 page 516 of said real property records;

Thence: North 88 degrees 07 minutes 11 seconds East, with the north line of said Tract Two, and with the south line of said Christie Farm tract, and with said road, a distance of 1328.08 feet to a set 1/2 inch steel square tubing for the southeast corner of said Christie Farm tract, same being the southwest corner of said Trapp Tract One;

Thence: North 88 degrees 19 minutes 19 seconds East, with the north line of said Tract Two, and with the south line of said Trapp Tract One, and with said road, a distance of 195.22 feet to the POINT OF BEGINNING and containing 399.348 acres of land.

SECTION _____.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to

all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE ____ . SANGANI RANCH MUNICIPAL UTILITY DISTRICT NO.
3 OF GRAYSON COUNTY

SECTION ____ .01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8260 to read as follows:

CHAPTER 8260. SANGANI RANCH MUNICIPAL UTILITY DISTRICT NO.
3 OF GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8260.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Sangani Ranch Municipal Utility District No. 3 of Grayson County.

Sec. 8260.002. NATURE OF DISTRICT. The district is a municipal utility district in Grayson County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8260.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8260.023 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that the district shall:

(A) pay any debts incurred;

(B) transfer to Grayson County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Sec. 8260.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section ____ .02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section ____ .02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

[Sections 8260.005-8260.020 reserved for expansion]

SUBCHAPTER A-I. TEMPORARY PROVISIONS

Sec. 8260.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office, the commission shall appoint a person to fill the vacancy.

(d) Temporary directors serve until the earlier of:

(1) the date directors are elected under Section 8260.023; or

(2) the date this chapter expires under Section 8260.003.

Sec. 8260.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Sec. 8260.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION; ANNEXATION BY CITY. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) The temporary directors may not hold the election until the City of Gunter has annexed into its corporate limits all territory described by Section .02 of the Act creating this chapter.

Sec. 8260.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8260.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8260.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 8260.026-8260.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8260.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

[Sections 8260.052-8260.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8260.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8260.102. WATER AND WASTEWATER FACILITIES AND SERVICES. (a) The district shall make available any district water or wastewater facility to each person that holds a certificate of convenience and necessity for land in the district.

(b) The district may not provide retail water or wastewater services.

Sec. 8260.103. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

(b) A road project must meet all applicable construction standards, subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8260.104. MAINTENANCE AND REPAIR OF ROADS IN TERRITORY EXCLUDED FROM CITY. If the City of Gunter excludes district territory from the city's corporate limits, the district shall maintain, improve, operate, and repair any road located in that territory in accordance with the ordinances and rules of each political subdivision in whose jurisdiction the road is located.

Sec. 8260.105. DIVISION OF DISTRICT. (a) The district may be divided into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land:

(1) outside the area described by Section _____.02 of the Act creating this chapter; or

(2) outside the corporate limits of the city of Gunter.

Sec. 8260.106. LIMITATION ON ANNEXATION. (a) The district may not add land to the district under Subchapter J, Chapter 49, Water Code, if the land is located outside the corporate limits of the city of Gunter.

(b) Section 43.075, Local Government Code, does not apply to the district.

[Sections 8260.107-8260.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8260.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8260.201.

[Sections 8260.152-8260.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8260.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8260.101 or 8260.103.

(b) The district may not issue bonds or other obligations to finance projects authorized by Section 8260.103 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8260.103 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION _____.02. The Sangani Ranch Municipal Utility District No. 3 of Grayson County includes all the territory contained in the following area:

Tract One

All that certain tract or parcel of land situated in the Mary Miller Survey, Abstract Number 775, County of Grayson, State of Texas, said tract being the remainder tract of a called 233.48 acre tract as described in deed to JMS Ltd., filed 23 June 2004, and recorded in volume 3684 page 164 of the official public records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the southeast corner of the tract being described herein at a found 1½ inch rebar marked Underwood 4709 on the west right of way line of State Highway Number 289, said rebar being the remainder southeast corner of said JMS tract, same being the southwest corner of a called 2.286 acre tract as described in deed to the State of Texas, and recorded in volume 2816 page 376 of said official public records, and said rebar being the northwest corner of a called 1.186 acre tract as described in deed to the State of Texas, and recorded in volume 2792 page 411 of said official public records, and said rebar also being on the north line of Tract One, a called 278.389 acre tract as described in deed to Edwin A. Trapp Jr., Trustee, filed 24 May 1993, and recorded in volume 2271 page 274 of the real property records of Grayson County, Texas;

Thence: South 88 degrees 52 minutes 52 seconds West, with the south line of said JMS tract, and with the north line of said Trapp tract, and with a barbed wire fence, and passing at 1395.71 feet a found 1½ inch rebar in the center of an abandoned road, being the northwest corner of said Trapp tract, and continuing on said course a total distance of 1413.20 feet to a cross-tie fence corner post for the southwest corner of said JMS tract;

Thence: North 01 degrees 47 minutes 38 seconds West, with the west line of said JMS tract, and with the west line of said abandoned road, and with a barbed wire fence, a distance of 1462.01 feet to a wood fence corner post for an angle point in the west line of said JMS tract;

Thence: North 19 degrees 12 minutes 28 seconds West, with the west line of said JMS tract, and with a barbed wire fence, a distance of 294.56 feet to a wood fence corner post for an angle point in the west line of said JMS tract;

Thence: North 01 degrees 32 minutes 37 seconds West, with the west line of said JMS tract, and with the center of said abandoned road, and with a barbed wire fence, a distance of 1338.47 feet to a set 1½ inch steel square tubing for an angle point, said tubing being the southeast corner of a called 240.811 acre tract as described in deed to Phillip S. Wildman et ux, Teresa Marie Wildman, filed 23 October 1997, and recorded in volume 2583 page 538 of said official public records;

Thence: North 01 degrees 36 minutes 23 seconds West, with the east line of said Wildman tract, and with said fence, and with the center of said abandoned road, a distance of 1833.73 feet to a set 3\8 inch rebar for the northwest corner of said JMS tract;

Thence: North 88 degrees 36 minutes 19 seconds East, with the north line of said JMS tract, and with an old barbed wire fence and tree line, a distance of 2639.27 feet to a set 1\2 inch steel square tubing in the west right of way line of said highway for the northeast remainder corner of said JMS tract, same being the northwest corner of said State of Texas 2.286 acre tract;

Thence: With the west line of said highway, the following eleven (11) calls:

1. South 11 degrees 11 minutes 30 seconds West, a distance of 1730.40 feet to a concrete monument,
2. South 16 degrees 52 minutes 30 seconds West, a distance of 165.19 feet to a concrete monument,
3. South 11 degrees 59 minutes 16 seconds West, a distance of 98.10 feet to a concrete monument,
4. South 05 degrees 28 minutes 02 seconds West , a distance of 164.76 feet to a concrete monument,
5. South 11 degrees 10 minutes 10 seconds West, a distance of 1601.67 feet to a concrete monument,
6. South 16 degrees 42 minutes 42 seconds West, a distance of 329.66 feet to a concrete monument,
7. South 11 degrees 42 minutes 34 seconds West, a distance of 98.54 feet to a concrete monument,
8. South 05 degrees 23 minutes 27 seconds West, a distance of 329.86 feet to a concrete monument,
9. South 11 degrees 12 minutes 13 seconds West, a distance of 298.04 feet to a concrete monument,
10. South 16 degrees 49 minutes 07 seconds West, a distance of 164.79 feet to a concrete monument,
11. South 11 degrees 19 minutes 08 seconds West, a distance of 70.88 feet to the POINT OF BEGINNING and containing 231.164 acres of land.

Tract Two

All that certain tract or parcel of land situated in the Mary Miller Survey, Abstract Number 775, County of Grayson, State of Texas, said tract being the remainder tract of a called 136.431 acre tract as described in deed to JMS Ltd., filed 23 June 2004, and recorded in volume 3684 page 164 of the official public records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the southwest corner of the tract being described herein at a found 1\2 inch rebar marked Underwood 4709 on the east right of way line of State Highway Number 289, said rebar being the remainder southwest corner of said JMS tract, same being the southeast corner of a called 0.959 acre tract as described in deed to the State of Texas, and recorded in volume 2816 page 376 of said official public records, and said rebar being the northeast corner of a called 0.954 acre tract as described in deed to the State of Texas, and recorded in volume 2792 page 417 of said official public records, and said rebar also being

on the north line of Tract One, a called 278.389 acre tract as described in deed to Edwin A. Trapp Jr., Trustee, filed 24 May 1993, and recorded in volume 2271 page 274 of the real property records of Grayson County, Texas;

Thence: With the east line of said highway, the following five (5) calls:

1. North 11 degrees 30 minutes 45 seconds East, a distance of 505.16 feet to a concrete monument,
2. North 16 degrees 23 minutes 59 seconds East, a distance of 329.37 feet to a concrete monument,
3. North 11 degrees 09 minutes 31 seconds East, a distance of 98.37 feet to a concrete monument,
4. North 05 degrees 23 minutes 20 seconds East , a distance of 330.13 feet to a concrete monument,
5. North 11 degrees 11 minutes 34 seconds East, a distance of 518.12 feet to a found 1½ inch rebar marked 4709 for the northwest remainder corner of said JMS tract, same being the northeast corner of said State of Texas 0.959 acre tract;

Thence: North 88 degrees 56 minutes 27 seconds East, with the north line of said JMS tract, and with an old barbed wire fence and tree line, a distance of 1333.17 feet to a set 1½ inch steel square tubing for an angle point in the north line of said JMS tract;

Thence: North 89 degrees 09 minutes 04 seconds East, with the north line of said JMS tract, and with said fence, a distance of 2317.18 feet to a set 1½ inch steel square tubing for the northeast corner of said JMS tract, same being the west right of way line of the Burlington Northern Railway, as described in deed to Red River Texas and Southern Railway Company, filed 04 November 1905, and recorded in volume 168 page 52 of the deed records of Grayson County, Texas;

Thence: South 25 degrees 45 minutes 19 seconds West, with the east line of said JMS tract, and with the west line of said railway, a distance of 1949.51 feet to a set 1½ inch steel square tubing for the southeast corner of said JMS tract;

Thence: South 88 degrees 55 minutes 54 seconds West, with the south line of said JMS tract, and with an old barbed wire fence and tree line, a distance of 647.14 feet to a found 1½ inch rebar for the northeast corner of said Trapp tract;

Thence: South 89 degrees 11 minutes 13 seconds West, with the south line of said JMS tract, and with the north line of said Trapp tract, and with said fence, a distance of 2500.41 feet to the POINT OF BEGINNING and containing 135.678 acres of land.

Tract Three

All that certain tract or parcel of land situated in the Mary Miller Survey, Abstract Number 775, County of Grayson, State of Texas, said tract being all of a called 85.470 acre tract as described in deed to JMS Ltd., filed 23 June 2004, and recorded in volume 3684 page 164 of the official public records of the County of Grayson, State of Texas, and being more fully described as follows:

Beginning for the southeast corner of the tract being described herein at a found 1½ inch steel square tubing, said tubing being the southeast corner of said JMS tract, same being the northeast corner of a tract as described in deed to the Freels

Family Limited Partnership, filed 09 January 1997, and recorded in volume 2516 page 609 of said official public records, and said tubing being in Old Preston Road;

Thence: South 88 degrees 55 minutes 54 seconds West, with the south line of said JMS tract, and with the north line of said Feeels tract, a distance of 2011.77 feet to a set 1\2 inch steel square tubing for the southwest corner of said JMS tract, same being the east right of way line of the Burlington Northern Railway, as described in deed to Red River Texas and Southern Railway Company, filed 04 November 1905, and recorded in volume 168 page 52 of the deed records of Grayson County, Texas;

Thence: North 25 degrees 45 minutes 19 seconds East, with the west line of said JMS tract, and with the east line of said railway, a distance of 3372.95 feet to a set 1\2 inch steel square tubing for the northwest corner of said JMS tract;

Thence: South 89 degrees 54 minutes 13 seconds East, with the north line of said JMS tract, a distance of 470.60 feet to a found 1\2 inch steel square tubing for the northeast corner of said JMS tract, and said tubing being in said road;

Thence: South 01 degrees 26 minutes 09 seconds East, with the east line of said JMS tract, and with said road, a distance of 3000.51 feet to the POINT OF BEGINNING and containing 85.710 acres of land.

SECTION ____.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

ARTICLE ____ . EFFECTIVE DATE

SECTION ____.01. This Act takes effect September 1, 2007.

Amendment No. 1 was adopted. (The vote was reconsidered later today, and Amendment No. 1 was adopted.)

SB 2014 (Eissler - House Sponsor), A bill to be entitled An Act relating to the creation of the Magnolia Woods Municipal Utility District No. 1 of Montgomery, Waller, and Grimes Counties; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

CSSB 2020 (Smithee - House Sponsor), A bill to be entitled An Act relating to the creation of the Randall County Municipal Utility District No. 1; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

SB 2026 was withdrawn.

SB 2029 (Garcia - House Sponsor), A bill to be entitled An Act relating to the election of directors of the San Patricio County Groundwater Conservation District and to the validation of certain acts of the district.

SB 2037 (Gattis - House Sponsor), A bill to be entitled An Act relating to the ability of the attorney general to offer assistance to a prosecuting attorney.

SB 2042 (Strama - House Sponsor), A bill to be entitled An Act relating to the authority of the New Sweden Municipal Utility District No. 1 and municipalities with extraterritorial jurisdiction in the district to enter into annexation and tax allocation agreements.

SB 2043 (Strama - House Sponsor), A bill to be entitled An Act relating to the authority of the New Sweden Municipal Utility District No. 2 and municipalities with extraterritorial jurisdiction in the district to enter into annexation and tax allocation agreements.

SB 2054 (Laubenberg - House Sponsor), A bill to be entitled An Act relating to the powers and duties of the Parker Creek Municipal Utility District of Rockwall County; providing authority to issue bonds.

HCR 206 (by Delisi - House Sponsor), Respectfully encouraging congress to direct the secretary of the United States Department of Health and Human Services to withdraw proposed rule CMS-2258-P.

SB 2003 - VOTE RECONSIDERED

Representative Puente moved to reconsider the vote by which **SB 2003**, as amended, was passed to third reading.

The motion to reconsider prevailed.

SB 2003 (Phillips - House Sponsor), A bill to be entitled An Act relating to the creation of the King's Crossing Municipal Utility District of Grayson County; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

Amendment No. 1 - Vote Reconsidered

Representative Puente moved to reconsider the vote by which Amendment No. 1 was adopted.

The motion to reconsider prevailed.

Amendment No. 1 was adopted.

SB 731 was withdrawn.

SB 737 (Kolkhorst - House Sponsor), A bill to be entitled An Act relating to the amount of hazardous duty pay for certain state employees.

SB 960 (Haggerty - House Sponsor), A bill to be entitled An Act relating to the administration of exit-level state assessment instruments to transfer students who are dependents of military personnel.

Amendment No. 1

Representatives Haggerty and Corte offered the following amendment to **SB 960**:

Amend **SB 960** (House committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 39.025(f), Education Code (page 1, lines 9 and 10), strike "who is the dependent of a person serving in the military".

(2) In SECTION 1 of the bill, in added Section 39.025(f), Education Code (page 1, lines 13 through 15), strike ", as a result of a military transfer or deployment of the person serving in the military,".

Amendment No. 1 was adopted.

SB 962 (Haggerty - House Sponsor), A bill to be entitled An Act relating to funding under the instructional facilities allotment for school districts affected by troop reassignments at military installations.

Amendment No. 1

Representatives Haggerty and Corte offered the following amendment to **SB 962**:

Amend **SB 962** (house committee printing) between SECTIONS 2 and 3 of the bill (page 2, between lines 3 and 4), by inserting the following new SECTION, appropriately numbered, and renumbering the subsequent SECTION of the bill accordingly:

SECTION _____. Section 46.034, Education Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Notwithstanding Subsection (b), a school district is entitled to state assistance under this subchapter based on the district's tax rate for the current school year if the district demonstrates to the commissioner's satisfaction that the district meets the criteria under Section 46.006(c-2).

Amendment No. 1 was adopted.

SB 1138 (Smithee - House Sponsor), A bill to be entitled An Act relating to risk management programs for members and advisors of student organizations at public and private postsecondary educational institutions and to certain insurance requirements for fraternities.

SB 1498 was withdrawn.

SB 964 - VOTE RECONSIDERED

Representative Hill moved to reconsider the vote by which **SB 964** was passed to third reading.

The motion to reconsider prevailed.

SB 964 (Hill - House Sponsor), A bill to be entitled An Act relating to the board of directors of a regional tollway authority.

Amendment No. 1

Representative Hill offered the following amendment to **SB 964**:

Amend **SB 964** (house committee printing) as follows:

(1) In SECTION 1 of the bill, in the introductory language (page 1, line 5), strike "Subsection (d-1)" and substitute "Subsections (c-1) and (d-1)".

(2) In SECTION 1 of the bill, immediately following amended Subsection (c), Section 366.251, Transportation Code (page 2, between lines 4 and 5), insert the following:

(c-1) The commissioners court of a county eligible to appoint an additional director under Subsection (c) shall ensure that each director appointed by the commissioners court resides in a different geographic region in the county. To the extent possible, appointments to the board must reflect the diversity of the population of the county.

(3) Add the following appropriately numbered SECTION to the bill and renumber the remaining SECTIONS of the bill accordingly:

SECTION _____. Section 366.251(f), Transportation Code, is repealed.

Amendment No. 1 was adopted.

SB 965 - VOTE RECONSIDERED

Representative Hill moved to reconsider the vote by which **SB 965** was passed to third reading.

The motion to reconsider prevailed.

SB 965 (Hill - House Sponsor), A bill to be entitled An Act relating to the powers and duties of a regional tollway authority related to turnpikes and other related projects.

Amendment No. 1

Representative Hill offered the following amendment to **SB 965**:

Amend **SB 965** (House Committee Report) as follows:

(1) On Page 2, line 11 insert the following between the words "process" and "that":

"which should include the State of Texas HUB provisions"

(2) On page 4, between lines 6 and 7, insert new subsection (f)(6):

"(6) ability to meet HUB provisions."

(3) On page 16, line 10, after the word "project" delete the word "may" and insert the word "shall".

(4) On page 16, line 12 insert the following before the word "responsible": "responsive and"

Amendment No. 1 was adopted.

PARLIAMENTARY INQUIRY

REPRESENTATIVE DUNNAM: You are on the conference committee on the budget, is that correct, for **HB 1**?

SPEAKER PRO TEMPORE TURNER: Yes, I am.

DUNNAM: I asked Mr. Chisum yesterday whether he was aware of who has been involved in the negotiations for the additional \$160 million in special items for higher education, and he said he had not been involved in those negotiations. Have you been involved in those negotiations?

TURNER: I have not. I cannot advise you on that.

DUNNAM: Do you know who has been involved in those negotiations because I believe Mr. Burnam asked individual members who had gotten money in this additional \$160 million if they knew how they'd gotten that money, and nobody seems to know how they got that money. I just wanted to see if you knew how they had gotten that money.

TURNER: I personally cannot help you on that, Representative Dunnam.

DUNNAM: Okay, do you have any suggestions of who I might inquire of to find out how \$160 million has mysteriously appeared in special items for higher ed?

TURNER: I recommend that you visit with the chairman of the Appropriations Committee of the house and the chairman of the Appropriations Committee of the senate.

DUNNAM: I did that. You may not have been on the floor, but I asked Mr. Chisum and he said he was not aware of—he did not participate in any of those negotiations. I'm just trying to figure out who to ask how \$160 million has been added to the budget for higher ed and, in particular, because there's a lot of suggestion that that money is being distributed to affect the speaker's race.

TURNER: I will be more than happy to inquire on your behalf.

DUNNAM: If you could tell me who to ask at some point, I'd love to ask them.

TURNER: I would be more than happy to inquire.

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 4).

REMARKS ORDERED PRINTED

Representative Burnam moved to print remarks between Representative Dunnam and Representative Turner.

The motion prevailed.

HR 2233 - ADOPTED (by Dukes)

Representative Dukes moved to suspend all necessary rules to take up and consider at this time **HR 2233**.

The motion prevailed.

The following resolution was laid before the house:

HR 2233, In memory of U.S. Army Sergeant First Class William Brown of White Settlement.

HR 2233 was unanimously adopted by a rising vote.

SCR 9 - ADOPTED
(Truitt - House Sponsor)

Representative Truitt moved to suspend all necessary rules to take up and consider at this time **SCR 9**.

The motion prevailed.

The following resolution was laid before the house:

SCR 9, Honoring the Sunset Advisory Commission for its 30 years of service to the State of Texas.

SCR 9 was read and was adopted.

On motion of Representative Flynn, the names of all the members of the house were added to **SCR 9** as signers thereof.

CSSB 1383 - VOTE RECONSIDERED

Representative Puente moved to reconsider the vote by which **CSSB 1383**, as amended, was passed to third reading.

The motion to reconsider prevailed.

CSSB 1383 (Smithee - House Sponsor), A bill to be entitled An Act relating to district hearings and citizen suits for illegally drilling or operating a water well.

Amendment No. 1 - Vote Reconsidered

Representative Puente moved to reconsider the vote by which Amendment No. 1 was adopted.

The motion to reconsider prevailed.

Amendment No. 1 was withdrawn.

ADJOURNMENT

The speaker pro tempore announced that the house would adjourn until 11:40 a.m. today.

The house accordingly, at 11:26 a.m., adjourned until 11:40 a.m. today.

ADDENDUM

MESSAGES FROM THE SENATE

The following messages from the senate were today received by the house:

Message No. 4

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Wednesday, May 23, 2007 - 4

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

HCR 232 Craddick SPONSOR: Seliger
Congratulating Ernesto Munoz of Midland on being named a 2007 Exemplary Migrant Student by the Migrant Student Graduation Enhancement Program of The University of Texas at Austin.

SCR 9 Brimer
Honoring the Sunset Advisory Commission for its 30 years of service to the State of Texas.

Respectfully,
Patsy Spaw
Secretary of the Senate