

Chapter 644

H.B. No. 4345

AN ACT

relating to the creation of the Rio de Vida Municipal Utility District No. 1 and the creation of the Southwestern Travis County Groundwater Conservation District; providing authority to impose taxes and fees; providing authority to issue bonds.

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

ARTICLE 1. RIO DE VIDA MUNICIPAL UTILITY DISTRICT NO. 1

SECTION 1.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8013 to read as follows:

CHAPTER 8013. RIO DE VIDA MUNICIPAL UTILITY

DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8013.001. DEFINITIONS. In this chapter:

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

(2) "City" means the City of Austin, Texas.

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

(4) "County" means Travis County.

(5) "Director" means a board member.

(6) "District" means the Rio de Vida Municipal Utility District No. 1.

Sec. 8013.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

1 Sec. 8013.003. CONFIRMATION AND DIRECTORS' ELECTION
2 REQUIRED. The temporary directors shall hold an election to
3 confirm the creation of the district and to elect four permanent
4 directors.

5 Sec. 8013.004. CONSENT OF CITY REQUIRED. (a) The temporary
6 directors may not hold an election under Section 8013.003 until the
7 city has consented by ordinance or resolution to the creation of the
8 district and to the inclusion of land in the district.

9 (b) If the city does not consent to the creation of the
10 district under this section before February 14, 2020:

11 (1) the district is dissolved February 14, 2020,
12 except that:

13 (A) any debts incurred shall be paid;

14 (B) any assets that remain after the payment of
15 debts shall be transferred to the city or another local
16 governmental entity to be used for a public purpose; and

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

20 (2) this chapter expires February 14, 2020.

21 Sec. 8013.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
22 The district is created to serve a public purpose and benefit.

23 (b) The district is created to accomplish the purposes of:

24 (1) a municipal utility district as provided by
25 general law and Section 59, Article XVI, Texas Constitution;

26 (2) Section 52, Article III, Texas Constitution, that
27 relate to the construction, acquisition, improvement, operation,

1 or maintenance of macadamized, graveled, or paved roads, or
2 improvements, including storm drainage, in aid of those roads; and

3 (3) Section 52-a, Article III, Texas Constitution.

4 (c) By creating the district and in authorizing the city,
5 the county, and other political subdivisions to contract with the
6 district, the legislature has established a program to accomplish
7 the public purposes set out in Section 52-a, Article III, Texas
8 Constitution.

9 Sec. 8013.006. INITIAL DISTRICT TERRITORY. (a) The
10 district is initially composed of the territory described by
11 Section 1.02 of the Act enacting this chapter.

12 (b) The boundaries and field notes contained in Section 1.02
13 of the Act enacting this chapter form a closure. A mistake made in
14 the field notes or in copying the field notes in the legislative
15 process does not affect the district's:

16 (1) organization, existence, or validity;

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

20 (3) right to impose a tax; or

21 (4) legality or operation.

22 Sec. 8013.007. ELIGIBILITY FOR INCLUSION IN TAX ABATEMENT
23 REINVESTMENT ZONE. All or any part of the area of the district is
24 eligible to be included in a tax abatement reinvestment zone under
25 Chapter 312, Tax Code.

26 SUBCHAPTER B. BOARD OF DIRECTORS

27 Sec. 8013.051. GOVERNING BODY; TERMS. (a) The district is

1 governed by a board of five directors who serve staggered terms of
2 four years, with two or three directors' terms expiring June 1 of
3 each odd-numbered year.

4 (b) A director may not serve more than two full terms of four
5 years.

6 (c) The board consists of:

7 (1) four elected directors; and

8 (2) one director appointed by the governing body of
9 the city.

10 (d) A director appointed under Subsection (c)(2) is not
11 required to reside in the district or to own real property in the
12 district.

13 (e) The common law doctrine of incompatibility does not
14 disqualify an elected official or employee of the city from being
15 appointed as a director by the governing body of the city under
16 Subsection (c)(2). A director appointed to the board may continue
17 to serve in a public office of or be employed by the city.

18 Sec. 8013.052. QUALIFICATIONS. Except as provided by
19 Section 8013.051(d), to qualify to serve on the board, a person
20 must:

21 (1) reside in the district; or

22 (2) own real property in the district.

23 Sec. 8013.053. TEMPORARY DIRECTORS. (a) On or after the
24 effective date of the article of the Act enacting this chapter, the
25 owners of a majority of the assessed value of the real property in
26 the district may submit a petition to the commission requesting
27 that the commission appoint as temporary directors the five persons

1 named in the petition. The commission shall appoint as temporary
2 directors the five persons named in the petition.

3 (b) Unless the district is dissolved and this chapter
4 expires as provided by Section 8013.004, temporary directors serve
5 until the earlier of:

6 (1) the date permanent directors are elected under
7 Section 8013.003; or

8 (2) September 1, 2021.

9 (c) Section 8013.052 does not apply to a director appointed
10 under this section.

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8013.101. GENERAL POWERS AND DUTIES. The district has
13 the powers and duties necessary to accomplish the purposes for
14 which the district is created.

15 Sec. 8013.102. MUNICIPAL UTILITY DISTRICT POWERS AND
16 DUTIES. The district has the powers and duties provided by the
17 general law of this state, including Chapters 49 and 54, Water Code,
18 applicable to municipal utility districts created under Section 59,
19 Article XVI, Texas Constitution.

20 Sec. 8013.103. AUTHORITY FOR ROAD PROJECTS. Under Section
21 52, Article III, Texas Constitution, the district may design,
22 acquire, construct, finance, issue bonds for, improve, operate,
23 maintain, and convey to this state, a county, or the city for
24 operation and maintenance macadamized, graveled, or paved roads, or
25 improvements, including storm drainage, in aid of those roads.

26 Sec. 8013.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road
27 project must meet all applicable construction standards, zoning and

1 subdivision requirements, and regulations of the city.

2 (b) If the state will maintain and operate the road, the
3 Texas Transportation Commission must approve the plans and
4 specifications of the road project.

5 Sec. 8013.105. COMPLIANCE WITH CONSENT AGREEMENT,
6 ORDINANCE, OR RESOLUTION. (a) The district shall comply with all
7 applicable requirements of any ordinance or resolution that is
8 adopted under Section 54.016 or 54.0165, Water Code, and that
9 consents to the creation of the district or to the inclusion of land
10 in the district, including affordable housing requirements
11 established in the consent agreement.

12 (b) Any agreement between the district and the city related
13 to the city's consent to the creation of the district is valid and
14 enforceable.

15 (c) On the issuance of bonds, the district is considered to
16 have acknowledged and consented to the exercise of the city's
17 authority as to actions taken by the city under Section 54.016(g),
18 Water Code.

19 Sec. 8013.106. CONTRACT TO FURTHER REGIONAL COOPERATION.
20 The district and city may contract on terms that the board and
21 governing body of the city agree will further regional cooperation
22 between the district and city.

23 Sec. 8013.107. GRADING AND IMPROVEMENTS TO LAND IN THE
24 DISTRICT. The district may construct, acquire, improve, maintain,
25 finance, or operate a facility or improvement related to reclaiming
26 or grading land in the district.

27 Sec. 8013.108. NO EMINENT DOMAIN POWER. The district may

1 not exercise the power of eminent domain.

2 SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

3 Sec. 8013.151. DIVISION OF DISTRICT; PREREQUISITES. The
4 district may be divided into two or more new districts only if the
5 district:

6 (1) has no outstanding bonded debt; and

7 (2) is not imposing ad valorem taxes.

8 Sec. 8013.152. LAW APPLICABLE TO NEW DISTRICT. This
9 chapter applies to any new district created by division of the
10 district, and a new district has all the powers and duties of the
11 district.

12 Sec. 8013.153. LIMITATION ON AREA OF NEW DISTRICT. A new
13 district created by the division of the district may not, at the
14 time the new district is created, contain any land outside the area
15 described by Section 1.02 of the Act enacting this chapter.

16 Sec. 8013.154. CONSENT OF CITY OR COUNTY. If the district
17 is located wholly or partly in the corporate limits or the
18 extraterritorial jurisdiction of the city, the district may not
19 divide under this subchapter unless the city by resolution or
20 ordinance first consents to the division of the district.

21 Sec. 8013.155. DIVISION PROCEDURES. (a) The board, on its
22 own motion or on receipt of a petition signed by the owner or owners
23 of a majority of the assessed value of the real property in the
24 district, may adopt an order dividing the district.

25 (b) The board may adopt an order dividing the district
26 before or after the date the board holds an election under Section
27 8013.003 to confirm the district's creation.

1 (c) An order dividing the district must:

2 (1) name each new district;

3 (2) include the metes and bounds description of the
4 territory of each new district;

5 (3) appoint temporary directors for each new district;

6 and

7 (4) provide for the division of assets and liabilities
8 between the new districts.

9 (d) On or before the 30th day after the date of adoption of
10 an order dividing the district, the district shall file the order
11 with the commission and record the order in the real property
12 records of each county in which the district is located.

13 Sec. 8013.156. TAX OR BOND ELECTION. Before a new district
14 created by the division of the district may impose a sales and use
15 tax or an operation and maintenance tax or issue bonds payable
16 wholly or partly from ad valorem taxes, the new district must hold
17 an election as required by this chapter.

18 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

19 Sec. 8013.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The
20 district may issue, without an election, bonds and other
21 obligations secured by:

22 (1) revenue other than ad valorem taxes; or

23 (2) contract payments described by Section 8013.203.

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

1 (c) The district may not issue bonds payable from ad valorem
2 taxes to finance a road project unless the issuance is approved by a
3 vote of a two-thirds majority of the district voters voting at an
4 election held for that purpose.

5 Sec. 8013.202. OPERATION AND MAINTENANCE TAX. (a) If
6 authorized at an election held under Section 8013.201, the district
7 may impose an operation and maintenance tax on taxable property in
8 the district in accordance with Section 49.107, Water Code.

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

11 (c) If required by an agreement between the district and
12 city under Section 8013.106, the total ad valorem tax rate of the
13 district may not be less than the total ad valorem tax rate of the
14 city.

15 Sec. 8013.203. CONTRACT TAXES. (a) In accordance with
16 Section 49.108, Water Code, the district may impose a tax other than
17 an operation and maintenance tax and use the revenue derived from
18 the tax to make payments under a contract after the provisions of
19 the contract have been approved by a majority of the district voters
20 voting at an election held for that purpose.

21 (b) A contract approved by the district voters may contain a
22 provision stating that the contract may be modified or amended by
23 the board without further voter approval.

24 SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

25 Sec. 8013.251. AUTHORITY TO ISSUE BONDS AND OTHER
26 OBLIGATIONS. The district may issue bonds or other obligations
27 payable wholly or partly from ad valorem taxes, impact fees,

1 revenue, sales and use taxes, contract payments, grants, or other
2 district money, or any combination of those sources, to pay for any
3 authorized district purpose.

4 Sec. 8013.252. TAXES FOR BONDS. At the time the district
5 issues bonds payable wholly or partly from ad valorem taxes, the
6 board shall provide for the annual imposition of a continuing
7 direct ad valorem tax, without limit as to rate or amount, while all
8 or part of the bonds are outstanding as required and in the manner
9 provided by Sections 54.601 and 54.602, Water Code.

10 Sec. 8013.253. BONDS FOR ROAD PROJECTS. At the time of
11 issuance, the total principal amount of bonds or other obligations
12 issued or incurred to finance road projects and payable from ad
13 valorem taxes may not exceed one-fourth of the assessed value of the
14 real property in the district.

15 SUBCHAPTER G. SALES AND USE TAX

16 Sec. 8013.301. APPLICABILITY OF CERTAIN TAX CODE
17 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
18 computation, administration, enforcement, and collection of the
19 sales and use tax authorized by this subchapter except to the extent
20 Chapter 321, Tax Code, is inconsistent with this chapter.

21 (b) A reference in Chapter 321, Tax Code, to a municipality
22 or the governing body of a municipality is a reference to the
23 district or the board, respectively.

24 Sec. 8013.302. ELECTION; ADOPTION OF TAX. (a) The district
25 may adopt a sales and use tax if:

- 26 (1) the city consents to the adoption of the tax; and
27 (2) the tax is authorized by a majority of the voters

1 of the district voting at an election held for that purpose.

2 (b) Subject to city consent under Subsection (a), the board
3 by order may call an election to authorize the adoption of the sales
4 and use tax. The election may be held on any uniform election date
5 and in conjunction with any other district election.

6 (c) The district shall provide notice of the election and
7 shall hold the election in the manner prescribed by Section
8 8013.201.

9 (d) The ballot shall be printed to provide for voting for or
10 against the proposition: "Authorization of a sales and use tax in
11 the (insert name of district or name of new district created under
12 Subchapter D) at a rate not to exceed ____ percent" (insert rate of
13 one or more increments of one-eighth of one percent).

14 Sec. 8013.303. SALES AND USE TAX RATE. (a) Not later than
15 the 10th day after the date the results are declared of an election
16 held under Section 8013.302, at which the voters approved
17 imposition of the tax authorized by this subchapter, the board
18 shall determine the initial rate of the tax, which must be in one or
19 more increments of one-eighth of one percent.

20 (b) After the election held under Section 8013.302, the
21 board may decrease the rate of the tax by one or more increments of
22 one-eighth of one percent.

23 (c) The rate of the tax may not exceed the lesser of:

24 (1) the maximum rate authorized by the district voters
25 at the election held under Section 8013.302;

26 (2) a rate that, when added to the rates of all sales
27 and use taxes imposed by other political subdivisions with

1 territory in the district, would result in the maximum combined
2 rate prescribed by Section 321.101(f), Tax Code, at any location in
3 the district; or

4 (3) the sales and use tax rate adopted by the City of
5 Austin.

6 (d) The board shall notify the comptroller of any changes
7 made to the tax rate in the same manner the municipal secretary
8 provides notice to the comptroller under Section 321.405(b), Tax
9 Code.

10 Sec. 8013.304. USE OF REVENUE. Revenue from the sales and
11 use tax imposed under this subchapter is for the use and benefit of
12 the district and may be used for any district purpose. The district
13 may pledge all or part of the revenue to the payment of bonds,
14 notes, or other obligations, and that pledge of revenue may be in
15 combination with other revenue, including tax revenue, available to
16 the district.

17 Sec. 8013.305. ABOLITION OF TAX. (a) The board may abolish
18 the tax imposed under this subchapter without an election.

19 (b) If the board abolishes the tax, the board shall notify
20 the comptroller of that action in the same manner the municipal
21 secretary provides notice to the comptroller under Section
22 321.405(b), Tax Code.

23 (c) If the board abolishes the tax or decreases the tax rate
24 to zero, a new election to authorize a sales and use tax must be held
25 under Section 8013.302 before the district may subsequently impose
26 the tax.

1 SUBCHAPTER H. MUNICIPAL ANNEXATION AND DISSOLUTION

2 Sec. 8013.401. APPLICABILITY OF LAW ON WATER-RELATED
3 SPECIAL DISTRICT THAT BECOMES PART OF NOT MORE THAN ONE
4 MUNICIPALITY. Section 43.075, Local Government Code, applies to
5 the district.

6 Sec. 8013.402. STRATEGIC PARTNERSHIP; CONTINUATION OF
7 DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may
8 continue to exist as a limited district after full-purpose
9 annexation by a municipality if the district and the annexing
10 municipality state the terms of the limited district's existence in
11 a strategic partnership agreement under Section 43.0751, Local
12 Government Code.

13 (b) The strategic partnership agreement may provide for an
14 original or renewed term of any number of years. The limitation in
15 Section 43.0751(g)(2), Local Government Code, on the length of the
16 term does not apply to a limited district created under this
17 section.

18 Sec. 8013.403. NOTICE OF FUTURE CITY ANNEXATION REQUIRED.

19 (a) Not later than the 30th day after the date the city consents to
20 the creation of the district and to the inclusion of land in the
21 district under Section 8013.004(a), the city shall file, in the
22 real property records of the county, a notice to a purchaser of real
23 property in the district that describes:

24 (1) the city's authority and intention to annex the
25 district; and

26 (2) the anticipated date of the annexation.

27 (b) After the notice is filed, a person who proposes to sell

1 or otherwise convey real property in the district must provide a
2 copy of the notice to a purchaser of the property before selling or
3 conveying the property to the purchaser.

4 SECTION 1.02. The Rio de Vida Municipal Utility District
5 No. 1 initially includes all the territory contained in the
6 following area:

7 ALL THAT CERTAIN PARCEL OR TRACT OF LAND OUT OF THE REUBEN
8 HORNSBY SURVEY NO. 17, JOSEPH DUTY SURVEY NO. 20 AND THE JOHN
9 BURLESON SURVEY NO. 33, TRAVIS COUNTY, TEXAS; BEING ALL OF THE
10 FOLLOWING TRACTS OF LAND AS CONVEYED TO TXI OPERATIONS, L.P. BY
11 DEEDS RECORDED IN THE REAL PROPERTY RECORDS OF TRAVIS COUNTY,
12 TEXAS: A 353.08-ACRE TRACT (TO BE KNOWN AS PARCEL 01-1) AND A
13 65.12-ACRE TRACT (TO BE KNOWN AS PARCEL 01-2) IN VOLUME 12448, PAGE
14 737 AND VOLUME 13170, PAGE 656; A 65.12-ACRE TRACT (TO BE KNOWN AS
15 PARCEL 01-2) IN VOLUME 13170, PAGE 656; A 102.188-ACRE TRACT
16 (PARCEL NO. 1) (TO BE KNOWN AS PARCEL 02-1), A 29.008-ACRE TRACT
17 (PARCEL NO. 2) (TO BE KNOWN AS PARCEL 02-2) AND A 10.743-ACRE TRACT
18 (PARCEL NO. 3) (TO BE KNOWN AS PARCEL 02-3) IN VOLUME 12593, PAGE
19 2001; A 22.911-ACRE TRACT (TRACT 2) (TO BE KNOWN AS PARCEL 04-1) IN
20 VOLUME 11985, PAGE 1238 AND VOLUME 13170, PAGE 656; A 19.253-ACRE
21 TRACT (PARCEL 3) (TO BE KNOWN AS PARCEL 05-1), A 4.591-ACRE TRACT
22 (PARCEL 1) (TO BE KNOWN AS PARCEL 06-1) AND A 16.931-ACRE TRACT
23 (PARCEL 2) (TO BE KNOWN AS PARCEL 06-2) IN VOLUME 13304, PAGE 3306;
24 A 52.487-ACRE TRACT (TO BE KNOWN AS PARCEL 08-1) IN VOLUME 13088,
25 PAGE 429; A PORTION OF A 6.605-ACRE TRACT (TRACT 1) (TO BE KNOWN AS
26 PARCEL 08-2) AND A 5.411-ACRE TRACT (TRACT 2) (TO BE KNOWN AS PARCEL
27 12-1) IN VOLUME 13088, PAGE 421; A 51.32-ACRE TRACT (TO BE KNOWN AS

1 PARCEL 10-1) IN VOLUME 12703, PAGE 411 AND VOLUME 13170, PAGE 656; A
2 6.262-ACRE TRACT (TO BE KNOWN AS PARCEL 11-1) IN VOLUME 12835, PAGE
3 1489; A 22.967-ACRE TRACT (TO BE KNOWN AS PARCEL 13-1) IN VOLUME
4 9872, PAGE 77 AND VOLUME 13170, PAGE 656; A 14.272-ACRE TRACT (TRACT
5 8) (TO BE KNOWN AS PARCEL 14-1), A 21.100-ACRE TRACT (TRACT 9) (TO
6 BE KNOWN AS PARCEL 15-1), A 32.738-ACRE TRACT (TRACT 17) (TO BE
7 KNOWN AS PARCEL 17-1), A 8.051-ACRE TRACT (TRACT 12) (TO BE KNOWN AS
8 PARCEL 18-1), A 9.744-ACRE TRACT (TRACT 13) (TO BE KNOWN AS PARCEL
9 18-2), A 9.752-ACRE TRACT (TRACT 14) (TO BE KNOWN AS PARCEL 18-3), A
10 15.981-ACRE TRACT (TRACT 15) (TO BE KNOWN AS PARCEL 18-4), A
11 19.127-ACRE TRACT (TRACT 16) (TO BE KNOWN AS PARCEL 18-5), A
12 10.274-ACRE TRACT (TRACT 10) (TO BE KNOWN AS PARCEL 21-1), A
13 9.825-ACRE TRACT (TRACT 11) (TO BE KNOWN AS PARCEL 21-2), A PORTION
14 OF A 44.586-ACRE TRACT (TRACT 2) (TO BE KNOWN AS PARCEL 23-1), A
15 PORTION OF A 15.959-ACRE TRACT (TRACT 7) (TO BE KNOWN AS PARCEL
16 23-2), A PORTION OF A 15.946-ACRE TRACT (TRACT 6) (TO BE KNOWN AS
17 PARCEL 23-3) AND A PORTION OF A 14.135-ACRE TRACT (TRACT 3) (TO BE
18 KNOWN AS PARCEL 28-1) IN VOLUME 12326, PAGE 1154 AND VOLUME 13170,
19 PAGE 656; A 30.531-ACRE TRACT (TO BE KNOWN AS PARCEL 16-1) IN VOLUME
20 10967, PAGE 1219 AND VOLUME 13170, PAGE 656; A 30.531-ACRE TRACT (TO
21 BE KNOWN AS PARCEL 16-1) IN VOLUME 10967, PAGE 1219 AND VOLUME
22 13170, PAGE 656; A 45.874-ACRE TRACT (TO BE KNOWN AS PARCEL 19-1) IN
23 VOLUME 12270, PAGE 1633 AND VOLUME 13170, PAGE 656; A 13.853-ACRE
24 TRACT (TO BE KNOWN AS PARCEL 20-1) IN VOLUME 12326, PAGE 1149 AND
25 VOLUME 13170, PAGE 656; A PORTION OF A 32.403-ACRE TRACT (TRACT 4)
26 (TO BE KNOWN AS PARCEL 22-1) AND A PORTION OF A 50.388-ACRE TRACT
27 (TRACT 1) (TO BE KNOWN AS PARCEL 28-2) IN VOLUME 12326, PAGE 1109

1 AND VOLUME 13170, PAGE 656; AND A 83.838-ACRE TRACT (TO BE KNOWN AS
2 PARCEL 27-1) IN VOLUME 11955, PAGE 972 AND VOLUME 13170, PAGE 656;
3 AND ALSO BEING ALL OF THE FOLLOWING TRACTS OF LAND AS CONVEYED TO
4 TXI OPERATIONS, L.P. BY DEEDS RECORDED IN THE OFFICIAL PUBLIC
5 RECORDS OF TRAVIS COUNTY, TEXAS: A 49.994-ACRE TRACT (TRACT 1) (TO
6 BE KNOWN AS PARCEL 03-1), A PORTION OF A 85.957-ACRE TRACT (TRACT 2)
7 (TO BE KNOWN AS PARCEL 03-2), A PORTION OF A 41.043-ACRE TRACT
8 (TRACT 3) (TO BE KNOWN AS PARCEL 03-3), A 69.542-ACRE TRACT (TRACT
9 4) (TO BE KNOWN AS PARCEL 03-4), A 55.299-ACRE TRACT (TRACT 5) (TO
10 BE KNOWN AS PARCEL 03-5), A PORTION OF A 33.214-ACRE TRACT (TO BE
11 KNOWN AS PARCEL 03-6) AND A 39.355-ACRE TRACT (TRACT 6) (TO BE KNOWN
12 AS PARCEL 03-7) IN DOCUMENT NO. 1999152526; A 223.497-ACRE TRACT
13 (TO BE KNOWN AS PARCEL 07-1) IN DOCUMENT NO. 2005002939; A
14 194.824-ACRE TRACT (TRACT A) (TO BE KNOWN AS PARCEL 09-1) AND A
15 67.418-ACRE TRACT (TRACT B) (TO BE KNOWN AS PARCEL 09-2) IN DOCUMENT
16 NO. 2005007841; PORTIONS OF A 101.697-ACRE TRACT (TRACT 1) AND A
17 14.054-ACRE TRACT (TRACT 2) (TO BE KNOWN AS PARCEL 24-1) IN DOCUMENT
18 NO. 1999148757; A 39.462-ACRE TRACT (TO BE KNOWN AS PARCEL 25-1) IN
19 DOCUMENT NO. 2006133198; AND A 33.35-ACRE TRACT (TO BE KNOWN AS
20 PARCEL 26-1) IN DOCUMENT NO. 2005007845; AND BEING MORE
21 PARTICULARLY DESCRIBED IN FIVE (5) TRACTS BY METES AND BOUNDS AS
22 FOLLOWS:

23 TRACT 1

24 BEGINNING at a calculated point at the intersection of the
25 north bank of the Colorado River and the east right-of-way line of
26 State Highway No. 130, at the southwest corner of the
27 above-described Parcel 09-1, for the southwest corner and POINT OF

1 BEGINNING of the herein described tract;
2 THENCE, with the east right-of-way line of said State Highway
3 No. 130, the following seven (7) courses:
4 1) N08°37'24"W a distance of 537.28 feet to a calculated
5 angle point;
6 2) N01°34'38"W a distance of 3,468.10 feet to a calculated
7 angle point;
8 3) N59°15'05"E a distance of 166.15 feet to a calculated
9 angle point;
10 4) N08°13'09"E a distance of 547.29 feet to a calculated
11 angle point;
12 5) N52°30'09"W a distance of 138.99 feet to a calculated
13 non-tangent point of curvature of a curve to the right;
14 6) Along said curve to the right an arc distance of 1,274.92
15 feet, having a radius of 3,458.72 feet, and a chord which bears
16 N19°25'33"E a distance of 1,267.71 feet to a calculated point of
17 tangency; and
18 7) N29°59'08"E a distance of 421.69 feet to a calculated
19 point at the northwest corner of said Parcel 09-1;
20 THENCE, with the north line of said Parcel 09-1, the
21 following three (3) courses:
22 1) S60°37'51"E a distance of 116.20 feet to a to a calculated
23 point;
24 2) N29°22'09"E a distance of 83.70 feet to a calculated
25 point; and
26 3) S60°41'35"E a distance of 416.71 feet to a calculated
27 point on the west line of the above-described Parcel 01-1 at the

1 most northerly northeast corner of said Parcel 09-1;

2 THENCE, with the west line of said Parcel 01-1, the following
3 five (5) courses:

4 1) N27°20'56"E a distance of 39.85 feet to a calculated angle
5 point;

6 2) N49°43'26"E a distance of 65.85 feet to a calculated angle
7 point;

8 3) N27°21'16"E a distance of 619.40 feet to a calculated
9 point at an inside corner of said Parcel 01-1;

10 4) N62°38'24"W a distance of 5.00 feet to a calculated point
11 at an outside corner of said Parcel 01-1; and

12 5) N27°21'36"E a distance of 617.35 feet to a calculated
13 point on the south line of the above-described Parcel 16-1 at the
14 northwest corner of said Parcel 01-1;

15 THENCE N62°22'51"W a distance of 40.60 feet to a calculated
16 point on the east line of the above-described Parcel 23-1;

17 THENCE, with the east line of said Parcel 23-1, the following
18 four (4) courses:

19 1) S27°22'35"W a distance of 618.29 feet to a calculated
20 point for an outside corner of said Parcel 23-1;

21 2) N62°37'49"W a distance of 5.00 feet to a calculated point
22 for an inside corner of said Parcel 23-1;

23 3) S27°22'11"W a distance of 618.51 feet to a calculated
24 angle point; and

25 4) S73°40'29"W a distance of 69.55 feet to a calculated point
26 at the southeast corner of said Parcel 23-1;

27 THENCE, with the south line of said Parcel 23-1, N60°41'02"W a

1 distance of 339.91 feet to a calculated point on the east
2 right-of-way line of State Highway No. 130 at the southwest corner
3 of said Parcel 23-1;

4 THENCE, with the east right-of-way line of said State Highway
5 No. 130, the following three (3) courses:

6 1) N30°02'29"E a distance of 1,101.68 feet to a calculated
7 angle point;

8 2) N20°27'12"E a distance of 2,012.40 feet to a calculated
9 angle point; and

10 3) N27°27'12"E a distance of 432.97 feet to a calculated
11 point at the northwest corner of the above-described Parcel 23-3;

12 THENCE, with the north line of said Parcel 23-3, S62°04'21"E a
13 distance of 608.26 feet to a calculated point on the west line of
14 the above-described Parcel 14-1 at the northeast corner of said
15 Parcel 23-3;

16 THENCE, with the west line of said Parcel 14-1, N27°45'52"E a
17 distance of 393.68 feet to a calculated point at the northwest
18 corner of said Parcel 14-1, also being the most westerly southwest
19 corner of the above-described Parcel 01-2;

20 THENCE, with the west line of said Parcel 01-2, N28°07'17"E a
21 distance of 224.92 feet to a calculated point at the southeast
22 corner of the above-described Parcel 24-1;

23 THENCE, with the south line of said Parcel 24-1, N62°34'20"W a
24 distance of 613.00 feet to a calculated point on the east
25 right-of-way line of said State Highway No. 130 at the southwest
26 corner of said Parcel 24-1;

27 THENCE, with the east right-of-way line of said State Highway

1 No. 130, the following nine (9) courses:

2 1) N27°27'12"E a distance of 1,672.04 feet to a calculated
3 angle point;

4 2) N32°27'12"E a distance of 1,894.71 feet to a calculated
5 angle point;

6 3) N29°36'58"E a distance of 516.40 feet to a calculated
7 point;

8 4) S61°16'47"E a distance of 91.29 feet to a calculated
9 point;

10 5) N33°24'29"E a distance of 576.93 feet to a calculated
11 point;

12 6) N61°16'47"W a distance of 126.37 feet to a calculated
13 point;

14 7) N26°30'22"E a distance of 430.28 feet to a calculated
15 point;

16 8) N61°16'47"W a distance of 56.58 feet to a calculated
17 point; and

18 9) N27°27'30"E a distance of 956.84 feet to a calculated
19 point at the intersection with the south right-of-way line of FM
20 Highway No. 969, also being the northwest corner of said Parcel
21 24-1;

22 THENCE, with the south right-of-way line of said FM Highway
23 No. 969, the following six (6) courses:

24 1) S64°07'08"E a distance of 395.49 feet to a calculated
25 point;

26 2) S22°48'20"W a distance of 61.04 feet to a calculated
27 point;

1 3) S67°11'40"E a distance of 110.00 feet to a calculated
2 point;

3 4) N22°48'20"E a distance of 60.54 feet to a calculated
4 point;

5 5) S77°33'00"E a distance of 201.73 feet to a calculated
6 angle point; and

7 6) S65°03'31"E a distance of 381.97 feet to a calculated
8 point at the northeast corner of the above-described Parcel 08-2;

9 THENCE, with the east line of said Parcel 08-2, S12°49'01"W a
10 distance of 1,365.75 feet to a calculated point at an inside corner
11 of the above-described Parcel 02-1;

12 THENCE, with the north line of said Parcel 02-1, S62°34'57"E a
13 distance of 947.19 feet to a calculated point at the most easterly
14 northeast corner of said Parcel 02-1;

15 THENCE, with the east line of said Parcel 02-1, S27°12'42"W a
16 distance of 1,350.79 feet to a calculated angle point;

17 THENCE, continuing with the east line of said Parcel 02-1,
18 S27°42'57"W a distance of 1,658.43 feet to a calculated point at the
19 northeast corner of said Parcel 01-2;

20 THENCE, with the east line of said Parcel 01-2, S27°36'56"W a
21 distance of 1,486.26 feet to a calculated point at an outside corner
22 of said Parcel 01-2 on the north line of the above-described Parcel
23 04-1;

24 THENCE, with the north line of said Parcel 04-1, S62°13'13"E a
25 distance of 697.01 feet to a calculated point at the northeast
26 corner of said Parcel 04-1, also being the northwest corner of the
27 above-described Parcel 19-1;

1 THENCE, with the north line of said Parcel 19-1, S62°14'53"E a
2 distance of 461.49 feet to a calculated point at the southwest
3 corner of the above-described Parcel 10-1;

4 THENCE, with the west line of said Parcel 10-1, N27°49'54"E a
5 distance of 3,150.15 feet to a calculated point at the northwest
6 corner of said Parcel 10-1;

7 THENCE, with the north line of said Parcel 10-1, S62°43'06"E a
8 distance of 710.22 feet to a calculated point at the northeast
9 corner of said Parcel 10-1;

10 THENCE, with the east line of said Parcel 10-1, S27°52'34"W a
11 distance of 3,156.02 feet to a calculated point at the southeast
12 corner of said Parcel 10-1, also being the northwest corner of the
13 above-described Parcel 06-1;

14 THENCE, with the north line of said Parcel 06-1, S61°04'03"E a
15 distance of 289.04 feet to a calculated point at the northwest
16 corner of the above-described Parcel 12-1;

17 THENCE, with the north line of said Parcel 12-1, S63°22'55"E a
18 distance of 457.28 feet to a calculated point at the northwest
19 corner of the above-described Parcel 06-2;

20 THENCE, with the north line of said Parcel 06-2, S64°42'36"E a
21 distance of 378.00 feet to a calculated point at the northwest
22 corner of the above-described Parcel 20-1;

23 THENCE, with the north line of said Parcel 20-1, S70°09'59"E a
24 distance of 400.67 feet to a calculated point at the northwest
25 corner of the above-described Parcel 02-3;

26 THENCE, with the north line of said Parcel 02-3, the
27 following three (3) courses:

1 1) S67°05'07"E a distance of 104.58 feet to a calculated
2 angle point;

3 2) S53°35'54"E a distance of 105.83 feet to a calculated
4 angle point; and

5 3) S55°41'48"E a distance of 206.91 feet to a calculated
6 point at the northeast corner of said Parcel 02-3;

7 THENCE, with the east line of said Parcel 02-3, S28°01'49"W a
8 distance of 899.00 feet to a calculated point on the north bank of
9 the Colorado River at the southeast corner of said Parcel 02-3;

10 THENCE, with the meanders of the north bank of the Colorado
11 River, the following fifty-nine (59) courses:

12 1) S78°57'26"W a distance of 265.40 feet to a calculated
13 point;

14 2) S58°33'04"W a distance of 403.36 feet to a calculated
15 point;

16 3) S27°53'07"W a distance of 24.17 feet to a calculated
17 point;

18 4) S73°19'34"W a distance of 179.78 feet to a calculated
19 point;

20 5) S80°40'33"W a distance of 284.45 feet to a calculated
21 point;

22 6) N26°28'28"E a distance of 20.96 feet to a calculated
23 point;

24 7) S75°36'26"W a distance of 293.31 feet to a calculated
25 point;

26 8) S86°20'34"W a distance of 84.16 feet to a calculated
27 point;

- 1 9) S79°42'18"W a distance of 141.79 feet to a calculated
2 point;
- 3 10) S27°00'43"W a distance of 26.90 feet to a calculated
4 point;
- 5 11) S78°05'41"W a distance of 99.68 feet to a calculated
6 point;
- 7 12) S71°38'12"W a distance of 426.53 feet to a calculated
8 point;
- 9 13) S58°35'29"W a distance of 276.51 feet to a calculated
10 point;
- 11 14) S24°20'35"W a distance of 359.58 feet to a calculated
12 point;
- 13 15) S08°24'01"W a distance of 300.61 feet to a calculated
14 point;
- 15 16) S07°37'34"E a distance of 185.37 feet to a calculated
16 point;
- 17 17) S02°25'49"E a distance of 59.41 feet to a calculated
18 point;
- 19 18) S01°21'36"W a distance of 38.60 feet to a calculated
20 point;
- 21 19) S08°00'24"E a distance of 41.40 feet to a calculated
22 point;
- 23 20) S09°09'36"W a distance of 373.90 feet to a calculated
24 point;
- 25 21) S31°59'36"W a distance of 107.30 feet to a calculated
26 point;
- 27 22) S18°00'36"W a distance of 293.50 feet to a calculated

- 1 point;
2 23) S30°25'36"W a distance of 112.00 feet to a calculated
3 point;
4 24) S10°51'36"W a distance of 634.90 feet to a calculated
5 point;
6 25) S02°34'36"W a distance of 30.70 feet to a calculated
7 point;
8 26) S59°28'24"E a distance of 57.10 feet to a calculated
9 point;
10 27) S03°40'24"E a distance of 310.40 feet to a calculated
11 point;
12 28) S16°21'36"W a distance of 278.50 feet to a calculated
13 point;
14 29) S17°53'36"W a distance of 322.40 feet to a calculated
15 point;
16 30) S32°29'36"W a distance of 792.30 feet to a calculated
17 point;
18 31) S18°11'36"W a distance of 184.90 feet to a calculated
19 point;
20 32) N63°10'34"W a distance of 44.96 feet to a calculated
21 point;
22 33) S19°04'38"W a distance of 21.49 feet to a calculated
23 point;
24 34) S27°17'38"W a distance of 190.50 feet to a calculated
25 point;
26 35) S23°12'38"W a distance of 266.20 feet to a calculated
27 point;

- 1 36) S33°52'38"W a distance of 191.10 feet to a calculated
2 point;
- 3 37) S61°12'38"W a distance of 280.40 feet to a calculated
4 point;
- 5 38) S63°15'38"W a distance of 345.10 feet to a calculated
6 point;
- 7 39) S72°35'38"W a distance of 285.20 feet to a calculated
8 point;
- 9 40) N85°31'22"W a distance of 165.00 feet to a calculated
10 point;
- 11 41) N72°50'22"W a distance of 150.00 feet to a calculated
12 point;
- 13 42) N10°15'22"W a distance of 135.80 feet to a calculated
14 point;
- 15 43) N04°17'22"W a distance of 37.00 feet to a calculated
16 point;
- 17 44) N38°51'22"W a distance of 391.50 feet to a calculated
18 point;
- 19 45) N12°14'22"W a distance of 40.00 feet to a calculated
20 point;
- 21 46) N07°15'38"E a distance of 183.00 feet to a calculated
22 point;
- 23 47) S47°45'38"W a distance of 386.10 feet to a calculated
24 point;
- 25 48) S75°54'39"W a distance of 102.43 feet to a calculated
26 point;
- 27 49) S71°46'05"W a distance of 154.03 feet to a calculated

1 point;
2 50) S65°38'42"W a distance of 430.32 feet to a calculated
3 point;
4 51) S49°58'20"W a distance of 207.45 feet to a calculated
5 point;
6 52) S47°30'01"W a distance of 581.94 feet to a calculated
7 point;
8 53) S58°05'16"W a distance of 199.26 feet to a calculated
9 point;
10 54) S55°02'26"W a distance of 168.25 feet to a calculated
11 point;
12 55) S66°49'36"W a distance of 424.33 feet to a calculated
13 point;
14 56) S70°27'05"W a distance of 178.44 feet to a calculated
15 point;
16 57) S73°49'29"W a distance of 103.82 feet to a calculated
17 point;
18 58) S85°43'30"W a distance of 78.52 feet to a calculated
19 point; and
20 59) S78°29'14"W a distance of 59.80 feet to the POINT OF
21 BEGINNING, and containing 1,370 acres of land, more or less.

22 TRACT 2

23 BEGINNING at a calculated point at the intersection of the
24 north bank of the Colorado River and the west right-of-way line of
25 State Highway No. 130, at the southeast corner of the
26 above-described Parcel 03-2, for the southeast corner and POINT OF
27 BEGINNING of the herein described tract;

1 THENCE, with the meanders of the north bank of the Colorado
2 River, the following twenty-two (22) courses:

3 1) S76°37'38"W a distance of 1.87 feet to a calculated point;

4 2) S72°53'53"W a distance of 518.11 feet to a calculated
5 point;

6 3) S75°14'11"W a distance of 517.88 feet to a calculated
7 point;

8 4) S70°55'05"W a distance of 289.38 feet to a calculated
9 point;

10 5) S81°58'40"W a distance of 118.79 feet to a calculated
11 point;

12 6) S63°21'33"W a distance of 277.07 feet to a calculated
13 point;

14 7) S49°47'25"W a distance of 47.81 feet to a calculated
15 point;

16 8) S64°43'53"W a distance of 353.97 feet to a calculated
17 point;

18 9) S62°39'35"W a distance of 626.81 feet to a calculated
19 point;

20 10) S72°28'38"W a distance of 203.07 feet to a calculated
21 point;

22 11) S85°12'41"W a distance of 191.20 feet to a calculated
23 point;

24 12) N89°48'48"W a distance of 82.77 feet to a calculated
25 point;

26 13) N83°17'50"W a distance of 141.54 feet to a calculated
27 point;

- 1 14) N83°16'30"W a distance of 332.35 feet to a calculated
2 point;
- 3 15) N72°21'14"W a distance of 159.08 feet to a calculated
4 point;
- 5 16) N80°26'48"W a distance of 189.39 feet to a calculated
6 point;
- 7 17) N79°57'59"W a distance of 91.38 feet to a calculated
8 point;
- 9 18) S85°50'53"W a distance of 69.91 feet to a calculated
10 point;
- 11 19) N78°28'45"W a distance of 123.84 feet to a calculated
12 point;
- 13 20) N68°18'10"W a distance of 159.21 feet to a calculated
14 point;
- 15 21) N80°39'08"W a distance of 135.80 feet to a calculated
16 point; and
- 17 22) S78°59'06"W a distance of 43.91 feet to a calculated
18 point at the intersection with the east right-of-way line of FM
19 Highway No. 973, also being the most southerly southwest corner of
20 the above-described Parcel 03-5;

21 THENCE, with the east right-of-way line of said FM Highway
22 No. 973, N10°21'00"E a distance of 147.12 feet to a calculated point
23 of curvature of a curve to the left;

24 THENCE, continuing with the east right-of-way line, along
25 said curve to the left an arc distance of 623.12 feet, having a
26 radius of 622.94 feet, and a chord which bears N18°18'22"W a
27 distance of 597.46 feet to a calculated point at the most westerly

1 southwest corner of said Parcel 03-5;

2 THENCE, with the west line of said Parcel 03-5, N27°38'58"E a
3 distance of 2,173.14 feet to a calculated point at the northwest
4 corner of said Parcel 03-5;

5 THENCE, with the north line of said Parcel 03-5, S62°35'52"E a
6 distance of 953.15 feet to a calculated point in the west line of
7 the above-described Parcel 03-7 at the northeast corner of said
8 Parcel 03-5;

9 THENCE, with the west line of said Parcel 03-7, N27°51'48"E a
10 distance of 830.67 feet to a calculated angle point;

11 THENCE, continuing with the west line of said Parcel 03-7,
12 N27°04'22"E a distance of 660.77 feet to a calculated angle point;

13 THENCE, with the west line of the above-described Parcel
14 03-01, N27°16'45"E a distance of 2,498.68 feet to a calculated point
15 at the northwest corner of said Parcel 03-1, also being the
16 southwest corner of the above-described Parcel 28-2;

17 THENCE, with the west line of said Parcel 28-2, the following
18 five (5) courses:

19 1) N23°25'44"E a distance of 14.81 feet to a calculated angle
20 point;

21 2) N27°12'18"E a distance of 110.07 feet to a calculated
22 angle point;

23 3) N27°08'13"E a distance of 109.97 feet to a calculated
24 angle point;

25 4) N27°14'30"E a distance of 114.81 feet to a calculated
26 angle point; and

27 5) N27°12'49"E a distance of 7.53 feet to a calculated point

1 at the southeast corner of the above-described Parcel 27-1;

2 THENCE, with the south line of said Parcel 27-1, N62°40'24"W a
3 distance of 1,722.95 feet to a calculated point on the east
4 right-of-way line of FM Highway No. 973 at the southwest corner of
5 said Parcel 27-1;

6 THENCE, with the east right-of-way line of said FM Highway
7 No. 973, N27°14'18"E a distance of 2,115.67 feet to a calculated
8 point at the intersection with the south right-of-way line of
9 Harold Green Road at the northwest corner of said Parcel 27-1;

10 THENCE, with the south right-of-way line of said Harold Green
11 Road, S62°58'47"E a distance of 1,685.22 feet to a calculated angle
12 point;

13 THENCE, continuing with the south right-of-way line of said
14 Harold Green Road, S49°54'08"E a distance of 37.29 feet to a
15 calculated point at the intersection with the west right-of-way
16 line of State Highway No. 130 at the northeast corner of said Parcel
17 27-1;

18 THENCE, with the west right-of-way line of said State Highway
19 No. 130, the following six (6) courses:

20 1) S27°10'40"W a distance of 207.10 feet to a calculated
21 point at the northwest corner of said Parcel 28-2;

22 2) S60°00'52"E a distance of 291.88 feet to a calculated
23 point at the northeast corner of said Parcel 28-2;

24 3) S29°59'08"W a distance of 908.52 feet to a calculated
25 angle point;

26 4) S12°44'41"W a distance of 849.11 feet to a calculated
27 angle point;

1 5) S18°15'23"E a distance of 401.53 feet to a calculated
2 angle point; and

3 6) S01°34'38"E a distance of 4,793.91 feet to the POINT OF
4 BEGINNING, and containing 446 acres of land, more or less.

5 TRACT 3

6 BEGINNING at a calculated point on the west right-of-way line
7 of FM Highway No. 973 at the northeast corner of the
8 above-described Parcel 03-4, for the northeast corner and POINT OF
9 BEGINNING of the herein described tract;

10 THENCE, with the west right-of-way line of said FM Highway
11 No. 973, S27°14'18"W a distance of 3,646.01 feet to a calculated
12 point at the southeast corner of said Parcel 03-4;

13 THENCE, with the south line of said Parcel 03-4, N62°56'53"W a
14 distance of 837.14 feet to a calculated point at the southwest
15 corner of said Parcel 03-4;

16 THENCE, with the west line of said Parcel 03-4, the following
17 three (3) courses:

18 1) N27°31'25"E a distance of 340.08 feet to a calculated
19 angle point;

20 2) N27°26'49"E a distance of 1,634.23 feet to a calculated
21 angle point; and

22 3) N27°36'28"E a distance of 1,688.35 feet to a calculated
23 point at the northwest corner of said Parcel 03-4;

24 THENCE, with the north line of said Parcel 03-4, S61°47'25"E a
25 distance of 818.72 feet to the POINT OF BEGINNING, and containing 69
26 acres of land, more or less.

27 TRACT 4

1 BEGINNING at a calculated point on the east right-of-way line
2 of FM Highway No. 973 at the northwest corner of the
3 above-described Parcel 11-1, for the most westerly northwest corner
4 and POINT OF BEGINNING of the herein described tract;

5 THENCE, with the north line of said Parcel 11-1, S62°59'56"E a
6 distance of 1,705.04 feet to a calculated point on the west line of
7 the above-described Parcel 22-1 at the northeast corner of said
8 Parcel 11-1;

9 THENCE, with the west line of said Parcel 22-1, N27°24'34"E a
10 distance of 854.85 feet to a calculated point on the west
11 right-of-way line of State Highway No. 130 at the northwest corner
12 of said Parcel 22-1;

13 THENCE, with the west right-of-way line of said State Highway
14 No. 130, the following six (6) courses:

15 1) S62°02'37"E a distance of 70.21 feet to a calculated point
16 at the northeast corner of said Parcel 22-1;

17 2) S12°37'58"W a distance of 1,453.45 feet to a calculated
18 point of curvature of a curve to the right;

19 3) Along said curve to the right an arc distance of 557.08
20 feet, having a radius of 1813.67 feet, and a chord which bears
21 S22°23'39"W a distance of 554.89 feet to a calculated point of
22 tangency;

23 4) S31°31'30"W a distance of 319.97 feet to a calculated
24 point at the southeast corner of the above-described Parcel 23-1;

25 5) N87°37'11"W a distance of 71.61 feet to a calculated angle
26 point; and

27 6) N62°35'47"W a distance of 400.24 feet to a calculated

1 point at the southwest corner of said Parcel 23-1;

2 THENCE, with the west lines of Parcels 23-1, 28-1 and 22-1,
3 N27°24'44"E a distance of 1,293.45 feet to a calculated point at the
4 southeast corner of said Parcel 11-1;

5 THENCE, with the south line of said Parcel 11-1, N62°59'56"W a
6 distance of 1,705.16 feet to a calculated point on the east
7 right-of-way line of said FM Highway No. 973 at the southwest
8 corner of said Parcel 11-1;

9 THENCE, with the east right-of-way line of said FM Highway
10 No. 973, N26°57'04"E a distance of 160.00 feet to the POINT OF
11 BEGINNING, and containing 24 acres of land, more or less.

12 TRACT 5

13 BEGINNING at a 1/2" iron rod found on the east right-of-way
14 line of FM Highway No. 973 at the northwest corner of the
15 above-described Parcel 07-1, for the northwest corner and POINT OF
16 BEGINNING of the herein described tract;

17 THENCE, with the north line of said Parcel 07-1, S63°23'23"E a
18 distance of 1,720.22 feet to a calculated point at the northeast
19 corner of said Parcel 07-1;

20 THENCE, with the east line of said Parcel 07-1, a portion of
21 said line also being the west right-of-way line of said State
22 Highway No. 130, S27°27'34"W a distance of 5,047.34 feet to a
23 calculated angle point;

24 THENCE, continuing with the west right-of-way line of said
25 State Highway No. 130, S27°52'12"W a distance of 588.10 feet to a
26 calculated point at the southeast corner of said Parcel 07-1;

27 THENCE, with the south line of said Parcel 07-1, N63°23'09"W a

1 distance of 1,723.19 feet to a 1/2" iron rod found with cap marked
2 "Brooks-Baker" on the east right-of-way line of said FM Highway
3 No. 973 at the southwest corner of said Parcel 07-1;

4 THENCE, with the east right-of-way line of said FM Highway
5 No. 973, the following three (3) courses:

6 1) N27°00'51"E a distance of 790.98 feet to a calculated
7 angle point;

8 2) N27°35'51"E a distance of 4,186.86 feet to a calculated
9 angle point; and

10 3) N27°44'31"E a distance of 657.55 feet to the POINT OF
11 BEGINNING, and containing 223 acres of land, more or less.

12 The gross area contained within Tracts 1, 2, 3, 4 and 5 totals
13 2,132 acres of land, more or less.

14 SECTION 1.03. (a) The legal notice of the intention to
15 introduce this article of this Act, setting forth the general
16 substance of this article of this Act, has been published as
17 provided by law, and the notice and a copy of this article of this
18 Act have been furnished to all persons, agencies, officials, or
19 entities to which they are required to be furnished under Section
20 59, Article XVI, Texas Constitution, and Chapter 313, Government
21 Code.

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

25 (c) The Texas Commission on Environmental Quality has filed
26 its recommendations relating to this article of this Act with the
27 governor, lieutenant governor, and speaker of the house of

1 representatives within the required time.

2 (d) All requirements of the constitution and laws of this
3 state and the rules and procedures of the legislature with respect
4 to the notice, introduction, and passage of this article of this Act
5 have been fulfilled and accomplished.

6 SECTION 1.04. This article takes effect immediately if this
7 Act receives a vote of two-thirds of all the members elected to each
8 house, as provided by Section 39, Article III, Texas Constitution.
9 If this Act does not receive the vote necessary for immediate
10 effect, this article takes effect September 1, 2017.

11 ARTICLE 2. SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION
12 DISTRICT

13 SECTION 2.01. The legislature finds that:

14 (1) creation of the Southwestern Travis County
15 Groundwater Conservation District:

16 (A) is consistent with the state's preferred
17 method of groundwater management;

18 (B) will protect property rights, balance the
19 development and conservation of groundwater with the needs of this
20 state, and use the best available science in the area of groundwater
21 through rules developed, adopted, and promulgated by the district
22 in accordance with the provisions of Chapter 8871, Special District
23 Local Laws Code, as added by this article; and

24 (C) will be a benefit to the land in the district
25 and a public benefit and utility;

26 (2) the district is created to:

27 (A) protect the interests of private property

1 ownership while balancing the interests of all property owners in
2 the district;

3 (B) manage groundwater resources; and

4 (C) protect the groundwater in the district;

5 (3) although a property owner of land in the district
6 is not entitled to an equal amount of water as another property
7 owner of land in the district, a property owner does have a vested
8 ownership interest in the groundwater beneath the owner's property,
9 and the district shall recognize that ownership interest; and

10 (4) the Southwestern Travis County Groundwater
11 Conservation District is not created to prohibit or restrict
12 development of private property in the district.

13 SECTION 2.02. Subtitle H, Title 6, Special District Local
14 Laws Code, is amended by adding Chapter 8871 to read as follows:

15 CHAPTER 8871. SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION

16 DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Sec. 8871.001. DEFINITIONS. In this chapter:

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

20 (2) "Commission" means the Texas Commission on
21 Environmental Quality.

22 (3) "Director" means a board member.

23 (4) "District" means the Southwestern Travis County
24 Groundwater Conservation District.

25 Sec. 8871.002. NATURE OF DISTRICT. The district is a
26 groundwater conservation district in Travis County created under
27 and essential to accomplish the purposes of Section 59, Article

1 XVI, Texas Constitution.

2 Sec. 8871.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
3 district is created to serve a public use and benefit.

4 (b) All land and other property included in the district
5 will benefit from the works and projects accomplished by the
6 district under the powers conferred by Section 59, Article XVI,
7 Texas Constitution.

8 Sec. 8871.004. INITIAL DISTRICT TERRITORY. (a) The
9 district is initially composed of the territory described by
10 Section 2.03 of the Act enacting this chapter.

11 (b) The boundaries and field notes contained in Section 2.03
12 of the Act enacting this chapter form a closure. A mistake made in
13 the field notes or in copying the field notes in the legislative
14 process does not affect the district's:

15 (1) organization, existence, or validity;

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

19 (3) legality or operation.

20 SUBCHAPTER B. TEMPORARY AND INITIAL DIRECTORS

21 Sec. 8871.021. APPOINTMENT OF TEMPORARY DIRECTORS;
22 VACANCIES; TERMS. (a) Seven persons who reside in the district
23 shall be appointed as temporary directors not later than the 90th
24 day after the effective date of the article of the Act creating this
25 chapter as follows:

26 (1) the county judge of Travis County shall appoint
27 one temporary director;

1 (2) the county commissioner for the county
2 commissioners precinct in which the district is principally located
3 shall appoint two temporary directors;

4 (3) the state representative who represents the house
5 district in which the district is principally located shall appoint
6 two temporary directors; and

7 (4) the state senator who represents the senate
8 district in which the district is principally located shall appoint
9 two temporary directors.

10 (b) If a temporary director fails to qualify for office or a
11 vacancy occurs on the temporary board, the remaining temporary
12 directors shall appoint a person to fill the vacancy. If at any
13 time there are fewer than four temporary directors, the state
14 representative under Subsection (a)(3) shall appoint the necessary
15 number of persons to fill all vacancies on the board.

16 (c) Temporary directors serve until the date initial
17 directors are elected at an election held under Section 8871.024.

18 Sec. 8871.022. ORGANIZATIONAL MEETING. (a) Not later than
19 the 45th day after the date on which the seventh temporary director
20 is appointed under Section 8871.021, the temporary directors shall
21 hold the organizational meeting of the district.

22 (b) The temporary directors shall select from among
23 themselves a president, a vice president, and a secretary.

24 Sec. 8871.023. AUTHORITY OF TEMPORARY DIRECTORS. (a)
25 Except as provided by Subsections (c) and (d) or as otherwise
26 provided by this subchapter, the temporary directors of the
27 district have the same permitting and general management powers as

1 those provided for initial and permanent directors under this
2 chapter and Chapter 36, Water Code.

3 (b) The temporary directors or their designees have the
4 authority to enter any public or private property located in the
5 district to inspect a water well that is not exempt under Section
6 8871.103, as provided by Section 36.123, Water Code.

7 (c) Except as provided by Section 8871.024, the temporary
8 directors do not have the authority granted by the following
9 provisions of Chapter 36, Water Code:

10 (1) Sections 36.017, 36.019, 36.020, and 36.059;

11 (2) Sections 36.105, 36.1071, 36.1072, 36.1073, and
12 36.108;

13 (3) Sections 36.171-36.181;

14 (4) Sections 36.201-36.204; and

15 (5) Subchapters J and K.

16 (d) The temporary directors may regulate the transfer of
17 groundwater out of the district as provided by Section 36.122,
18 Water Code, but may not prohibit the transfer of groundwater out of
19 the district.

20 Sec. 8871.024. CONFIRMATION AND INITIAL DIRECTORS'
21 ELECTION. (a) The temporary directors shall order an election in
22 the district, to be held not later than the uniform election date in
23 May 2018, to confirm the creation of the district and to elect the
24 initial directors.

25 (b) At the election held under this section, the temporary
26 board shall have placed on the ballot the names of the candidates
27 who are eligible under Section 8871.051 for each of the seven

1 positions on the board.

2 (c) Section 41.001(a), Election Code, applies to an
3 election held under this section.

4 (d) Except as provided by this section, an election held
5 under this section must be conducted as provided by the Election
6 Code and Sections 36.017, 36.018, and 36.019, Water Code. The
7 following provisions of the Water Code do not apply to an election
8 under this section:

9 (1) Section 36.017(a);

10 (2) the provision of Section 36.017(d) governing
11 ballot provisions for the election of permanent directors; and

12 (3) Section 36.059(b).

13 (e) If the district's creation is not confirmed at an
14 election held under Subsection (a), the candidate who receives a
15 majority of the votes cast at that election for each of the seven
16 positions on the board becomes a temporary director of the
17 district. The temporary directors elected under this subsection
18 shall order a subsequent election to be held to confirm the creation
19 of the district and to elect the initial directors not earlier than
20 the uniform election date in May 2020.

21 (f) Temporary directors elected under Subsection (e) serve
22 until:

23 (1) the date initial directors are elected at the
24 subsequent election ordered under Subsection (e) if the creation of
25 the district is confirmed; or

26 (2) the fourth anniversary of the date of the election
27 held under Subsection (a) if the creation of the district is not

1 confirmed.

2 (g) The vacancy provision of Section 8871.021, and Section
3 8871.023, apply to the temporary directors elected under
4 Subsection (e).

5 Sec. 8871.025. INITIAL DIRECTORS. (a) Promptly after an
6 election has been held under Section 8871.024 and the votes have
7 been canvassed, if the creation of the district is confirmed, the
8 temporary directors shall:

9 (1) declare for each board position the person who
10 receives the most votes for that position to be elected as the
11 initial director for that position; and

12 (2) include the results of the initial directors'
13 election in the district's election report to the commission.

14 (b) The initial directors shall draw lots to determine which
15 three initial directors serve two-year terms and which four initial
16 directors serve four-year terms.

17 SUBCHAPTER C. BOARD OF DIRECTORS

18 Sec. 8871.051. GOVERNING BODY; TERMS. (a) The district is
19 governed by a board of seven directors.

20 (b) Directors elected after the election held under Section
21 8871.024 serve four-year terms.

22 (c) The directors are elected as follows:

23 (1) one director must reside in the corporate limits
24 of the City of Bee Cave and be elected by voters residing in the City
25 of Bee Cave;

26 (2) one director must reside in the corporate limits
27 of the City of Lakeway or Village of the Hills and be elected by

1 voters residing in the City of Lakeway and Village of the Hills;

2 (3) one director must reside in the corporate limits
3 of the City of West Lake Hills and be elected by voters residing in
4 the City of West Lake Hills; and

5 (4) four directors must:

6 (A) reside inside the district and outside the
7 corporate limits of the City of Bee Cave, City of Lakeway, Village
8 of the Hills, and City of West Lake Hills;

9 (B) be elected by voters residing inside the
10 district and outside the corporate limits of the City of Bee Cave,
11 City of Lakeway, Village of the Hills, and City of West Lake Hills;
12 and

13 (C) each use groundwater as a source of water
14 supply for one or more beneficial uses at their respective
15 residences.

16 SUBCHAPTER D. POWERS AND DUTIES

17 Sec. 8871.101. GROUNDWATER CONSERVATION DISTRICT POWERS
18 AND DUTIES. Except as otherwise provided by this chapter, the
19 district has the powers and duties provided by the general law of
20 this state, including Chapter 36, Water Code, applicable to
21 groundwater conservation districts created under Section 59,
22 Article XVI, Texas Constitution.

23 Sec. 8871.102. AQUIFER STORAGE AND RECOVERY PROJECTS. The
24 district may implement and develop aquifer storage and recovery
25 projects in accordance with:

26 (1) Chapters 27 and 36, Water Code; and

27 (2) commission rules and guidance.

1 Sec. 8871.103. EXEMPT WELLS. (a) Groundwater withdrawals
2 from the following wells may not be regulated, permitted, or
3 metered by the district:

4 (1) a well used for domestic use by a single private
5 residential household and incapable of producing more than 10,000
6 gallons per day; and

7 (2) a well used solely for domestic use or for
8 providing water for livestock or poultry if the well is:

9 (A) located or to be located on a tract of land
10 larger than 10 acres; and

11 (B) drilled, completed, or equipped so that it is
12 incapable of producing more than 25,000 gallons of groundwater a
13 day.

14 (b) The district may not charge or collect a well
15 construction fee for a well described by Subsection (a)(2).

16 (c) A well used for dewatering and monitoring in the
17 production of coal or lignite is exempt from permit requirements,
18 regulations, and fees imposed by the district.

19 Sec. 8871.104. PERMIT REQUIRED. A well owner must obtain a
20 permit and pay any required fees, including a well construction
21 fee, before using any groundwater withdrawn from a well for
22 purposes other than those exempted by Section 8871.103.

23 Sec. 8871.105. ACCESS TO PROPERTY. (a) Subject to
24 Subsection (b), an employee or agent of the district is entitled to
25 enter public or private property in the district at any reasonable
26 time to:

27 (1) inspect an exempt well;

1 (2) inspect and investigate conditions relating to the
2 quality of water in the state; and

3 (3) monitor compliance with any rule, regulation,
4 permit, or other order of the district.

5 (b) An employee or agent of the district must obtain the
6 permission of the property owner before entering public or private
7 property.

8 (c) If any employee or agent of the district is refused the
9 right to enter public or private property in the district under this
10 section, the district may seek a court order from a district court
11 authorizing the district to enter the land.

12 (d) An employee or agent who enters private property under
13 this section shall:

14 (1) observe the property's rules and regulations, if
15 any, concerning safety, internal security, and fire protection;

16 (2) notify management or a person in charge of the
17 presence of the employee or agent; and

18 (3) exhibit proper credentials.

19 Sec. 8871.106. NO EMINENT DOMAIN POWER. The district may
20 not exercise the power of eminent domain.

21 SUBCHAPTER E. FINANCIAL PROVISIONS

22 Sec. 8871.151. WELL CONSTRUCTION FEE. The district may
23 charge and collect a new well construction fee not to exceed \$1,000
24 for a new well.

25 Sec. 8871.152. PERMIT RENEWAL APPLICATION FEE. The
26 district may charge and collect a permit renewal application fee
27 not to exceed \$400.

1 Sec. 8871.153. SERVICE CONNECTION FEE. (a) This section
2 does not apply to a water utility that has surface water as its sole
3 source of water.

4 (b) The district may levy and collect a water utility
5 service connection fee not to exceed \$1,000 for each new water
6 service connection made after September 1, 2017.

7 Sec. 8871.154. PRODUCTION FEE. The district may impose
8 reasonable production fees on each well that is not exempt from
9 permitting under Section 8871.103 based on the amount of water
10 actually withdrawn from the well. The district may not impose a
11 production fee under this section in an amount greater than 20 cents
12 per thousand gallons.

13 Sec. 8871.155. ADMINISTRATIVE MANAGEMENT FEE. The district
14 may set a reasonable fee for administrative management on a per well
15 basis. The district may set a fee for administrative management on
16 a well that is exempt from permitting in an amount not greater than
17 \$40 per well, per year.

18 Sec. 8871.156. CERTAIN FEES PROHIBITED. The district may
19 not charge a fee under Section 36.205(b), (c), or (f), Water Code.

20 Sec. 8871.157. LIMITATION ON AUTHORITY TO IMPOSE TAXES.
21 The district does not have the authority granted by Sections 36.020
22 and 36.201-36.204, Water Code, relating to taxes.

23 SECTION 2.03. The Southwestern Travis County Groundwater
24 Conservation District initially includes all the territory
25 contained in the following area:

26 THE TERRITORY OF THE SOUTHWEST TRAVIS COUNTY PORTION OF THE
27 HILL COUNTRY PRIORITY GROUNDWATER MANAGEMENT AREA - AS DESCRIBED BY

1 2010 TCEQ REPORT; "The southwestern Travis territory is located in
2 the southwestern quarter of Travis County. The southwestern Travis
3 territory is bound to the west by Blanco and Burnet counties,
4 southwest by Hays County, and southeast by the northwestern
5 boundary of the Barton Springs/Edwards Aquifer Conservation
6 District (BS/EACD). The northern boundary of the southwestern
7 Travis territory is the Colorado River (Lake Travis, Lake Austin,
8 and Lady Bird Lake)."

9 SECTION 2.04. (a) The legal notice of the intention to
10 introduce this article of this Act, setting forth the general
11 substance of this article of this Act, has been published as
12 provided by law, and the notice and a copy of this article of this
13 Act have been furnished to all persons, agencies, officials, or
14 entities to which they are required to be furnished under Section
15 59, Article XVI, Texas Constitution, and Chapter 313, Government
16 Code.

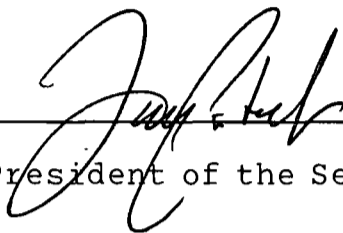
17 (b) The governor, one of the required recipients, has
18 submitted the notice and this article of this Act to the Texas
19 Commission on Environmental Quality.

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

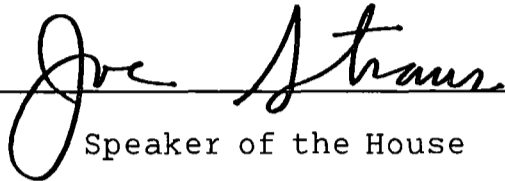
24 (d) All requirements of the constitution and laws of this
25 state and the rules and procedures of the legislature with respect
26 to the notice, introduction, and passage of this article of this Act
27 are fulfilled and accomplished.

H.B. No. 4345

1 SECTION 2.05. This article takes effect September 1, 2017.

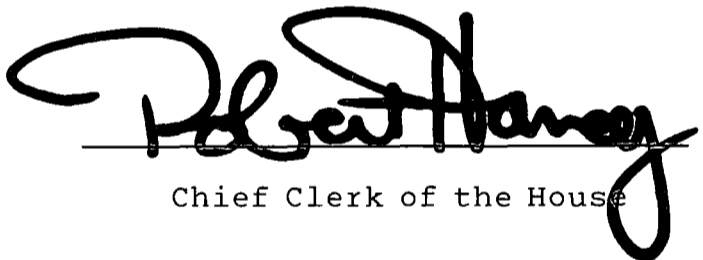


President of the Senate



Speaker of the House

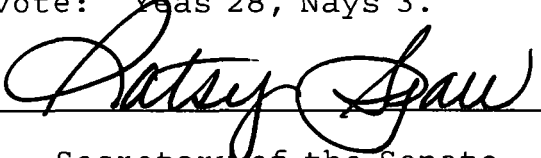
I certify that H.B. No. 4345 was passed by the House on May 19, 2017, by the following vote: Yeas 137, Nays 7, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 4345 on May 26, 2017, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 4345 on May 28, 2017, by the following vote: Yeas 133, Nays 13, 1 present, not voting.



Chief Clerk of the House

H.B. No. 4345

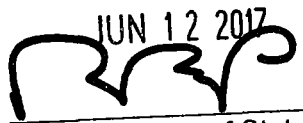
I certify that H.B. No. 4345 was passed by the Senate, with amendments, on May 24, 2017, by the following vote: Yeas 28, Nays 3; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 4345 on May 28, 2017, by the following vote: Yeas 28, Nays 3.


Secretary of the Senate

APPROVED: _____

Date

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:30 PM O'CLOCK
JUN 12 2017

Secretary of State

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 27, 2017

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4345 by Rodriguez, Eddie (Relating to the creation of the Rio de Vida Municipal Utility District No. 1 and the creation of the Southwestern Travis County Groundwater Conservation District; providing authority to impose taxes and fees; providing authority to issue bonds.), **Conference Committee Report**

<p>No fiscal implication to the State is anticipated.</p>
--

The article would amend the Special District Local Laws Code establishing the Rio de Vida Municipal Utility District No. 1. The district would have authority for road projects. The district would have authority to issue bonds and other obligations, without an election. The district would have authority to impose an operation and maintenance tax, a contract tax, and a sales and use tax.

The article would amend the Special District Local Laws Code creating the Southwestern Travis County Groundwater Conservation District. The article would create a board and appoint temporary directors until the uniform election date in May 2018. If the district's creation is not confirmed at the aforementioned election, a subsequent election shall be held to confirm the creation of the district and to elect the directors not earlier than the uniform election date in May 2020. The article would allow the district to collect fees on well construction, permit renewals, service connection, production, and administrative management. The district would not have tax authority.

The article would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 25, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4345 by Rodriguez, Eddie (Relating to the creation of the Rio de Vida Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Rio de Vida Municipal Utility District No. 1. The district would have authority for road projects. The district would have authority to issue bonds and other obligations, without an election. The district would have authority to impose an operation and maintenance tax, a contract tax, and a sales and use tax.

The bill would take effect immediately if the bill receives a two-thirds vote in each house; otherwise, the bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 23, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4345 by Rodriguez, Eddie (Relating to the creation of the Rio de Vida Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Rio de Vida Municipal Utility District No. 1. The district would have authority for road projects. The district would have authority to issue bonds and other obligations, without an election. The district would have authority to impose an operation and maintenance tax, a contract tax, and a sales and use tax.

The bill would take effect immediately if the bill receives a two-thirds vote in each house; otherwise, the bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 20, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4345 by Rodriguez, Eddie (Relating to the creation of the Rio de Vida Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Rio de Vida Municipal Utility District No. 1. The district would have authority for road projects. The district would have authority to issue bonds and other obligations, without an election. The district would have authority to impose an operation and maintenance tax, a contract tax, a sales and use tax, and a hotel tax.

The bill would take effect immediately if the bill receives a two-thirds vote in each house; otherwise, the bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 15, 2017

TO: Honorable Jim Murphy, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4345 by Rodriguez, Eddie (Relating to the creation of the Rio de Vida Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Rio de Vida Municipal Utility District No. 1. The district would have authority for road projects. The district would have authority to issue bonds and other obligations, without an election. The district would have authority to impose an operation and maintenance tax, a contract tax, a sales and use tax, and a hotel tax.

The bill would take effect immediately if the bill receives a two-thirds vote in each house; otherwise, the bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 5, 2017

TO: Honorable Jim Murphy, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4345 by Rodriguez, Eddie (Relating to the creation of the Rio de Vida Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Rio de Vida Municipal Utility District No. 1. The district would have authority for road projects. The district would have authority to issue bonds and other obligations, without an election. The district would have authority to impose an operation and maintenance tax, a contract tax, a sales and use tax, and a hotel tax.

The bill would take effect immediately if the bill receives a two-thirds vote in each house; otherwise, the bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

WATER DEVELOPMENT POLICY IMPACT STATEMENT

85TH LEGISLATIVE REGULAR SESSION

May 22, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4345 by Rodriguez, Eddie (Relating to the creation of the Rio de Vida Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.), **Committee Report 2nd House, Substituted**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

This bill creates Rio de Vida Municipal Utility District No. 1 (District) with the powers and duties of a standard municipal utility district under Water Code Chapters 49 and 54.

Population - The very specific description of the proposed boundaries does not allow staff to develop precise population estimates. Based on the Original Texas Land Surveys mentioned in HB 4345, staff is unable to determine a population estimate.

Population growth in the specific area since the 2010 census is unknown. The 2010 population estimate for areas of Travis County served by small systems or private wells (County-Other) is 82,569. The Travis County-Other population projections approved for the 2017 State Water Plan projects the population to be 59,888 in 2020, 54,930 in 2030 and 50,253 in 2040.

Location - The Proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Travis County Real Property Records and metes and bounds. Due to the complexity of these boundaries for the various sub areas of the district, staff is able to determine only the general location of the proposed district.

The proposed district's area is approximately 3.33 square miles in eastern Travis County, located east of the City of Austin along State Highway 130. The proposed district may overlap portions of existing Certificate of Convenience and Necessity (CCN) boundaries held by City of Austin, Manville WSC, and Hornsby Bend Utility Co.

Comments on Powers/Duties Different from Similar Types of Districts: The HCS2 revises the date of September 1, 2017 to the effective date of this Act for when the majority owners of real property in the district may submit a petition to the commission requesting appointment of temporary directors. Subchapter F, Bonds and Other Obligations, is revised to remove references to hotel occupancy taxes. Section 8013.302, subsection b), is revised to remove the language that the board may not decrease the rate of tax if the decrease would impair the repayment of any outstanding debt or obligation payable from the tax. Subsection (c)(3), is added to include the

sales and use tax rate adopted by the City of Austin as one of the options that the rate of tax imposed by the district may not exceed the lesser of the three options. Subchapter H, Hotel Occupancy Tax, was removed in its entirety.

The bill specifies District requirements related to affordable housing; the District is governed by a board of five directors appointed by the governing board of the City of Austin (City); this bill grants the District authority for road projects; the District and City may contract on terms that the board and governing body of the City agree will further regional cooperation between the District and City; before exercising a power for economic development as described in Section 8013.107, the District must obtain the City's consent; the District may construct, acquire, improve, maintain, finance, or operate a facility or improvement related to reclaiming or grading land in the District; the District may not exercise the power of eminent domain; the bill allows the District to divide. The bill specifies that at the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the District; current statutes stipulate that a district may not issue bonds for recreational facilities that exceed one percent of the district's assessed valuation. The bill specifies that this requirement does not apply to the District; the bill specifies that the District is a "water or sewer district" under Section 43.071, Local Government Code; the bill specifies that Local Government Code, Section 43.075, relating to abolition of, or division of functions of, water-related special district that becomes part of not more than one municipality, applies to the District.

Overlapping Services: TCEQ does not have mapping information for water and/or wastewater providers because this function was transferred from the TCEQ to the Public Utility Commission on September 1, 2014. As a result, TCEQ is unaware of possible overlapping service providers.

TCEQ's Supervision: As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

Water Use - HB 4345 specifies that "the district has the powers and duties provided by the general law of the state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution".

Within Travis County, 91 percent of the total water use was surface water in 2014. Eighty eight percent of all the surface water use was for municipal purposes. The water source of the proposed district might pursue is unknown.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: UP, SZ

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

85TH LEGISLATIVE REGULAR SESSION

May 16, 2017

TO: Honorable Jim Murphy, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4345 by Rodriguez, Eddie (Relating to the creation of the Rio de Vida Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.), **Committee Report 1st House, Substituted**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

This bill creates Rio de Vida Municipal Utility District No. 1 (District) with the powers and duties of a standard municipal utility district under Water Code Chapters 49 and 54.

Population - The very specific description of the proposed boundaries does not allow staff to develop precise population estimates. Based on the Original Texas Land Surveys mentioned in HB 4345, staff is unable to determine a population estimate.

Population growth in the specific area since the 2010 census is unknown. The 2010 population estimate for areas of Travis County served by small systems or private wells (County-Other) is 82,569. The Travis County-Other population projections approved for the 2017 State Water Plan projects the population to be 59,888 in 2020, 54,930 in 2030 and 50,253 in 2040.

Location - The Proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Travis County Real Property Records and metes and bounds. Due to the complexity of these boundaries for the various sub areas of the district, staff is able to determine only the general location of the proposed district.

The proposed district's area is approximately 3.33 square miles in eastern Travis County, located east of the City of Austin along State Highway 130. The proposed district may overlap portions of existing Certificate of Convenience and Necessity (CCN) boundaries held by City of Austin, Manville WSC, and Hornsby Bend Utility Co.

Comments on Powers/Duties Different from Similar Types of Districts: The House Committee Substitute adds that the temporary directors shall hold an election to elect four permanent directors in addition to confirming the creation of the District. The City must consent to the creation of the District before February 14, 2020. The requirements related to affordable housing are removed. The board is governed by four elected directors and one director appointed by the governing body of the City; the board member appointed by the City is not required to reside in the District or to own real property in the District. The House Committee Substitute removes the

names of the temporary directors and instead requires the owners of a majority of the assessed value of real property in the District to submit a petition to the TCEQ requesting appointment of five temporary directors. The House Committee Substitute removes the requirement that road projects meet regulations of each municipality in whose corporate limits or ETJ the road project is located; road projects are only required to meet regulations of the City. The House Committee Substitute specifies that compliance with the consent agreement includes affordable housing requirements established in the consent agreement. The House Committee Substitute removes Section 8013.107, powers for economic development. The District must obtain consent by City resolution or ordinance before dividing. The House Committee Substitute removes Section 8013.204; approval by City of Capital Improvements. The House Committee Substitute removes Section 8013.254, bonds for recreational facilities in its entirety, stating that the limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Chapter 49, Water Code, does not apply to the District.

The bill specifies District requirements related to affordable housing; the District is governed by a board of five directors appointed by the governing board of the City of Austin (City); this bill grants the District authority for road projects; the District and City may contract on terms that the board and governing body of the City agree will further regional cooperation between the District and City; before exercising a power for economic development as described in Section 8013.107, the District must obtain the City's consent; the District may construct, acquire, improve, maintain, finance, or operate a facility or improvement related to reclaiming or grading land in the District; the District may not exercise the power of eminent domain; the bill allows the District to divide. The bill specifies that at the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the District; current statutes stipulate that a district may not issue bonds for recreational facilities that exceed one percent of the district's assessed valuation. The bill specifies that this requirement does not apply to the District; the bill specifies that the District is a "water or sewer district" under Section 43.071, Local Government Code; the bill specifies that Local Government Code, Section 43.075, relating to abolition of, or division of functions of, water-related special district that becomes part of not more than one municipality, applies to the District.

Overlapping Services: TCEQ does not have mapping information for water and/or wastewater providers because this function was transferred from the TCEQ to the Public Utility Commission on September 1, 2014. As a result, TCEQ is unaware of possible overlapping service providers.

TCEQ's Supervision: As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

Water Use - HB 4345 specifies that "the district has the powers and duties provided by the general law of the state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution".

Within Travis County, 91 percent of the total water use was surface water in 2014. Eighty eight percent of all the surface water use was for municipal purposes. The water source of the proposed district might pursue is unknown.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: UP, SZ

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

WATER DEVELOPMENT POLICY IMPACT STATEMENT

85TH LEGISLATIVE REGULAR SESSION

May 5, 2017

TO: Honorable Jim Murphy, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4345 by Rodriguez, Eddie (Relating to the creation of the Rio de Vida Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.), **As Introduced**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

This bill creates Rio de Vida Municipal Utility District No. 1 (District) with the powers and duties of a standard municipal utility district under Water Code Chapters 49 and 54.

Population - The very specific description of the proposed boundaries does not allow staff to develop precise population estimates. Based on the Original Texas Land Surveys mentioned in HB 4345, staff is unable to determine a population estimate.

Population growth in the specific area since the 2010 census is unknown. The 2010 population estimate for areas of Travis County served by small systems or private wells (County-Other) is 82,569. The Travis County-Other population projections approved for the 2017 State Water Plan projects the population to be 59,888 in 2020, 54,930 in 2030 and 50,253 in 2040.

Location - The Proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Travis County Real Property Records and metes and bounds. Due to the complexity of these boundaries for the various sub areas of the district, staff is able to determine only the general location of the proposed district.

The proposed district's area is approximately 3.33 square miles in eastern Travis County, located east of the City of Austin along State Highway 130. The proposed district may overlap portions of existing Certificate of Convenience and Necessity (CCN) boundaries held by City of Austin, Manville WSC, and Hornsby Bend Utility Co.

Comments on Powers/Duties Different from Similar Types of Districts: The bill specifies District requirements related to affordable housing; the District is governed by a board of five directors appointed by the governing board of the City of Austin (City); this bill grants the District authority for road projects; the District and City may contract on terms that the board and governing body of the City agree will further regional cooperation between the District and City; before exercising a power for economic development as described in Section 8013.107, the District must obtain the City's consent; the District may construct, acquire, improve, maintain,

finance, or operate a facility or improvement related to reclaiming or grading land in the District; the District may not exercise the power of eminent domain; the bill allows the District to divide.

The bill specifies that at the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the District; current statutes stipulate that a district may not issue bonds for recreational facilities that exceed one percent of the district's assessed valuation. The bill specifies that this requirement does not apply to the District; the bill specifies that the District is a "water or sewer district" under Section 43.071, Local Government Code; the bill specifies that Local Government Code, Section 43.075, relating to abolition of, or division of functions of, water-related special district that becomes part of not more than one municipality, applies to the District.

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Within Travis County, 91 percent of the total water use was surface water in 2014. Eighty eight percent of all the surface water use was for municipal purposes. The water source of the proposed district might pursue is unknown.

Source Agencies: 582 Commission on Environmental Quality, 580 Water Development Board

LBB Staff: UP, SZ

Austin American-Statesman

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NOTICE OF INTENT TO INTRODUCE A BILL

Pursuant to the Constitution and laws of the State of Texas, notice is hereby given of the intention to apply to the 85th Legislature of the State of Texas at its regular session in Austin, Texas for the introduction of a bill, the substance of the contemplated law being as follows:

An act relating to the creation of the Rio de Vida Municipal Utility District No. 1 of Travis County; providing authority to impose a tax and issue bonds.

The Act proposes to create a conservation and reclamation district to be known as Rio de Vida Municipal Utility District No. 1 of Travis County, being approximately 2132 acres in Travis County, Texas, more particularly described as follows:

5 tracts generally located south of FM 969; east of FM 973; north of the Colorado River; and west/southwest of the Austin Colony development.

The District's creation is subject to approval at a confirmation election.

All interested persons will, therefore, take notice of the matters and facts set out in the foregoing statement of the substance of the contemplated laws as required by the Constitution and laws of the State of Texas.
2-22/2017 # 711946

STATE OF TEXAS
COUNTY OF TRAVIS

Before me, the undersigned authority, a Notary Public in and for the County of Travis, State of Texas, on this day personally appeared Alejandro Cado, Advertising Agent of the Austin American-Statesman, a daily newspaper published in said County and State that is generally circulated in Bastrop, Bell, Blanco, Brazos, Burleson, Burnet, Caldwell, Colorado, Comal, Coryell, Fayette, Gillespie, Gonzales, Guadalupe, Hays, Kerr, Lampasas, Lee, Llano, Milam, Nueces, San Saba, Travis, Washington and Williamson Counties, who being duly sworn by me, states that the attached advertisement was published at the lowest published rate for Classified advertising in said newspaper on the following date(s), to wit: BARTON OAKS PLAZA,, First date of Publication 02/22/2017, Last date of Publication 02/22/2017, Web and print times Published 2, Legal Notices, 1 X 41, and that the attached is a true copy of said advertisement.

Rio de Vida Municipal Utility
Ad ID: 1398242
Ad Cost: 406.31

SWORN AND SUBSCRIBED TO BEFORE ME, on
03/15/2017

Notary Public

