

Chapter 632

H.B. No. 4301

AN ACT

1
2 relating to the creation of the Driftwood Conservation District;
3 granting a limited power of eminent domain; providing authority to
4 issue bonds; providing authority to impose assessments, fees, and
5 taxes.

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

7 SECTION 1. Subtitle F, Title 6, Special District Local Laws
8 Code, is amended by adding Chapter 7982 to read as follows:

9 CHAPTER 7982. DRIFTWOOD CONSERVATION DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 7982.001. DEFINITIONS. In this chapter:

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

13 (2) "Commission" means the Texas Commission on
14 Environmental Quality.

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

16 (4) "District" means the Driftwood Conservation
17 District.

18 Sec. 7982.002. NATURE OF DISTRICT. The district is a
19 municipal utility district created under Section 59, Article XVI,
20 Texas Constitution.

21 Sec. 7982.003. CONFIRMATION AND DIRECTORS' ELECTION
22 REQUIRED. The temporary directors shall hold an election to
23 confirm the creation of the district and to elect five permanent
24 directors as provided by Section 49.102, Water Code.

1 Sec. 7982.004. CONSENT OF MUNICIPALITY REQUIRED. The
2 temporary directors may not hold an election under Section 7982.003
3 until each municipality in whose corporate limits or
4 extraterritorial jurisdiction the district is located has
5 consented by ordinance or resolution to the creation of the
6 district and to the inclusion of land in the district.

7 Sec. 7982.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
8 The district is created to serve a public purpose and benefit.

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

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

12 (2) Section 52, Article III, Texas Constitution, that
13 relate to the construction, acquisition, improvement, operation,
14 or maintenance of macadamized, graveled, or paved roads, or
15 improvements, including storm drainage, in aid of those roads.

16 Sec. 7982.006. INITIAL DISTRICT TERRITORY. (a) The
17 district is initially composed of the territory described by
18 Section 2 of the Act enacting this chapter.

19 (b) The boundaries and field notes contained in Section 2 of
20 the Act enacting this chapter form a closure. A mistake made in the
21 field notes or in copying the field notes in the legislative process
22 does not affect the district's:

23 (1) organization, existence, or validity;

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

27 (3) right to impose a tax; or

1 (4) legality or operation.

2 Sec. 7982.007. APPLICABILITY OF OTHER LAW. Chapter 257,
3 Transportation Code, and other general laws applicable to road
4 districts created under Section 52, Article III, Texas
5 Constitution, apply to the district.

6 SUBCHAPTER B. BOARD OF DIRECTORS

7 Sec. 7982.051. GOVERNING BODY; TERMS. (a) The district is
8 governed by a board of five elected directors.

9 (b) Except as provided by Section 7982.052, directors serve
10 staggered four-year terms.

11 Sec. 7982.052. TEMPORARY DIRECTORS. (a) On or after the
12 effective date of the Act enacting this chapter, the owner or owners
13 of a majority of the assessed value of the real property in the
14 district may submit a petition to the commission requesting that
15 the commission appoint as temporary directors the five persons
16 named in the petition. The commission shall appoint as temporary
17 directors the five persons named in the petition.

18 (b) Temporary directors serve until the earlier of:

19 (1) the date permanent directors are elected under
20 Section 7982.003; or

21 (2) the fourth anniversary of the effective date of
22 the Act enacting this chapter.

23 (c) If permanent directors have not been elected under
24 Section 7982.003 and the terms of the temporary directors have
25 expired, successor temporary directors shall be appointed or
26 reappointed as provided by Subsection (d) to serve terms that
27 expire on the earlier of:

1 (1) the date permanent directors are elected under
2 Section 7982.003; or

3 (2) the fourth anniversary of the date of the
4 appointment or reappointment.

5 (d) If Subsection (c) applies, the owner or owners of a
6 majority of the assessed value of the real property in the district
7 may submit a petition to the commission requesting that the
8 commission appoint as successor temporary directors the five
9 persons named in the petition. The commission shall appoint as
10 successor temporary directors the five persons named in the
11 petition.

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 7982.101. GENERAL POWERS AND DUTIES. The district has
14 the powers and duties necessary to accomplish the purposes for
15 which the district is created.

16 Sec. 7982.102. MUNICIPAL UTILITY DISTRICT POWERS AND
17 DUTIES. The district has the powers and duties provided by the
18 general law of this state, including Chapters 49 and 54, Water Code,
19 applicable to municipal utility districts created under Section 59,
20 Article XVI, Texas Constitution.

21 Sec. 7982.103. AUTHORITY FOR ROAD PROJECTS. Under Section
22 52, Article III, Texas Constitution, the district may design,
23 acquire, construct, finance, issue bonds for, improve, operate,
24 maintain, and convey to this state, a county, or a municipality for
25 operation and maintenance macadamized, graveled, or paved roads, or
26 improvements, including storm drainage, in aid of those roads.

27 Sec. 7982.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road

1 project must meet all applicable construction standards, zoning and
2 subdivision requirements, and regulations of each municipality in
3 whose corporate limits or extraterritorial jurisdiction the road
4 project is located.

5 (b) If a road project is not located in the corporate limits
6 or extraterritorial jurisdiction of a municipality, the road
7 project must meet all applicable construction standards,
8 subdivision requirements, and regulations of each county in which
9 the road project is located.

10 (c) If the state will maintain and operate the road, the
11 Texas Transportation Commission must approve the plans and
12 specifications of the road project.

13 Sec. 7982.105. IMPROVEMENT PROJECTS. (a) The district may
14 provide or finance, or contract with a governmental or private
15 person to provide or finance, the following types of projects or
16 activities in support of or incidental to one of the projects:

17 (1) an improvement project that is a public
18 improvement, facility, or service that may be provided by a
19 municipal utility district or a municipal management district,
20 including:

21 (A) water, wastewater, reclamation, drainage,
22 road, trail, or bridge improvement;

23 (B) utilization and reuse of treated effluent in
24 landscape and other features, including temporary holding
25 features;

26 (C) transportation of treated effluent for
27 reuse; and

1 (D) injection of treated stormwater runoff or
2 stormwater collected from roofs into aquifers as storage or to
3 recharge the aquifer; and

4 (2) the purchase and maintenance of conservation land
5 for endangered species, including the cost of:

6 (A) any permits relating to endangered species or
7 the maintenance of the land; and

8 (B) purchasing land or easements for
9 conservation mitigation.

10 (b) The district may inject stormwater as authorized by
11 Subsection (a)(1)(D) without the consent, concurrence, or
12 authorization of a groundwater conservation district, but only if
13 the injection is authorized by a commission rule or permit under
14 Chapter 27, Water Code.

15 (c) To finance an improvement project under Subsection
16 (a)(1), the district may, in the manner authorized by:

17 (1) Chapter 375, Local Government Code, or Chapter 54,
18 Water Code, use funds derived from:

19 (A) ad valorem taxes;

20 (B) sales and use taxes from a strategic
21 partnership agreement authorized by Section 7982.109;

22 (C) assessments imposed under Section 7982.201;

23 (D) revenue from an improvement project;

24 (E) impact fees; or

25 (F) any other source; and

26 (2) Sections 375.201 through 375.205, Local
27 Government Code, enter into obligations, including:

- 1 (A) lease purchase agreements;
2 (B) certificates of participation in lease
3 purchase agreements;
4 (C) general obligation bonds and notes and
5 revenue bonds and notes;
6 (D) combination general obligation and revenue
7 bonds and notes; and
8 (E) other interest-bearing obligations.

9 (d) Sections 375.161 through 375.163, Local Government
10 Code, do not apply to an assessment imposed by the district.

11 Sec. 7982.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
12 OR RESOLUTION. The district shall comply with all applicable
13 requirements of any ordinance or resolution that is adopted under
14 Section 54.016 or 54.0165, Water Code, and that consents to the
15 creation of the district or to the inclusion of land in the
16 district.

17 Sec. 7982.107. LIMITATION ON GROUNDWATER USE. In providing
18 water services to users in the district, the district may not,
19 except in emergency situations:

20 (1) develop groundwater on land owned by the district
21 for use as a potable water source; or

22 (2) purchase or lease the rights to groundwater
23 underlying land inside the district for use as a potable water
24 source.

25 Sec. 7982.108. DIVISION OF DISTRICT. (a) The district may
26 be divided into two or more new districts only if the district:

27 (1) has no outstanding bonded debt; and

1 (2) is not imposing ad valorem taxes.

2 (b) This chapter applies to any new district created by the
3 division of the district, and a new district has all the powers and
4 duties of the district.

5 (c) Any new district created by the division of the district
6 may not, at the time the new district is created, contain any land
7 outside the area described by Section 2 of the Act enacting this
8 chapter.

9 (d) The board, on its own motion or on receipt of a petition
10 signed by the owner or owners of a majority of the assessed value of
11 the real property in the district, may adopt an order dividing the
12 district.

13 (e) The board may adopt an order dividing the district
14 before or after the date the board holds an election under Section
15 7982.003 to confirm the creation of the district.

16 (f) An order dividing the district shall:

17 (1) name each new district;

18 (2) include the metes and bounds description of the
19 territory of each new district;

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

21 and

22 (4) provide for the division of assets and liabilities
23 between or among the new districts.

24 (g) On or before the 30th day after the date of adoption of
25 an order dividing the district, the district shall file the order
26 with the commission and record the order in the real property
27 records of each county in which the district is located.

1 (h) Any new district created by the division of the district
2 shall hold a confirmation and directors' election as required by
3 Section 7982.003.

4 (i) Any new district created by the division of the district
5 must hold an election as required by this chapter to obtain voter
6 approval before the district may impose a maintenance tax or issue
7 bonds payable wholly or partly from ad valorem taxes.

8 Sec. 7982.109. STRATEGIC PARTNERSHIP AGREEMENT. The
9 district may negotiate and enter into a written strategic
10 partnership agreement with a municipality under Section 43.0751,
11 Local Government Code.

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

13 Sec. 7982.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
14 district may issue, without an election, bonds and other
15 obligations secured by:

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

17 (2) contract payments described by Section 7982.153.

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

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

26 Sec. 7982.152. OPERATION AND MAINTENANCE TAX. (a) If
27 authorized at an election held under Section 7982.151, the district

1 may impose an operation and maintenance tax on taxable property in
2 the district in accordance with Section 49.107, Water Code.

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

5 Sec. 7982.153. CONTRACT TAXES. (a) In accordance with
6 Section 49.108, Water Code, the district may impose a tax other than
7 an operation and maintenance tax and use the revenue derived from
8 the tax to make payments under a contract after the provisions of
9 the contract have been approved by a majority of the district voters
10 voting at an election held for that purpose.

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

14 SUBCHAPTER E. ASSESSMENTS; APPLICABILITY OF IMPACT FEES AND
15 ASSESSMENTS

16 Sec. 7982.201. PETITION REQUIRED FOR FINANCING
17 RECREATIONAL FACILITY OR IMPROVEMENT BY ASSESSMENT. (a) The
18 district may finance a recreational facility or improvement,
19 including an improvement project under Section 7982.105, with
20 assessments on residential or commercial property or both
21 residential and commercial property under this subchapter, but only
22 if:

23 (1) a written petition requesting that facility or
24 improvement has been filed with the board; and

25 (2) the district holds a hearing on the proposed
26 assessments.

27 (b) The petition must be signed by the owners of a majority

1 of the assessed value of real property in the district subject to
2 assessment according to the most recent certified tax appraisal
3 roll for the county.

4 Sec. 7982.202. METHOD OF NOTICE FOR HEARING. The district
5 shall mail notice of the hearing to each property owner in the
6 district who will be subject to the assessment at the current
7 address to be assessed as reflected on the tax rolls. The district
8 may mail the notice by certified or first class United States mail.
9 The board shall determine the method of notice.

10 Sec. 7982.203. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) An
11 assessment or a reassessment imposed under this subchapter by the
12 district, penalties and interest on an assessment or reassessment,
13 an expense of collection, and reasonable attorney's fees incurred
14 by the district:

15 (1) are a first and prior lien against the property
16 assessed;

17 (2) are superior to any other lien or claim other than
18 a lien or claim for county, school district, or municipal ad valorem
19 taxes; and

20 (3) are the personal liability of and a charge against
21 the owners of the property even if the owners are not named in the
22 assessment proceedings.

23 (b) The lien is effective from the date of the board's
24 resolution imposing the assessment until the date the assessment is
25 paid. The board may enforce the lien in the same manner that the
26 board may enforce an ad valorem tax lien against real property.

27 (c) The board may make a correction to or deletion from the

1 assessment roll that does not increase the amount of assessment of
2 any parcel of land without providing notice and holding a hearing in
3 the manner required for additional assessments.

4 Sec. 7982.204. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
5 ASSESSMENTS. The district may not impose an impact fee or
6 assessment on the property, including the equipment,
7 rights-of-way, facilities, or improvements, of:

8 (1) an electric utility or a power generation company
9 as defined by Section 31.002, Utilities Code;

10 (2) a gas utility as defined by Section 101.003 or
11 121.001, Utilities Code;

12 (3) a telecommunications provider as defined by
13 Section 51.002, Utilities Code; or

14 (4) a person who provides to the public cable
15 television or advanced telecommunications services.

16 SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

17 Sec. 7982.251. AUTHORITY TO ISSUE BONDS AND OTHER
18 OBLIGATIONS. The district may issue bonds or other obligations
19 payable wholly or partly from ad valorem taxes, impact fees,
20 revenue, contract payments, grants, or other district money, or any
21 combination of those sources, to pay for any authorized district
22 purpose.

23 Sec. 7982.252. TAXES FOR BONDS. At the time the district
24 issues bonds payable wholly or partly from ad valorem taxes, the
25 board shall provide for the annual imposition of a continuing
26 direct ad valorem tax, without limit as to rate or amount, while all
27 or part of the bonds are outstanding as required and in the manner

1 provided by Sections 54.601 and 54.602, Water Code.

2 Sec. 7982.253. BONDS FOR ROAD PROJECTS. At the time of
3 issuance, the total principal amount of bonds or other obligations
4 issued or incurred to finance road projects and payable from ad
5 valorem taxes may not exceed one-fourth of the assessed value of the
6 real property in the district.

7 SUBCHAPTER G. DEFINED AREAS

8 Sec. 7982.301. AUTHORITY TO ESTABLISH DEFINED AREAS OR
9 DESIGNATED PROPERTY. The district may define areas or designate
10 certain property of the district to pay for improvements,
11 facilities, or services that primarily benefit that area or
12 property and do not generally and directly benefit the district as a
13 whole.

14 Sec. 7982.302. PROCEDURE FOR ELECTION. (a) Before the
15 district may impose an ad valorem tax or issue bonds payable from ad
16 valorem taxes of the defined area or designated property, the board
17 shall hold an election in the defined area or in the designated
18 property only.

19 (b) The board may submit the issues to the voters on the same
20 ballot to be used in another election.

21 Sec. 7982.303. DECLARING RESULT AND ISSUING ORDER. (a) If
22 a majority of the voters voting at the election approve the
23 proposition or propositions, the board shall declare the results
24 and, by order, shall establish the defined area and describe it by
25 metes and bounds or designate the specific property.

26 (b) A court may not review the board's order except on the
27 ground of fraud, palpable error, or arbitrary and confiscatory

1 abuse of discretion.

2 Sec. 7982.304. TAXES FOR SERVICES, IMPROVEMENTS, AND
3 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter
4 approval and adoption of the order described by Section 7982.303,
5 the district may apply separately, differently, equitably, and
6 specifically its taxing power and lien authority to the defined
7 area or designated property to provide money to construct,
8 administer, maintain, and operate services, improvements, and
9 facilities that primarily benefit the defined area or designated
10 property.

11 Sec. 7982.305. ISSUANCE OF BONDS FOR DEFINED AREA OR
12 DESIGNATED PROPERTY. After the order under Section 7982.303 is
13 adopted, the district may issue bonds to provide for any land,
14 improvements, facilities, plants, equipment, and appliances for
15 the defined area or designated property.

16 SECTION 2. The Driftwood Conservation District initially
17 includes all the territory contained in the following area:

18 Tract I

19 FIELDNOTE DESCRIPTION of a 394.112 acre tract out of the
20 Freelove Woody Survey No. 23, Hays County, Texas, being a portion
21 of that 700.03 acre tract conveyed to John Richard Rutherford by
22 deed recorded in Volume 1214, Page 548 of the Deed Records of Hays
23 County, Texas; the said 394.112 acre tract is more particularly
24 described by metes and bounds as follows:

25 BEGINNING at a calculated point for the most westerly corner
26 of the said 700.03 acre tract, being on the southerly line of that
27 100 acre tract conveyed to Masa Scott Roberts by deed recorded in

1 Volume 301, Page 865 of the said Deed Records, and a point in the
2 northerly right-of-way line of State Highway FM 967 (80.00'
3 right-of-way), from which a TxDOT concrete highway monument found
4 bears N41 10'07"Q, 85.92 feet;

5 THENCE, leaving the northerly right-of-way line of State
6 Highway FM 967, with the common line between the said 700.03 acre
7 tract and the said 100 acre tract, for the following two (2)
8 courses:

9 1. N88 43'28"E at .25 feed pass a 1/2" iron rod found,
10 for a total distance of 2005.48 feet to a 60d nail found in a fence
11 corner post for the southeast corner of the said 100 acre tract;

12 2. N00 59'15"W, 515.50 feet to a 5/8" iron rod found
13 stamped "Kent McMillon, Land Surveyor, RPLS 4341", for a northwest
14 corner of the said 700.03 acre tract, being on a westerly line of
15 the remainder of that 535.13 acre tract conveyed to Michael Giles
16 Rutherford, Jr., John Richard Rutherford and Sally Anne Rutherford
17 by deed recorded in Volume 1214, Page 531 of the said Deed Records,
18 from which a 1/2 " iron rod found for the northeast corner of the
19 said 100 acre tract bears N00 59'15"W, 523.55 feet;

20 THENCE, N89 02'23"E, leaving the easterly line of the said
21 100 acre tract, across the said 535.13 acre tract, with northerly
22 line of the said 700.03 acre tract, 5479.22 feet to a 1/2 " iron rod
23 set with plastic cap for the northeast corner of the herein
24 described tract, being in the westerly line of the remainder of that
25 652.60 acre tract also conveyed to Michael Giles Rutherford, Jr.,
26 John Richard Rutherford and Sally Anne Rutherford by deed recorded
27 in Volume 1214, Page 531 of the said Deed Records;

1 THENCE, leaving the said remainder of the 535. 13 acre tract
2 and the 652.60 acre tract, across the said 700.03 acre tract for the
3 following three (3) courses:

4 1) S00 15'40 E, 514.97 feet to a 1/2" iron rod set with
5 plastic cap;

6 2) S89 02'23"W, 15.17 feet to a fence comer post found;

7 3) S00°27'04"E, 1260. 14 feet to a metal fence corner
8 post found for an ell corner in the southerly line of the said
9 700.03 acre tract, being on the remainder of that certain tract,
10 described as First Tract, conveyed to Michael Giles Rutherford by
11 deed recorded in Volume 197, Page 45 of the said Deed Records, from
12 which a 5/8" iron rod found with aluminum cap stamped "Kent
13 McMillan, Land Surveyor, RPLS 4341" bears N87 1'36"E, 1675.22 feet;

14 THENCE, S01°00'52"E, across the said Michael Giles Rutherford
15 First Tract, with an easterly line of the said 700.03 acre tract,
16 17.61 feet to a 5/8" iron rod found with aluminum cap stamped "Kent
17 McMillan, Land Surveyor, RPLS 4341" for the most easterly,
18 southeast comer of the herein described tract, from which a fence
19 corner post found for the most southerly, southeast corner of the
20 aforesaid 700.03 acre tract, being an ell comer of the said Michael
21 Giles Rutherford tract and the northeast corner of that certain
22 26.25 acre tract conveyed to Denton E. Ragland, Patrice Ragland and
23 Marilyn Ragland by deed recorded in Volume 282, Page 373 of the said
24 Deed Records bears S01°00'52"E, 2121.99 feet;

25 THENCE, leaving the remainder of the said Michael Giles
26 Rutherford tract, across the said 700.03 acre tract, for the
27 following twenty-three (23) courses:

- 1 1) N83°13'49"W, 111.37 feet to a 1/2" iron rod set with
2 plastic cap;
- 3 2) N81°56'14"W, 349.24 feet to a 1/2" iron rod set with
4 plastic cap;
- 5 3) N71°01'01"W, 274.19 feet to a 1/2" iron rod set with
6 plastic cap;
- 7 4) N78°02'17"W, 468.3I feet to a 1/2" iron rod set with
8 plastic cap;
- 9 5) N82°55' 15"W, 267.33 feet to a 1/2" iron rod set with
10 plastic cap;
- 11 6) S71°57'45"W, 177.28 feet to a 1/2" iron rod set with
12 plastic cap;
- 13 7) N78°37'03"W, 375.19 feet to a 1/2" iron rod set with
14 plastic cap;
- 15 8) S65°03'19"W, 84.41 feet to a 1/2" iron rod set with
16 plastic cap;
- 17 9) S33°11'56"W, 124.67 feet to a 1/2" iron rod set with
18 plastic cap;
- 19 10) S01°02'08'W 168.03 feet to a 1/2" iron rod set with
20 plastic cap;
- 21 11) S27 03' 16"W, 206.14 feet to a 1/2" iron rod set
22 with plastic cap;
- 23 12) S17°49'54"W, 197.44 feet to a 1/2" iron rod set
24 with plastic cap;
- 25 13) S30°34'17"W, 272.18 feet to a to a 1/2" iron rod set
26 with plastic cap;
- 27 14) S12°51'33"W, 225.06 feet to a 1/2" iron rod set

- 1 with plastic cap;
- 2 15) S08°30'37"E, 228.34 feet to a 1/2" iron rod set
- 3 with plastic cap;
- 4 16) S17°32'26"W 215.74 feet to a 1/2" iron rod set with
- 5 plastic cap;
- 6 17) S18°36'23"W, 192.00 feet to a 1/2" iron rod set
- 7 with plastic cap;
- 8 18) S01°16'37"E, 177.11 feet to a 1/2" iron rod set
- 9 with plastic cap:
- 10 19) S63°12'48"W, 153.98 feet to a 1/2" iron rod set with
- 11 plastic cap;
- 12 20) S45°13'37"W, 150.25 feet to a 1/2" iron rod set
- 13 with plastic cap;
- 14 21) S29°56'27"W, 113.65 to a 1/2" iron rod set with
- 15 plastic cap:
- 16 22) S60°22'29"W, 114.26 feet to a 1/2" iron rod set
- 17 with plastic cap;
- 18 23) S26 35'43"W, 75.57 feet to a 5/8" iron rod found
- 19 with aluminum cap, stamped "Kent McMillan, Land Surveyor, RPLS
- 20 4341", on the southerly line of the said 700.03 acre tract, being on
- 21 the notherly right-of-way line of the aforesaid Sate Highway FM
- 22 967, and being 40.00 feet right of State Highway centerline station
- 23 587+49.3;
- 24 THENCE, with the common line between the said 700.03
- 25 acre tract and the said right-of-way line of State Highway FM
- 26 967, for the following two (2) courses:
- 27 1) N89 12'09"W, at 750.58 feet pass a TxDOT concrete

1 highway monument found, for a total distance of 1247.30 feet to a
2 calculated point for the point of curvature of a non-tangent curve
3 to the right, from which a TxDOT concrete highway monument found
4 bears S01 07'48"W, 0.38 feet, said calculated point being 40.00
5 feet right of State Highway centerline station 599+95.5;

6 2) With the said curve to the right having a central
7 angle of 48 00'30", a radius of 1105.92 feet, a chord distance of
8 899.79 feet (chord bears N65 10'23"W), for an arc distance of 926.66
9 feet to a calculated point for the point of tangency, from which a
10 TxDOT concrete highway monument found bears N81 52'12"E, 1.37 feet,
11 said calculated point being 40.00 feet right of State Highway
12 centerline station 609+55.5;

13 THENCE, N41 10'07"W, continuing with the common line between
14 the said 700.03 acre tract and the northerly right-of-way line of
15 State Highway FM967, at 1393.60 feet pass a TxDOT concrete monument
16 found 0.28 feet to the left, at 2244.39 feet pass a TxDOT concrete
17 highway monument found, for a total distance of 3675.62 feet to the
18 PLACE OF BEGINNING, CONTAINING within these metes and bounds
19 394.112 acres of land area.

20 TRACT II.

21 FIELDNOTE DESCRIPTION of a 128.166 acre tract out of the
22 Freelove Woody Survey No.23, Hays County, Texas, being a portion of
23 that 700.03 acre tract conveyed to John Richard Rutherford by deed
24 recorded in Volume 1214, page 548 of the Deed Records of Hays
25 County, Texas; the said 128.166 acre tract is more particularly
26 described by metes and bounds as follows:

27 BEGINNING at a fence corner post found for the most southerly

1 southeast corner of the said 700.03 acre tract, being the northeast
2 corner of that 26.25 acre tract conveyed to Denton Ragland, Jr.,
3 Patrice Ragland and Marilyn Ragland by deed recorded in Volume 282,
4 Page 372 of the said Deed Records and an ell corner of that certain
5 tract, described as first tract, conveyed to Michael Giles
6 Rutherford recorded in Volume 197, page 45 of the said Deed Records,
7 from which a fence corner post found in the common line between the
8 said 26.25 acre tract and that certain Michael Giles Rutherford
9 tract bears S00 42'40"E, 446.87 feet;

10 THENCE, N88 53'01'W, leaving the said Michael Giles
11 Rutherford tract, with the southerly line of the said 700.03 acre
12 tract, at 21.54 feet pass a 5/8" iron rod found, stamped "Kent
13 McMillan, Land Surveyor, RPLS 4341", 0.56 feet to the left, at
14 719.81 feet pass the approximate northwest corner of the said 26.25
15 acre tract, being approximate northeast corner of the remainder of
16 that 53.50 acre tract conveyed to Minnie Rogers by deed recorded in
17 Volume 210, Page 210 of the said Deed Records, for a total distance
18 of 2711.59 feet to a 5/8" iron pipe found on a curve to the left in
19 the northerly right of way line of State Highway FM 967;

20 THENCE, with the common line between the said 700.03 acre
21 tract and the northerly right-of-way line of State Highway 967,
22 with the said curve to the left having a central angle of 09 18'06",
23 a radius of 1949.86 feet, a chord distance of 316.20 feet(chord
24 bears N84 31'41"W), for an arch distance of 316.55 feet to a 5/8"
25 iron rod found with aluminum cap stamped "Kent McMillan, Land
26 Surveyor, RPLS 4341" for the point of tangency and southwest corner
27 of the herein described tract, said point being 40.00 feet right of

1 State Highway RM 967 centerline station 587+49.3, from which a 5/8"
2 iron rod found with aluminum cap stamped "Kent McMillan, Land
3 Surveyor, RPLS 4341" in the common line between said 700.03 acre
4 tract and northerly right-of-way line of State Highway FM 967,
5 being 40.00 feet right of State Highway FM 967 centerline station
6 599+95.5, bears N89 12'09"W, 1247.30 feet;

7 THENCE, leaving the said northerly right-of-way line of State
8 Highway FM 967, across the said 700.03 acre tract, for the following
9 twenty-three (23) courses:

- 10 1. N26 35'43"E, 75.57 feet to a 1/2" iron rod set with
11 plastic cap:
- 12 2. N60 22'29"E, 114.26 feet to a 1/2" iron rod set with
13 plastic cap:
- 14 3. N29 56'27"E, 113.65 feet to a 1/2" iron rod set with
15 plastic cap:
- 16 4. N45 13'37"E, 150.25 feet to a 1/2" iron rod set with
17 plastic cap:
- 18 5. N63 12'48"E, 153.98 feet to a 1/2" iron rod set with
19 plastic cap;
- 20 6. N01 16'37"W, 177.11 feet to a 1/2" iron rod set with
21 plastic cap;
- 22 7. N18 36'23"E, 192.00 feet to a 1/2" iron rod set with
23 plastic cap;
- 24 8. N17 32'26"E, 215.74 feet to a 1/2" iron rod set with
25 plastic cap;
- 26 9. N08 30'37"W, 228.34 feet to a 1/2" iron rod set with
27 plastic cap;

- 1 10. N12 51'33"E, 225.06 feet to a 1/2" iron rod set
2 with plastic cap;
- 3 11. N30 34'17"E, 272.18 feet to a 1/2" iron rod set
4 with plastic cap;
- 5 12. N17 49'54"E 197.44 feet to a 1/2" iron rod set with
6 plastic cap;
- 7 13. N27 03'16"E, 206.14 feet to a 1/2" iron rod set
8 with plastic cap;
- 9 14. N01 02'08"E, 168.03 feet to a 1/2" iron rod set
10 with plastic cap;
- 11 15. N33 11'56"E, 124.67 feet to a 1/2" iron rod set
12 with plastic cap;
- 13 16. N65 03'19"E, 84.41 feet to a 1/2" iron rod set with
14 plastic cap;
- 15 17. S78 37'03"E, 375.19 feet to a 1/2" iron rod set
16 with plastic cap;
- 17 18. N71 57'45"E, 177.28 feet to a 1/2" iron rod set
18 with plastic cap;
- 19 19. S82 55'15"E, 267.33 feet to a 1/2" iron rod set
20 with plastic cap;
- 21 20. S78 02'17"E, 468.31 feet to a 1/2" iron rod set
22 with plastic cap;
- 23 21. S71 01'01"E, 274.19 feet to a 1/2" iron rod set
24 with plastic cap;
- 25 22. S81 56'14"E, 349.24 feet to a 1/2" iron rod set
26 with plastic cap;
- 27 23. S83 13'49"E, 111.37 feet to a 5/8" iron rod found

1 with aluminum cap stamped "Kent McMillan, Land Surveyor, RPLS 4341"
2 on an easterly line of the said 700.03 acre tract, being a westerly
3 line created from the remainder of that certain Michael Giles
4 Rutherford tract, from which a metal gate post found for an ell
5 corner of the said 700.03 acre tract bears N01 00'52"W, 17.61 feet;

6 THENCE, S01 00'52"E, across the said Michael Giles Rutherford
7 tract, with an easterly line of the said 700.03 acre tract, at a
8 distance of 1885.44 feet to the left, at 2084.56 feet pass a 5/8"
9 iron rod found, stamped "Kent McMillan, Land Surveyor, RPLS 4341",
10 0.07 feet to the left, for a total distance of 2104.37 feet to the
11 PLACE OF BEGINNING, CONTAINING within these metes and bounds of
12 128.166 acres of land area.

13 TRACT III

14 FIELDNOTE DESCRIPTION OF A 0.1793 acre tract of the Freelove
15 Woody Survey No. 23, Abstract No.20, Hays County, Texas, being a
16 portion of that certain tract, described as First Tract, conveyed
17 to Michael Giles Rutherford (First Tract) by deed recorded in
18 Volume 197, Page 45 of the Deed Records of Hays County, Texas; the
19 said 0.1793 acre tract is more particularly described by metes and
20 bounds as follows:

21 BEGINNING at a cotton in spindle found on the easterly line of
22 that 522.25 acre tract conveyed to Michael Giles Rutherford by deed
23 recorded in Volume 3799, Page 263 of the Official Public Records of
24 Hays County, Texas, same being the southwest corner of that 177.762
25 acre tract described as Exhibit A-1, as conveyed to LSM Ranch, Ltd.
26 By deed recorded in Volume 1628, Page 206 of the said Deed Records
27 and the proposed southwest corner of Rim Rock, Phase One, Section

1 Five, subdivision;

2 THENCE, N87 51'36"E, leaving the easterly line of the said
3 522.25 acre tract, across the said First Tract, with the southerly
4 line of the said 177.762 acre tract and proposed Rim Rock, Phase
5 One, Section Five subdivision, for a distance of 99.82 feet to a
6 calculated point for the northeast corner of the herein described
7 tract, same being the most northerly northwest corner of Lot 34,
8 Block 'A', Rutherford West, Section 2, a subdivision recorded in
9 Book 14, pages 49 through 53 of the Plat Records of Hay County,
10 Texas, from which a 1/2"iron rod found with plastic cap marked
11 "Capital Surveying Company, Inc", bears N00 32'40"W, 0.13 feet;

12 THENCE, leaving the southerly line of the said 177.762 acre
13 tract and proposed Rim Rock, Phase One, Section Five, subdivision,
14 across the said First Tract, with the westerly and northerly lines
15 of said Lot 34, Block 'A", for the following two (2) courses:

16 1. S00 32'40"E, 81.34 feet to a 1/2"iron rod found with
17 plastic cap marked "Capital Surveying Company, Inc., found;

18 2. N88 52'48"W, 99.21 feet 1/2"iron rod found with
19 plastic cap marked "Capital Surveying Company, Inc., found for the
20 most westerly northwest corner of aforesaid Lot 34, Block 'A', same
21 being on the easterly line of the aforesaid 522.25 acre tract and
22 the southwest corner of the herein described tract;

23 THENCE, N01 00'52"W, leaving the northerly line of said Lot
24 34, Block 'A', and continuing across the said First Tract, easterly
25 line of the aforesaid 522.25 acre tract, at a distance of 58.07 feet
26 pass a 5/8" iron rod, with aluminum cap marked "Kent McMillan,
27 Surveyor, RPLS 4341", found and continuing for a total distance of

1 75.68 feet to the PLACE OF BEGINNING, CONTAINING within these metes
2 and bounds 0.1793 acres of land area.

3 The Bearing Basis for this description is the Texas State
4 Plane Coordinate System, South Central Zone, NAD 83 Datum, derived
5 from GPS Survey occupations.

6 SECTION 3. (a) The legal notice of the intention to
7 introduce this Act, setting forth the general substance of this
8 Act, has been published as provided by law, and the notice and a
9 copy of this Act have been furnished to all persons, agencies,
10 officials, or entities to which they are required to be furnished
11 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
12 Government Code.

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

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

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

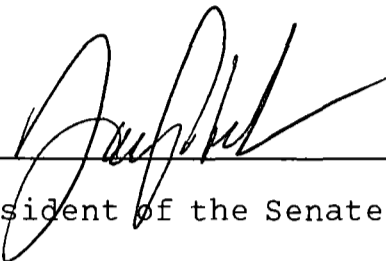
24 SECTION 4. (a) If this Act does not receive a two-thirds
25 vote of all the members elected to each house, Subchapter C, Chapter
26 7982, Special District Local Laws Code, as added by Section 1 of
27 this Act, is amended by adding Section 7982.110 to read as follows:

1 Sec. 7982.110. NO EMINENT DOMAIN POWER. The district may
2 not exercise the power of eminent domain.

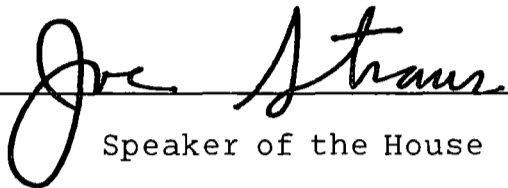
3 (b) This section is not intended to be an expression of a
4 legislative interpretation of the requirements of Section 17(c),
5 Article I, Texas Constitution.

6 SECTION 5. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2017.

H.B. No. 4301



President of the Senate



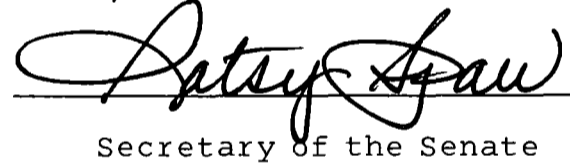
Speaker of the House

I certify that H.B. No. 4301 was passed by the House on May 19, 2017, by the following vote: Yeas 137, Nays 7, 2 present, not voting.



Chief Clerk of the House

I certify that H.B. No. 4301 was passed by the Senate on May 24, 2017, by the following vote: Yeas 30, Nays 1.




Secretary of the Senate

APPROVED: _____
Date

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
5:30 PM O'CLOCK

JUN 12 2017


Secretary of State

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 22, 2017

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Administration

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4301 by Isaac (Relating to the creation of the Driftwood Conservation District; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Driftwood Conservation District. 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 and a contract 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, KK, JGA, GG, BM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 8, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4301 by Isaac (Relating to the creation of the Driftwood Conservation District; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **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 Driftwood Conservation District. 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 and a contract 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

April 26, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4301 by Isaac (Relating to the creation of the Driftwood Conservation District; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Driftwood Conservation District. 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 and a contract tax. The district would not have authority to exercise the power of eminent domain.

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 8, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4301 by Isaac (Relating to the creation of the Driftwood Conservation District; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **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 Driftwood Conservation District (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 4301, 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 Hays County served by small systems or private wells (County-Other) is 35,048. The Hays County-Other population projections approved for the 2017 State Water Plan projects the population to grow to 42,032 in 2020, 49,902 in 2030 and 78,147 in 2040.

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

The proposed district's area is approximately 0.82 square miles in central Hays County, located east of the City of Dripping Springs, and west of the City of Buda along Farm to Market Road 967. The proposed district does not appear to overlap any existing Certificate of Convenience and Necessity (CCN) boundary.

Comments on Powers/Duties Different from Similar Types of Districts: The House Committee Substitute specified that the District may inject stormwater if they acquire a permit and consult with the groundwater conservation district with jurisdiction over the injection well. The House Committee Substitute also specified the District may develop water by importing groundwater or surface water from outside the District and purchase water from a water supply corporation but cannot develop groundwater on land owned by the District.

The bill requires the TCEQ to appoint the temporary directors upon receipt from the owners of a majority of the assessed value of the real property in the District; the bill requires the temporary directors to hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code; the temporary directors may not hold an election for permanent directors until each municipality in whose corporate limits or extraterritorial jurisdiction the District is located has consented by ordinance or resolution to the creation of the District and to the inclusion of land in the District; the bill grants the District authority for road projects; the bill specifies that the District may provide or finance, or contract to provide or finance the following types of projects: a public improvement, facility, or service that may be provided by a municipal utility district or a municipal management district (MMD), including: water, wastewater, reclamation, drainage, road, trail, or bridge improvement, utilization and reuse of treated effluent in landscape and other features, including temporary holding features, transportation of treated effluent for reuse, and injection of treated stormwater runoff or stormwater collected from roofs into aquifers as storage or to recharge the aquifer; and the purchase and maintenance of conservation land for endangered species, including the cost of any permits relating to endangered species or the maintenance of the land and purchasing land or easements for conservation mitigation; the District may inject stormwater if the District acquires a permit as required by Section 27.011 of the Water Code and consults with the with the groundwater conservation district with jurisdiction over the injection well; Local Government Code Section 375.161 states that an MMD may not impose an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under this chapter on single-family detached residential property, duplexes, triplexes, and fourplexes. The bill specifies the District may develop water by importing groundwater or surface water from outside the District and purchase water from a water supply corporation but cannot develop groundwater on land owned by the District. The bill specifies that this section does not apply to the District; Local Government Code Section 375.163 relation to the exemption of recreational, park, or scenic use property does not apply to the District; the bill allows the District to divide; the District may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the District voters voting at an election held for that purpose; the District may not impose an impact fee or assessment on the property of: an electric utility or a power generation company; a gas utility; a telecommunications provider; or a person who provides to the public cable television or advanced telecommunications services; 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 valuation; the District may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the District as a whole; if the bill does not receive a two-thirds vote of all members elected to each house, the District may not exercise the power of eminent domain.

The bill requires the TCEQ to appoint the temporary directors upon receipt from the owners of a majority of the assessed value of the real property in the District; the bill requires the temporary directors to hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code; the temporary directors may not hold an election for permanent directors until each municipality in whose corporate limits or extraterritorial jurisdiction the District is located has consented by ordinance or resolution to the creation of the District and to the inclusion of land in the District; the bill grants the District authority for road projects; the bill specifies that the District may provide or finance, or contract to provide or finance the following types of projects: a public improvement, facility, or service that may be provided by a municipal utility district or a municipal management district (MMD), including: water, wastewater, reclamation, drainage, road, trail, or bridge improvement, utilization

and reuse of treated effluent in landscape and other features, including temporary holding features, transportation of treated effluent for reuse, and injection of treated stormwater runoff or stormwater collected from roofs into aquifers as storage or to recharge the aquifer; and the purchase and maintenance of conservation land for endangered species, including the cost of any permits relating to endangered species or the maintenance of the land and purchasing land or easements for conservation mitigation; the District may inject stormwater without the consent, concurrence, or authorization of a groundwater conservation district, but only if the District acquires a permit as required by Section 27.011, Water Code; Local Government Code Section 375.161 states that an MMD may not impose an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under this chapter on single-family detached residential property, duplexes, triplexes, and fourplexes. The bill specifies that this section does not apply to the District; Local Government Code Section 375.163 relation to the exemption of recreational, park, or scenic use property does not apply to the District; the bill allows the District to divide; the District may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the District voters voting at an election held for that purpose; the District may not impose an impact fee or assessment on the property of: an electric utility or a power generation company; a gas utility; a telecommunications provider; or a person who provides to the public cable television or advanced telecommunications services; 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 valuation; the District may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the District as a whole; if the bill does not receive a two-thirds vote of all members elected to each house, the District may not exercise the power of eminent domain.

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 4301 specifies that "the district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution".

Within Hays County, 40 percent of the total water use was groundwater (Edwards Aquifer) in 2014. Eighty two percent of all the groundwater pumping was for municipal use. 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

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

WATER DEVELOPMENT POLICY IMPACT STATEMENT

85TH LEGISLATIVE REGULAR SESSION

April 24, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4301 by Isaac (Relating to the creation of the Driftwood Conservation District; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **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 Driftwood Conservation District (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 4301, 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 Hays County served by small systems or private wells (County-Other) is 35,048. The Hays County-Other population projections approved for the 2017 State Water Plan projects the population to grow to 42,032 in 2020, 49,902 in 2030 and 78,147 in 2040.

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

The proposed district's area is approximately 0.82 square miles in central Hays County, located east of the City of Dripping Springs, and west of the City of Buda along Farm to Market Road 967. The proposed district does not appear to overlap any existing Certificate of Convenience and Necessity (CCN) boundary.

Comments on Powers/Duties Different from Similar Types of Districts: The bill requires the TCEQ to appoint the temporary directors upon receipt from the owners of a majority of the assessed value of the real property in the District; the bill requires the temporary directors to hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code; the temporary directors may not hold an election for permanent directors until each municipality in whose corporate limits or extraterritorial jurisdiction the District is located has consented by ordinance or resolution to the creation of the District and to

the inclusion of land in the District; the bill grants the District authority for road projects; the bill specifies that the District may provide or finance, or contract to provide or finance the following types of projects: a public improvement, facility, or service that may be provided by a municipal utility district or a municipal management district (MMD), including: water, wastewater, reclamation, drainage, road, trail, or bridge improvement, utilization and reuse of treated effluent in landscape and other features, including temporary holding features, transportation of treated effluent for reuse, and injection of treated stormwater runoff or stormwater collected from roofs into aquifers as storage or to recharge the aquifer; and the purchase and maintenance of conservation land for endangered species, including the cost of any permits relating to endangered species or the maintenance of the land and purchasing land or easements for conservation mitigation; the District may inject stormwater without the consent, concurrence, or authorization of a groundwater conservation district, but only if the District acquires a permit as required by Section 27.011, Water Code; Local Government Code Section 375.161 states that an MMD may not impose an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under this chapter on single-family detached residential property, duplexes, triplexes, and fourplexes. The bill specifies that this section does not apply to the District; Local Government Code Section 375.163 relation to the exemption of recreational, park, or scenic use property does not apply to the District; the bill allows the District to divide; the District may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the District voters voting at an election held for that purpose; the District may not impose an impact fee or assessment on the property of: an electric utility or a power generation company; a gas utility; a telecommunications provider; or a person who provides to the public cable television or advanced telecommunications services; 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 valuation; the District may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the District as a whole; if the bill does not receive a two-thirds vote of all members elected to each house, the District may not exercise the power of eminent domain.

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 4301 specifies that "the district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution".

Within Hays County, 40 percent of the total water use was groundwater (Edwards Aquifer) in 2014. Eighty two percent of all the groundwater pumping was for municipal use. 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

LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS

HB 4301


Bill Number

TO The Honorable Governor of Texas
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to transmit to you and the Texas Commission on Environmental Quality copies of a bill relating to a conservation and reclamation district and copies of the notice of intention to introduce the bill. One copy is for your files and one for you to forward to the Texas Commission on Environmental Quality, under Section 59(d), Article XVI, Constitution of the State of Texas.

3/29/2017

Date transmitted to
Governor's Office


Chief Clerk
House of Representatives

TO: Texas Commission on Environmental Quality
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to forward to you a copy of a bill relating to conservation and reclamation district and a copy of the notice of intention to introduce the bill.

April 7, 2017

Date transmitted to
Texas Commission on Environmental Quality


Governor

TO The Honorable Speaker of the House
The Honorable President of the Senate
The Honorable Governor of Texas
SUBJECT: A Bill Relating to a Conservation and Reclamation District

Attached are recommendations of the Texas Commission on Environmental Quality in compliance with Section 59(d), Article XVI, Constitution of the State of Texas.


Texas Commission on Environmental Quality



Bryan W. Shaw, Ph.D , P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 4, 2017

The Honorable Joe Straus
Texas House of Representatives
Capitol Station
PO Box 2910
Austin, Texas 78768-2910

Re: Responsibility of the Texas Commission on Environmental Quality (TCEQ) Pursuant to Article XVI, Section 59(d), Texas Constitution

House Bill (HB) 4301, as Filed by Representative Jason Isaac - Relating to the creation of the Driftwood Conservation District; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

Dear Speaker Straus:

The following comments are provided pursuant to the Constitutional requirements referenced above. Under those requirements, the TCEQ must submit, to the Governor, Lieutenant Governor and Speaker of the House of Representatives, the TCEQ's recommendations on specific legislation affecting water districts. We recommend that these comments be considered in the evaluation of the proposed legislation.

Sincerely,

Cari-Michel LaCaille, Director
Water Supply Division

cc: Honorable Jim Murphy, Chairman, House Special Purpose Districts Committee
Representative Jason Isaac, Texas House of Representatives

Enclosure

**HB 4301, as Filed by Representative Jason Isaac
Texas Commission on Environmental Quality's Comments**

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 Driftwood Conservation District (District) with the powers and duties of a standard municipal utility district under Water Code Chapters 49 and 54.

Comments on Powers/Duties Different from Similar Types of Districts: The bill requires the TCEQ to appoint the temporary directors upon receipt from the owners of a majority of the assessed value of the real property in the District; the bill requires the temporary directors to hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code; the temporary directors may not hold an election for permanent directors until each municipality in whose corporate limits or extraterritorial jurisdiction the District is located has consented by ordinance or resolution to the creation of the District and to the inclusion of land in the District; the bill grants the District authority for road projects; the bill specifies that the District may provide or finance, or contract to provide or finance the following types of projects: a public improvement, facility, or service that may be provided by a municipal utility district or a municipal management district (MMD), including: water, wastewater, reclamation, drainage, road, trail, or bridge improvement, utilization and reuse of treated effluent in landscape and other features, including temporary holding features, transportation of treated effluent for reuse, and injection of treated stormwater runoff or stormwater collected from roofs into aquifers as storage or to recharge the aquifer; and the purchase and maintenance of conservation land for endangered species, including the cost of any permits relating to endangered species or the maintenance of the land and purchasing land or easements for conservation mitigation; the District may inject stormwater without the consent, concurrence, or authorization of a groundwater conservation district, but only if the District acquires a permit as required by Section 27.011, Water Code; Local Government Code Section 375.161 states that an MMD may not impose an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under this chapter on single-family detached residential property, duplexes,

triplexes, and fourplexes. The bill specifies that this section does not apply to the District; Local Government Code Section 375.163 relation to the exemption of recreational, park, or scenic use property does not apply to the District; the bill allows the District to divide; the District may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the District voters voting at an election held for that purpose; the District may not impose an impact fee or assessment on the property of: an electric utility or a power generation company; a gas utility; a telecommunications provider; or a person who provides to the public cable television or advanced telecommunications services; 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 valuation; the District may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the District as a whole; if the bill does not receive a two-thirds vote of all members elected to each house, the District may not exercise the power of eminent domain.

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.



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NOTICE OF INTENT TO INTRODUCE NOTI

NOTICE

This is to give notice of intent to introduce in the 85th Legislature, Regular Session, a bill to be entitled an Act relating to the creation of the Driftwood Conservation District which bill shall pertain to the creation, and to the administration, powers, additional powers, duties, operation and financing of the Driftwood Conservation District of Hays County, a Conservation and Reclamation District to be Created Under Article XVI, Section 59 and Article III Section 52 of the Texas Constitution created to Acquire, Construct, Finance, and Operate Water, Sewer, Drainage, and Road improvements serving the following respective tracts of land:

Tract 1: Being 394.112 acres of land, more or less, out of the FREELOVE WOODY LEAGUE NO. 23, ABSTRACT 20, in Hays County, Texas, being a portion of that 700.03 acre tract convey to John Richard Rutherford by deed recorded in Volume 1214, Page 548, of the Official Public Records of Hays County, Texas;

Tract 2: Being 128.166 acres of land, more or less, out of the FREELOVE WOODY LEAGUE NO. 23, ABSTRACT 20, in Hays County, Texas, being a portion of that 700.03 acre tract conveyed by deed recorded in Volume 1214, Page 548, of the Official Public Records of Hays County, Texas;

Tract 3: Being 0.1793 acres of land, more or less, out of the FREELOVE WOODY LEAGUE NO. 23, ABSTRACT 20, in Hays County, Texas, being a portion of that certain tract, described as First Tract, conveyed to Michael Giles Rutherford by deed recorded in Volume 197, Page 45, of the Official Public Records of Hays County, Texas.

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Public Public

THE STATE OF TEXAS }
County of Hays: }

Before me, the undersigned, holding the office of Notary Public in and

for Hays County, Texas, personally appeared Don Moore,
who states under oath that he is the publisher of the San Marcos Daily Record, a newspaper which has been
regularly and continuously published in San Marcos, Hays County, Texas, for a period of more than one
year immediately preceding the date of publication of this notice and that the Notice by Publication hereto
attached was published in the regular edition of said newspaper for a period of 1 day

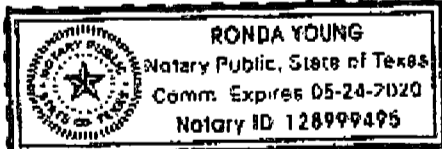
on the following dates

January 15, 2017,
_____, 20_____,
_____, 20_____,
_____, 20_____ , a printed clipping of said notice being hereto attached.

The said publisher states that the rate charged for this publication is the lowest rate charged
commercial advertising for the same class of advertising for a like amount of space.

(Signed) [Signature]
Publisher

Subscribed and sworn to before me this 16th day of January, 2017



Ronda Young
[Signature]