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AN ACT

relating to the Lavaca-Navidad River Authority, formerly known as the Jackson County Flood Control District.

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

SECTION 1. Subsections (a) and (b), Section 1, Chapter 186, Acts of the 50th Legislature, Regular Session, 1947, are amended to read as follows:

(a) There is hereby created and established within the State of Texas, in addition to the Districts into which the state has heretofore been divided, a Conservation and Reclamation District to be known as the Lavaca-Navidad River Authority [~~Jackson County Flood Control District~~], (hereinafter called the District), and consisting of that part of the State of Texas which is known as and included within the boundaries of Jackson County, Texas (the boundaries of the District being coextensive with the boundaries of Jackson County, Texas, and the District including all of the lands and other property, both real and personal, within the boundaries of said county). Such District shall be a governmental agency and body politic and corporate, with the powers of government and with the authority to exercise the rights, privileges, and functions hereinafter specified, the creation and establishment of such District being essential to the accomplishment of the purposes of Section 59 of Article XVI, Constitution of Texas, including the control, storing, preservation, and distribution of the storm and

1 flood waters, and the waters of the rivers, and streams of Jackson  
2 County and their tributaries, inside and outside the boundaries of  
3 the District, for domestic, municipal, flood control, irrigation,  
4 agricultural, mining and recovery of minerals, hydroelectric  
5 power, navigation, recreation and pleasure, public parks, game  
6 preserves, and other useful purposes, the development of parks on  
7 lands owned or acquired by the District, the reclamation and  
8 drainage of the overflow land of Jackson County, the conservation  
9 and development of forests, financing of and aiding in the  
10 development of facilities located on lands owned by the District  
11 for the generation, transmission, and sale of electric power and  
12 energy inside or outside the boundaries of the District, and to aid  
13 in the protection and promotion of navigation on the navigable  
14 waters by regulating the flood and storm waters that flow into said  
15 navigable streams. In addition, the District may discover,  
16 develop, and produce groundwater within the boundaries of the  
17 Lavaca River Basin for use within that portion of a county located  
18 within the boundaries of the Lavaca River Basin where groundwater  
19 is discovered, developed, and produced and may coordinate and  
20 contract with groundwater conservation districts to engage in  
21 conjunctive groundwater and surface water management.

22 (b) The management and control of the District shall be  
23 vested in a Board of Directors consisting of nine (9) members, who  
24 must reside within the District and shall be freehold property  
25 taxpayers and legal voters of the State of Texas. The [~~the~~]  
26 members of the Board of Directors shall be appointed by the Governor  
27 of Texas with the advice and consent of [~~and confirmed by~~] the

1 Senate. As soon as practicable after the passage of this Act (as  
2 hereby amended), the members of the Board of Directors shall be  
3 appointed (hereinafter referred to as "First Board"). In  
4 appointing the members of the First Board, the Governor shall  
5 appoint three (3) members to serve until May 1, 1961, and until  
6 their successors are appointed and qualified, three (3) members to  
7 serve until May 1, 1963, and until their successors are appointed  
8 and qualified, and three (3) members to serve until May 1, 1965, and  
9 until their successors are appointed and qualified. Except for the  
10 First Board, the terms of office of the members of the Board of  
11 Directors shall be for six (6) years ending on May 1st, and until  
12 their successors are appointed and qualified, three (3) members to  
13 be appointed during the month of April of each odd-numbered year by  
14 the Governor to succeed the members whose terms of office shall  
15 expire on the following May 1st. If a vacancy on the Board of  
16 Directors occurs because of the resignation or death of a member, or  
17 otherwise, the Governor shall fill the same for the unexpired term  
18 by the appointment of a successor member. Each Director  
19 [~~Directors~~] shall qualify by taking the official oath of office and  
20 filing a good and sufficient bond with the Secretary of State in the  
21 amount of One Thousand Dollars (\$1,000.), which shall be payable to  
22 the District, conditioned upon the faithful performance of his (or  
23 her) official duties as a Director.

24 SECTION 2. Section 2, Chapter 186, Acts of the 50th  
25 Legislature, Regular Session, 1947, is amended to read as follows:

26 Sec. 2. Except as expressly limited by this Act, the  
27 District shall have and is hereby authorized to exercise all

1 powers, rights, privileges and functions which are now, or  
2 hereafter may be, conferred by General or Special Law upon any  
3 [~~flood control~~] District or Districts created pursuant to, or  
4 operating under, Section 59 of Article XVI, Constitution of Texas.  
5 Without in any way limiting the generality of the foregoing, the  
6 District shall have and is hereby authorized to exercise the  
7 powers, rights, privileges, and functions described by Section 1 of  
8 this Act. In addition, the District has the following powers,  
9 rights, privileges, and functions:

10 (a) To acquire by lease, gift, devise, purchase,  
11 condemnation, or in any other manner provided by law and to  
12 construct, maintain, use, and operate any property or any interest  
13 in property, including real or personal property, inside or outside  
14 the boundaries of the District, necessary or convenient to the  
15 District's powers, rights, privileges, and functions under this Act  
16 [~~otherwise, lands and rights and interests therein and any other~~  
17 ~~character of property necessary or useful for any of the purposes~~  
18 ~~provided in Section 1(a) hereof~~].

19 (b) To lease, sell, trade, or otherwise dispose of any  
20 property or any interest in property, including real or personal  
21 property, [~~land or other property or rights therein~~] when the same  
22 are no longer needed for carrying on the business of the District  
23 [~~such purposes~~].

24 (c) To appoint a manager and such other officers, agents,  
25 and employees, and to prescribe their duties and fix their  
26 compensation (including an engineer or engineers and legal  
27 counsel).

1 (d) To authorize its officers, employees, or agents to go  
2 upon any lands lying within the District for the purpose of making  
3 surveys and examining such lands in connection with any District  
4 plans or projects and for any other lawful purpose within the scope  
5 of its authority.

6 (e) To devise plans and construct works to lessen and  
7 control floods or to reclaim lands in the District; to prevent the  
8 deposit of silt in navigable streams; to remove obstructions,  
9 natural or artificial, from streams and water courses; to regulate  
10 the flow of surface and flood waters; to provide drainage; and to  
11 accomplish any other purpose within the scope of its authority.

12 (f) To borrow money for any of the purposes, consistent with  
13 the Constitution, provided by this Act or by the General Laws (and  
14 without limitation of the generality of the foregoing, to borrow  
15 money and accept grants from the United States of America, the State  
16 of Texas, or [~~from~~] any corporation or agency created or designated  
17 by the United States of America or the State of Texas, and in  
18 connection with any such loan or grant to enter into such agreements  
19 as the United States of America, the State of Texas, or such  
20 corporations or agencies may require), and to make and issue its  
21 notes and [~~negotiable~~] bonds (tax bonds or notes, revenue bonds or  
22 notes, and/or combination tax-revenue bonds or notes) for such  
23 borrowed money in the manner and to the extent provided herein.

24 (g) To cooperate with, or to contract with, any agency or  
25 political subdivision of the state, or any city or town within the  
26 boundaries of the District in relation to surveys, the acquisition  
27 of land or right-of-ways, the construction or maintenance of

1 projects or parts thereof or the financing of the same in connection  
2 with any matter within the scope of this Act.

3 (h) To sue and be sued in its corporate name.

4 (i) To adopt, use, and alter a corporate seal.

5 (j) To make bylaws, rules, and regulations for the  
6 management and regulation of its affairs.

7 (k) To make contracts and execute instruments necessary or  
8 convenient to the exercise of the powers, rights, privileges, and  
9 functions conferred upon it by this Act or by general law.

10 (l) To do any and all other acts or things necessary or  
11 convenient [~~proper~~] to the exercise of all of the powers, rights,  
12 privileges, authority, or functions provided by the Constitution of  
13 Texas, this Act, or other applicable law [~~carry into effect any of~~  
14 ~~the foregoing powers~~].

15 (m) In the event that the District, in the exercise of the  
16 power of eminent domain or power of relocation, or any other power  
17 granted hereunder, makes necessary the relocation, raising,  
18 rerouting or changing the grade of, or altering the construction of  
19 any highway, railroad, electric transmission line, telephone or  
20 telegraph properties and facilities, or pipeline, all such  
21 necessary relocation, raising, rerouting, changing of grade or  
22 alteration of construction shall be accomplished at the sole  
23 expense of the District.

24 (n) In no event shall the power of eminent domain be  
25 exercised by said District beyond the limits of Jackson County.

26 (o) To own, construct, operate, and maintain facilities  
27 relating to:

1           (1) water supply and treatment;

2           (2) wastewater treatment and distribution;

3           (3) solid waste;

4           (4) electric power generation, to the extent  
5 authorized by Section 1(a) of this Act;

6           (5) flood monitoring, warning, and control;

7           (6) water quality protection, including non-point  
8 source pollution control measures;

9           (7) emergency communication support to other  
10 political subdivisions;

11           (8) aquatic weed control and development;

12           (9) parks and recreation; and

13           (10) monitoring and collecting data to support the  
14 facilities listed in Subdivisions (1)-(9) of this subsection.

15           (p) To effectively and efficiently meet current and future  
16 water supply demands inside or outside the boundaries of the  
17 District, the District may acquire, construct, develop, operate,  
18 and maintain desalination projects inside or outside the boundaries  
19 of the District. In relation to the development and operation of  
20 desalination projects, the District may:

21           (1) own and operate a facility that is ancillary to a  
22 desalination project, including an electric power generation  
23 facility, to the extent authorized by Section 1(a) of this Act;

24           (2) incur debt and receive funding through grants; and

25           (3) form development corporations that may be funded  
26 by the Texas Water Development Board.

27           SECTION 3. Section 3, Chapter 186, Acts of the 50th

1 Legislature, Regular Session, 1947, is amended to read as follows:

2       Sec. 3. The Board of Directors shall cause to be kept  
3 complete and accurate records and accounts conforming to approved  
4 methods of bookkeeping, and shall preserve their minutes,  
5 contracts, records, notices, accounts, receipts, and records of all  
6 kinds in a fireproof vault or safe. A regular office shall be  
7 established and maintained for the conduct of District business  
8 within the District.

9       Each Director shall receive fees of office not to exceed \$100  
10 a day for each day the Director performs the duties of a Director,  
11 or as state law otherwise authorizes, [~~for his services Ten Dollars~~  
12 ~~(\$10.) per day for each day served~~] plus actual traveling expenses,  
13 provided that such compensation and expenses are approved by a vote  
14 of the Board, and provided further, that no Director shall receive  
15 more than \$6,000 [~~Six Hundred Dollars (\$600.)~~] per year or as state  
16 law otherwise authorizes for such fees of office [~~per diem~~  
17 ~~services~~]. Each Director shall file with the General Manager  
18 [~~Secretary~~] a statement showing the amount due him each month or as  
19 soon thereafter as practicable, before a check shall be issued  
20 therefor.

21       No Director, engineer, officer, or employee of the District,  
22 either for himself or as agent for anyone else, shall benefit  
23 directly or indirectly by reason of any sale, purchase, or contract  
24 entered into by the District [~~Board~~]. If any such person shall  
25 directly or indirectly become interested in any such sale,  
26 purchase, or contract, he shall be guilty of a misdemeanor and upon  
27 conviction thereof shall be punished by a fine in any sum of not to



1 exceed One Thousand Dollars (\$1,000.) or by confinement in the  
2 county jail for not less than six (6) months nor more than one (1)  
3 year, or by both such fine and imprisonment.

4 All bonds required to be given by officers and employees of  
5 the District shall be executed by a surety company authorized to do  
6 business in the State of Texas as surety thereon, and the District  
7 shall be authorized to pay the premium on such bonds.

8 SECTION 4. Subsection (a), Section 6, Chapter 186, Acts of  
9 the 50th Legislature, Regular Session, 1947, is amended to read as  
10 follows:

11 Sec. 6. (a) For the purpose of providing funds for any of  
12 the purposes provided by this Act or any other laws relating to  
13 [~~flood control~~] districts created or operating under Section 59 of  
14 Article XVI of the Constitution of Texas, the Board of Directors  
15 shall have the power from time to time to issue negotiable bonds for  
16 and on behalf of the District, which bonds may be secured by any one  
17 of the following methods:

18 (1) Solely by a pledge of and payable from the net  
19 revenues derived from the operation of all or a designated part of  
20 the improvements and facilities of the District then in existence  
21 or to be constructed or acquired, with the duty on the Board of  
22 Directors to charge and collect fees, tolls, and charges, so long as  
23 the bonds are outstanding, sufficient to pay all maintenance and  
24 operation expenses of the improvements and facilities (the income  
25 of which is pledged), the interest on such bonds as it accrues, the  
26 principal of such bonds as it matures, and to make any and all other  
27 payments as may be prescribed in the bond order or resolution; or

1           (2) By a pledge of and payable from an ad valorem tax  
2 upon all taxable property within the District under Section 59 of  
3 Article XVI of the Constitution of Texas, with the duty on the Board  
4 of Directors each year while the bonds, or any part of them, are  
5 outstanding to levy, and cause to be assessed and collected, a tax  
6 sufficient to pay the interest on such bonds as it accrues and the  
7 principal of such bonds as it matures; or

8           (3) By a combination of the methods prescribed under  
9 (1) and (2) above, wherein the bonds are supported and secured by an  
10 ad valorem tax, with the duty on the Board of Directors to charge  
11 and collect fees, tolls, and charges, so long as the bonds are  
12 outstanding, so the (in the manner prescribed in the bond order or  
13 resolution) amount of tax to be collected from time to time may be  
14 reduced or abated to the extent that the revenues from the operation  
15 of said improvements and facilities (the income of which is  
16 pledged) are sufficient to meet the requirements for maintenance  
17 and operation of said improvements and facilities and to provide  
18 funds for the bonds as prescribed in said bond order or resolution.

19           "Net revenues" as used herein shall mean the gross revenues  
20 derived from the operation of those improvements and facilities of  
21 the District the income of which is pledged to the payment of the  
22 bonds less the reasonable expense of maintaining and operating said  
23 improvements and facilities, and said maintenance and operation  
24 expenses shall include, among other things, necessary repair,  
25 upkeep, and insurance of said improvements and facilities.

26           In the resolution or order adopted by the Board of Directors  
27 authorizing the issuance of bonds payable in whole or in part from

1 net revenues, the Board may provide for the flow of funds, the  
2 establishment and maintenance of the interest and sinking fund,  
3 reserve fund, and other funds, and may make such additional  
4 covenants with respect to the bonds and the pledged revenues and the  
5 operation, maintenance, and upkeep of those improvements and  
6 facilities (the income of which is pledged), including provision  
7 for the leasing of all or a part of said improvements and facilities  
8 and the use or pledge of moneys derived from leases thereof, as it  
9 may deem appropriate. Said resolution or order may also prohibit  
10 the further issuance of bonds or other obligations payable from the  
11 pledged net revenues, or may reserve the right to issue additional  
12 bonds to be secured by a pledge of and payable from said net  
13 revenues on a parity with, or subordinate to, the lien and pledge in  
14 support of the bonds being issued, subject to such conditions as are  
15 set forth in said resolution or order. Such resolution or order may  
16 contain such other provisions and covenants, as the Board of  
17 Directors shall determine, not prohibited by the Constitution of  
18 Texas or by this Act, and the Board may adopt and cause to be  
19 executed any other proceedings or instruments necessary and/or  
20 convenient in the issuance of said bonds.

21 SECTION 5. Chapter 186, Acts of the 50th Legislature,  
22 Regular Session, 1947, is amended by adding Section 8A to read as  
23 follows:

24 Sec. 8A. The Board of Directors, without an election, may  
25 borrow money on negotiable or nonnegotiable notes of the District  
26 to be paid solely from the revenues of the District derived from the  
27 ownership of all or a designated part of the District's works,

1 plant, improvements, facilities, equipment, or water rights, after  
2 deduction of the reasonable cost of maintaining and operating the  
3 facilities. The District may not pay any part of an obligation from  
4 taxes levied or collected by the District. The Board of Directors  
5 may designate the notes as first lien or subordinate lien notes. An  
6 obligation shall be a charge on the revenues pledged for the payment  
7 of the obligation, not a charge on the property of the District or  
8 on the taxes levied or collected by the District.

9 SECTION 6. Section 9, Chapter 186, Acts of the 50th  
10 Legislature, Regular Session, 1947, is amended to read as follows:

11 Sec. 9. All maintenance tax elections shall be called and  
12 held as is provided in Section 6(b) of this Act relating to  
13 elections for bonds payable in whole or in part from taxes, and the  
14 following shall appear on the ballot in such maintenance tax  
15 elections:

16 "For maintenance tax"; and the contrary thereof.

17 This being a county-wide District, the regular voting or  
18 election precincts established by the Commissioners Court of  
19 Jackson County for county-wide elections shall be the voting or  
20 election precincts for all elections called and held under the  
21 provisions of this Act. Except as modified herein, the General  
22 Election Laws of the State of Texas shall apply to and govern all  
23 elections called and held under the provisions hereof.

24 SECTION 7. Section 10a, Chapter 186, Acts of the 50th  
25 Legislature, Regular Session, 1947, is amended to read as follows:

26 Sec. 10a. The Board of Directors may contract as provided by  
27 Chapter 791, Government Code, [~~the Interlocal Cooperation Act~~

1 ~~(Article 4413(32c), Vernon's Texas Civil Statutes)~~] with the Board  
2 of Directors of the Jackson County Appraisal District for the  
3 performance of duties relating to assessment or collection of taxes  
4 on behalf of the Lavaca-Navidad River Authority. The Board of  
5 Directors may contract with any other political subdivision of this  
6 state having authority to assess or collect taxes in Jackson  
7 County, either now existing or created in the future, for the  
8 assessment or collection of taxes on behalf of the Lavaca-Navidad  
9 River Authority.

10 SECTION 8. Section 12, Chapter 186, Acts of the 50th  
11 Legislature, Regular Session, 1947, is amended to read as follows:

12 Sec. 12. Lavaca-Navidad River Authority [~~Jackson County~~  
13 ~~Flood Control District~~] heretofore created is in all things  
14 validated, and any and all acts relating to the District heretofore  
15 performed or done by said District or its governing body or any  
16 other officials of the State or of Jackson County are in all things  
17 validated.

18 SECTION 9. The following sections are repealed:

19 (1) Section 1(a), Chapter 186, Acts of the 50th  
20 Legislature, Regular Session, 1947, as added by Chapter 417, Acts  
21 of the 61st Legislature, Regular Session, 1969; and

22 (2) Sections 11 and 11a, Chapter 186, Acts of the 50th  
23 Legislature, Regular Session, 1947.

24 SECTION 10. This Act takes effect September 1, 2003.

David Newkum  
President of the Senate

Jim Cusick  
Speaker of the House

I hereby certify that S.B. No. 1276 passed the Senate on May 1, 2003, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 30, 2003, by a viva-voce vote. \_\_\_\_\_

Patricia Spaw  
Secretary of the Senate

I hereby certify that S.B. No. 1276 passed the House, with amendment, on May 28, 2003, by a non-record vote. \_\_\_\_\_

Robert Haney  
Chief Clerk of the House

Approved:

20 JUN 03  
Date

Rick Perry  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
8:30 P.M. O'CLOCK

Kevin Shea  
Secretary of State