

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 6. WATER AND WASTEWATER
SUBTITLE G. RIVER AUTHORITIES
CHAPTER 8510. RED RIVER AUTHORITY OF TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Text of section effective on April 01, 2023

Sec. 8510.0101. DEFINITIONS. In this chapter:

- (1) "Authority" means the Red River Authority of Texas.
- (2) "Board" means the authority's board of directors.
- (3) "Commission" means the Texas Commission on Environmental Quality.
- (4) "Director" means a board member.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0102. NATURE OF AUTHORITY. The authority is a conservation and reclamation district created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0103. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

(a) The authority is:

- (1) essential to accomplish the purposes of Section [59](#), Article XVI, Texas Constitution; and
- (2) created to serve a public use and benefit.

(b) All land and other property inside the authority's boundaries will benefit from the authority.

(c) All of the authority's territory will benefit by the exercise of the powers, rights, privileges, and functions conferred by this chapter.

(d) This chapter addresses a subject in which this state is interested.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0104. REVIEW SCHEDULE UNDER SUNSET ACT. A review of the authority under Section [325.025](#), Government Code, shall be conducted as if the authority were a state agency scheduled to be abolished September 1, 2031, and every 12th year after that year.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

For expiration of this section, see Subsection (d).

Text of section effective on April 01, 2023

Sec. 8510.01045. SUNSET REPORT AUDIT. (a) The state auditor shall conduct an audit of the authority to evaluate whether the authority has addressed the operational challenges identified in the report on the authority by the Sunset Advisory Commission presented to the 86th Legislature.

(b) The state auditor may not begin the audit required by Subsection (a) before December 1, 2021, and shall prepare and submit a report of the findings of the audit to the chairman and executive director of the Sunset Advisory Commission not later than December 1, 2022.

(c) The state auditor shall include the auditor's duties under this section in each audit plan under Section [321.013](#), Government Code, that governs the auditor's duties for the period specified by Subsection (b).

(d) This section expires January 1, 2023.
Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0105. TERRITORY. (a) The authority is composed of the territory described by Subsection (b) as that territory may

have been modified under:

- (1) Subchapter [J](#), Chapter [49](#), Water Code;
- (2) Subchapter [O](#), Chapter [51](#), Water Code;
- (3) Subchapter [H](#), Chapter [62](#), Water Code; or
- (4) other law.

(b) The authority is composed of:

(1) the whole of each county in this state located wholly or partly in the watershed of the Red River and its tributaries in this state whose confluences with the Red River are upstream from the northeast corner of Bowie County, as shown by contour maps on file with the Texas Water Development Board; and

(2) the whole of Hartley, Hutchinson, Lamar, Lipscomb, and Red River Counties.

(c) A defect or irregularity in the boundary or an overlap or conflict of the boundary with another authority or district does not affect the authority's validity.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0106. EFFECT OF OVERLAPPING TERRITORY. (a) An overlap of the authority's territory with another district's or authority's territory or watershed does not affect the powers, affairs, duties, or functions of another district or authority, including the Canadian River Municipal Water Authority.

(b) A district or authority of a local nature, peculiar to a defined area, may be created wholly or partly inside the authority.

(c) The authority shall cooperate in every practical manner with the sponsor of an existing or proposed district or authority described by this section in the prosecution of its proposed improvements.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0107. APPLICABILITY OF CHAPTER TO CERTAIN

COUNTIES. Except as provided by Section 8510.0108, this chapter does not apply to Bowie, Cass, Delta, Franklin, Hopkins, Marion, Morris, or Titus County.
Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0108. APPLICABILITY OF CHAPTER TO BOWIE COUNTY.

(a) In this section, "project" means the United States Army Corps of Engineers' Red River Bank Stabilization and Navigation Project, from Index, Arkansas, to Denison Dam.

(b) Bowie County is included in the authority for the limited purpose of participating in the project. This chapter applies to Bowie County to the extent necessary to accomplish the project.

(c) Bowie County is liable only for debt incurred by the authority directly in connection with the project. The board may exercise the powers and duties, including the power of eminent domain, under this chapter with relation to Bowie County only to the extent necessary to accomplish the project.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0109. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effectuate its purposes.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

SUBCHAPTER B. BOARD OF DIRECTORS; ADMINISTRATIVE PROVISIONS

Text of section effective on April 01, 2023

Sec. 8510.0201. MEMBERSHIP OF BOARD. (a) The board consists of nine directors appointed by the governor with the advice and consent of the senate.

(b) Each director must be:

(1) a freehold property taxpayer and a qualified voter of this state; and

(2) a resident of the director district that the director is appointed to represent.

(c) The governor shall appoint three directors to represent each of the following districts:

(1) director district no. 1 includes Armstrong, Carson, Castro, Collingsworth, Deaf Smith, Donley, Gray, Hemphill, Oldham, Parmer, Potter, Randall, Roberts, and Wheeler Counties;

(2) director district no. 2 includes Archer, Baylor, Briscoe, Childress, Clay, Cottle, Crosby, Dickens, Floyd, Foard, Hale, Hall, Hardeman, King, Knox, Motley, Swisher, Wichita, and Wilbarger Counties; and

(3) director district no. 3 includes Bowie, Cooke, Fannin, Grayson, Lamar, Montague, and Red River Counties.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0202. TERMS. Directors serve staggered six-year terms.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0203. REMOVAL. (a) It is a ground for removal from the board that a director:

(1) does not have at the time of taking office the qualifications required by Sections [8510.0201](#) and [8510.0205](#);

(2) does not maintain during service on the board the qualifications required by Sections [8510.0201](#) and [8510.0205](#);

(3) is ineligible for directorship under Chapter [171](#), Local Government Code;

(4) cannot, because of illness or disability, discharge the director's duties for a substantial part of the director's term; or

(5) is absent from more than half of the regularly scheduled board meetings that the director is eligible to attend during a calendar year without an excuse approved by a majority vote of the board.

(b) The validity of a board action is not affected by the fact that it is taken when a ground for removal of a director exists.

(c) If the general manager has knowledge that a potential ground for removal exists, the general manager shall notify the board president of the potential ground. The president shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the president, the general manager shall notify the next highest ranking director, who shall then notify the governor and the attorney general that a potential ground for removal exists.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0204. VACANCY. The governor fills a board vacancy for the unexpired part of the term in the manner provided by Section [8510.0201](#).

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0205. OATH AND BOND REQUIREMENT FOR DIRECTORS.

(a) Not later than the 15th day after the date of appointment, a director shall qualify by:

(1) taking the constitutional oath of office; and

(2) filing a good and sufficient bond with the secretary of state and obtaining the secretary of state's approval on the bond.

(b) The bond must be:

(1) in the amount of \$5,000;

(2) payable to the authority; and

(3) conditioned on the faithful performance of duties as a director.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0206. COMPENSATION OF DIRECTORS. (a) Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, a director shall receive as a fee of office an amount not to exceed \$25 for each day of service necessary to discharge the director's duties if the board authorizes the same.

(b) Not later than the last day of each month or as soon as practicable after that date, a director shall file with the secretary a verified statement showing the amount due under Subsection (a).

(c) The authority shall issue a warrant for the amount shown in the verified statement filed under Subsection (b).

(d) In all areas of conflict with this section, Section 49.060, Water Code, takes precedence.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0207. VOTING REQUIREMENT. (a) Except as provided by Subsection (b), a concurrence of a majority of the directors present is sufficient in any matter relating to authority business.

(b) The concurrence of seven directors is required to award a construction contract or to authorize the issuance of a warrant to pay for a construction contract.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0208. OFFICERS. (a) The governor shall

designate a director as the board president to serve as the authority's chief executive officer at the pleasure of the governor.

(b) The board shall elect one director as vice president, one director as secretary, and one director as treasurer.

(c) The vice president shall act as president if the president is absent or disabled.

(d) The secretary shall act as board secretary. The board shall select a secretary pro tem if the secretary is absent or unable to act.

(e) The authority may appoint officers, prescribe their duties, and set their compensation.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0209. DIRECTOR TRAINING PROGRAM. (a) A person who is appointed to and qualifies for office as a director may not vote, deliberate, or be counted as a director in attendance at a board meeting until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the law governing the authority's operations;

(2) the authority's programs, functions, rules, and budget;

(3) the results of the authority's most recent formal audit;

(4) the requirements of:

(A) laws relating to open meetings, public information, administrative procedure, and disclosure of conflicts of interest; and

(B) other laws applicable to members of the governing body of a river authority in performing their duties; and

(5) any applicable ethics policies adopted by the authority or the Texas Ethics Commission.

(c) A person appointed to the board is entitled to

reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) The general manager shall create a training manual that includes the information required by Subsection (b). The general manager shall distribute a copy of the training manual annually to each director. Each director shall sign and submit to the general manager a statement acknowledging that the director has received and reviewed the training manual.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0210. MEETINGS. (a) The president shall preside at all board meetings.

(b) At each regular board meeting, the board shall:

(1) include public testimony as a meeting agenda item; and

(2) allow the public to comment on all meeting agenda items and other matters under the authority's jurisdiction.

(c) At a regular board meeting, the board may not deliberate on or decide a matter not included in the meeting agenda, except that the board may discuss including the matter on the agenda for a subsequent meeting.

(d) The board or a board committee may hold a meeting by telephone conference call, by video conference call, or through communications over the Internet, in accordance with procedures provided by Subchapter F, Chapter 551, Government Code, if the board president or any three board members determine that holding the meeting in that manner is necessary or convenient.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0211. SEPARATION OF POLICYMAKING AND MANAGEMENT FUNCTIONS. The board shall develop and implement policies that

clearly separate the board's policymaking responsibilities and the general manager's and staff's management responsibilities.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0212. ATTORNEYS, AGENTS, AND EMPLOYEES. (a) The authority may appoint attorneys, agents, and employees, prescribe their duties, and set their compensation.

(b) The board may remove an authority employee.

(c) The board shall set the term of office and the compensation to be paid to authority employees.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0213. GENERAL MANAGER. (a) The board may employ a general manager.

(b) The board shall set the term of office and the compensation to be paid to the general manager.

(c) The board may not employ a director as general manager.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0214. DIRECTOR'S, OFFICER'S, OR EMPLOYEE'S SURETY BOND. (a) A bond required of an authority director, officer, or employee must be executed by a surety company authorized to do business in this state, as surety on the bond.

(b) The authority shall pay the premium on the bond.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0215. AUTHORITY'S OFFICE. A regular office shall

be established and maintained to conduct the authority's business inside the authority's territory at a place determined by the board.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0216. RECORDS. The secretary shall maintain a record of all board proceedings and orders.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0217. COMPLAINTS. (a) The authority shall maintain a system to promptly and efficiently act on complaints filed with the authority.

(b) The authority shall maintain:

(1) information about the subject matter of the complaint;

(2) information about the parties to the complaint;

(3) a summary of the results of the review or investigation of the complaint; and

(4) the disposition of the complaint.

(c) Periodically, the authority shall notify the parties to the complaint of the complaint's status until final disposition.

(d) The authority shall make information available describing its procedures for complaint investigation and resolution.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0218. ALTERNATIVE DISPUTE RESOLUTION PROCEDURES.

(a) The board shall develop a policy to encourage the use of appropriate alternative dispute resolution procedures under Chapter [2009](#), Government Code, to assist in the resolution of

internal and external disputes under the authority's jurisdiction.

(b) The authority's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The authority shall:

(1) coordinate the implementation of the policy adopted under Subsection (a);

(2) provide training as needed to implement the procedures for alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0219. PUBLIC TESTIMONY. The board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the authority's jurisdiction.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

SUBCHAPTER C. POWERS AND DUTIES

Text of section effective on April 01, 2023

Sec. 8510.0301. GENERAL POWERS. (a) The authority has:

(1) the functions, powers, rights, and duties as may permit the authority to accomplish the purposes for which it is created;

(2) the powers of this state under Section [59](#), Article XVI, Texas Constitution; and

(3) all powers, rights, privileges, and functions conferred on navigation districts by general law.

(b) Except as otherwise provided by this chapter, the

authority has the rights, power, and privileges conferred by the general law applicable to a water control and improvement district created under Section 59, Article XVI, Texas Constitution, including Chapter 51, Water Code.

(c) The authority is governed by Chapters 49, 60, and 62, Water Code, but in all areas of conflict, Chapter 62 takes precedence.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0302. POWERS RELATING TO CONSERVATION AND BENEFICIAL USE OF WATER. (a) The authority has the powers of this state under Section 59, Article XVI, Texas Constitution, to effectuate flood control and the conservation and use of the storm, flood, and unappropriated waters of the watershed of the Red River and its tributaries in this state for all beneficial purposes, subject only to:

- (1) the legislature's policy declarations as to water use;
- (2) the commission's continuing supervision and control;
- (3) the provisions of Section 11.024, Water Code, prescribing the priorities of water uses; and
- (4) the water rights acquired by municipalities and other users.

(b) The authority shall exercise its powers for the greatest practicable measure of the conservation and beneficial use of the storm, flood, and unappropriated waters of the watershed of the Red River and its tributaries in this state in the manner and for the particular purposes specified by this chapter, including the exercise of its powers to provide for:

- (1) the study, correction, and control of both artificial and natural pollution of the Red River and its tributaries;
- (2) the control, conservation, and orderly development of the watershed and water of the Red River and its

tributaries in this state through all practical and legal means;

(3) the preservation of the equitable rights and beneficial use of the waters for the people of the different sections of the authority;

(4) the storage, control, and conservation of the waters of the Red River and its tributaries in this state and the prevention of the escape of any of those waters without the maximum of public service;

(5) the prevention of the devastation of lands from recurrent overflows;

(6) the protection of life and property in the watershed of the Red River and its tributaries from uncontrolled flood waters;

(7) the conservation of storm, flood, and unappropriated waters of the watershed of the Red River and its tributaries in this state essential for the beneficial uses of the people of that watershed;

(8) the better encouragement and development of drainage systems and drainage of lands that need drainage for profitable agricultural production;

(9) the conservation of soil to prevent destructive erosion and the increased threat of flooding incident to that erosion;

(10) the control of those waters and making them available for use in the development of commercial, industrial, and agricultural enterprises in all sections of the authority; and

(11) any purpose for which waters when controlled and conserved may be used in the performance of a useful service as authorized by the constitution of this state.

(c) For purposes of Subsection (b)(1), the authority may:

(1) adopt rules with regard to the pollution described by that subdivision;

(2) engage in policing to enforce those rules; and

(3) provide for penalties for violating those rules consisting of:

(A) fines not to exceed \$1,000;

(B) confinement in the county jail for a period

not to exceed 30 days; or

(C) both the fine and confinement.

(d) The general law pertaining to a water control and improvement district, including Chapters 49 and 51, Water Code, applies to Subsection (b)(1).

(e) The authority may store and conserve to the greatest beneficial use the storm, flood, and unappropriated waters of the Red River in this state or any tributary of that river in the authority to prevent the escape of water without maximum beneficial use inside or outside the authority's boundaries.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0303. POWERS REGARDING CANALS, WATERWAYS, AND RELATED FACILITIES. (a) The authority may:

(1) promote, construct, maintain and operate, or aid and encourage, the construction, maintenance, and operation of navigable canals or waterways and all navigational systems or facilities auxiliary to navigable canals or waterways using the natural bed and banks of the Red River, where practicable, and then traversing a route the authority may find to be more feasible and practicable to connect the Red River in this state with any new navigation canals to be constructed in the lower reaches of the Red River or to connect the Red River with the Gulf Intracoastal Waterway;

(2) construct a system of artificial waterways and canals, together with all locks and other works, structures, and artificial facilities as may be necessary and convenient for the construction, maintenance, and operation of:

(A) navigation canals or waterways; and

(B) all navigational systems and facilities auxiliary to navigation canals or waterways; and

(3) acquire, improve, extend, take over, construct, maintain, repair, operate, develop, and regulate ports, levees, wharves, docks, locks, warehouses, grain elevators, dumping facilities, belt railways, lands, and all other facilities or aids

to navigation or aids necessary to the operation or development of ports or waterways in the Red River basin in this state.

(b) A power described by Subsection (a)(3) applies with respect to a facility or aid described by that subdivision only if the facility or aid is in a county located inside the authority.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0304. FEDERALLY CONSTRUCTED OR MAINTAINED CANALS, WATERWAYS, AND FACILITIES. If the construction or maintenance and operation of navigable canals or waterways and all navigational systems or facilities auxiliary to navigable canals or waterways on the Red River in this state is taken over or performed by the federal government or an agency of the federal government, then the authority may:

(1) enter into contracts that may be required by the federal government, including assignments and transfers of property, property rights, easements, and privileges; and

(2) take any other action required by the federal government or an agency of the federal government.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0305. POWER TO CONTROL, DEVELOP, STORE, AND USE WATER FOR NAVIGATIONAL USE. (a) The authority may control, develop, store, and use the natural flow and floodwaters of the Red River and its tributaries for the purpose of operating and maintaining:

(1) navigable canals or waterways; and

(2) navigational systems or facilities auxiliary to navigable canals or waterways.

(b) The navigational use of water authorized by Subsection (a) is subordinate and incidental to consumptive use of water.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03,

eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0306. POWERS RELATING TO FLOODING. The authority may effectuate channel rectification or alignment and the construction, maintenance, and operation of bank stabilization facilities to:

(1) prevent and aid in preventing devastation of lands from recurrent overflows; and

(2) protect life and property in the watershed of the Red River in this state or any tributaries of that river in the authority from uncontrolled floodwaters.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0307. MASTER PLAN FOR DEVELOPMENT OF SOIL AND WATER RESOURCES. (a) The authority shall prepare a master plan for the maximum development of the soil and water resources of the Red River watershed inside the authority.

(b) The master plan must include plans for the complete use of the water resources of the watershed for all economically beneficial purposes.

(c) A soil and water conservation district in the Red River watershed shall prepare the portion of the master plan and amendments to the plan relating to soil conservation, upstream flood prevention, and watershed protection works in aid of soil conservation and upstream flood prevention, subject to the approval of the State Soil and Water Conservation Board.

(d) The master plan must be filed with and approved by the commission.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0308. POWERS RELATING TO PARKS AND RECREATIONAL

FACILITIES. (a) The authority may acquire:

(1) additional land adjacent to a permanent improvement constructed inside the authority for the purpose of developing public parks and recreational facilities; and

(2) necessary right-of-way for public ingress and egress to an area described by Subdivision (1).

(b) The authority may provide recreational facilities and services and may enter into a contract or agreement with any person for the construction, operation, or maintenance of a park or recreational facility.

(c) The authority may perform a function necessary to qualify for a state or federal recreational grant or loan.

(d) The legislature intends that the authority coordinate the development of any public parks or recreational facilities with the Parks and Wildlife Department for conformity with the land and water resources conservation and recreation plan.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0309. POWERS RELATING TO WASTE FACILITIES; BONDS.

(a) As a necessary aid to the conservation, control, preservation, and distribution of the water of the Red River and its tributaries for beneficial use, the authority may:

(1) purchase, construct, improve, repair, operate, and maintain works and facilities necessary for the collection, transportation, treatment, and disposal of sewage and industrial waste and effluent; and

(2) issue bonds for a purpose described by Subdivision (1).

(b) The authority may contract with:

(1) a municipality or other entity to collect, transport, treat, and dispose of sewage from the municipality or entity; and

(2) a municipality for the use of collection, transportation, treatment, or disposal facilities owned by the municipality or by the authority.

(c) A bond issued under this section must be:

- (1) payable from revenue under a contract described by this section or from other authority income; and
- (2) in the form and issued in the manner prescribed by law for other revenue bonds and as provided by Sections [8510.0504](#), [8510.0505](#), [8510.0506](#), [8510.0507](#), [8510.0508](#), [8510.0509](#), [8510.0510](#), [8510.0511](#), and [8510.0512](#).

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0310. ADDITIONAL POWERS OF AUTHORITY AND OTHER PERSONS; BONDS. (a) In this section, "public agency" means an authority, district, municipality, other political subdivision, joint board, or other public agency created and operating under the laws of this state.

(b) The authority and a person may:

- (1) contract, on terms to which the parties may agree, with respect to an authority power, function, or duty; and
- (2) execute appropriate documents and instruments in connection with a contract described by Subdivision (1).

(c) The authority may issue bonds in the manner provided by Sections [8510.0504](#), [8510.0505](#), [8510.0506](#), [8510.0507](#), [8510.0508](#), [8510.0510](#), and [8510.0511](#) with respect to its powers, including the powers granted by this section, for the purpose of providing money:

- (1) to enable the authority to pay for the costs of engineering design and studies, surveys, title research, appraisals, options on property, and other related matters and activities in connection with planning and implementing various proposed projects or improvements; and
- (2) to operate and maintain a facility.

(d) Notwithstanding any other provision of this chapter, the authority may undertake and carry out any activities, enter into loan agreements, leases, or installment sales agreements, and acquire, construct, own, operate, maintain, repair, improve, or extend and loan, lease, sell, or otherwise dispose of, on terms including rentals, sale price, or installment sale payments as the

parties may agree, at any place or location inside the authority's boundaries, any and all money or bond proceeds, works, improvements, facilities, plants, buildings, structures, equipment, and appliances, and all property or any property interest, that is incident, helpful, or necessary.

(e) The authority may exercise the powers provided by Subsection (d) to:

(1) provide for the control, storage, preservation, transmission, treatment, distribution, and use of water, including storm water, floodwater, and the water of rivers and streams, for irrigation, electric energy, flood control, municipal, domestic, industrial, agricultural, and commercial uses and purposes and for all other beneficial purposes;

(2) supply water for municipal, domestic, electric energy, industrial, irrigation, oil flooding, mining, agricultural, and commercial uses and purposes and for all other beneficial uses and purposes;

(3) generate, produce, distribute, and sell electric energy; and

(4) facilitate the carrying out of an authority power, duty, or function.

(f) The purposes stated by Subsection (e) are for the conservation and development of the natural resources of this state within the meaning of Section 59, Article XVI, Texas Constitution.

(g) A public agency may:

(1) impose a fee, rate, charge, rental, or other amount, including a water charge, a sewage charge, a solid waste disposal system fee and a charge including garbage collection or handling fee, or another charge or fee, for a service or facility provided by a utility operated by the public agency, or provided pursuant to or in connection with a contract with the authority;

(2) impose an amount described by Subdivision (1) on inhabitants, users, or beneficiaries of the utility, service, or facility described by that subdivision; and

(3) use or pledge an amount described by Subdivision (1) to make a payment to the authority required under the contract and may pledge that amount in an amount sufficient to make all or

any part of the payment to the authority when due.

(h) If a public agency and the authority agree in a contract, the payment made by the public agency to the authority under the contract is an expense of operation of a facility or utility operated by the public agency.

(i) This section does not compel a person or public agency to secure water, sewer service, or another service from the authority, except under a voluntarily executed contract.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0311. POWERS RELATING TO CONTRACTS. (a) The authority may execute any contract and enter into any agreement necessary to accomplish the purpose for which it was created, including a contract with a municipality, corporation, or district, the United States, this state or an agency of this state, or the state of Oklahoma, Arkansas, or Louisiana, the confines of which are contiguous or adjacent to the Red River.

(b) The authority may enter into a contract or execute an instrument necessary or convenient to the exercise of the authority's powers, rights, privileges, and functions granted by this chapter and general law pertaining to a water control and improvement district.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0312. POWERS RELATING TO WATER DISTRIBUTION PLANTS OR SYSTEMS. (a) The authority may contract with a municipality located inside its boundaries for the purchase, lease, use, management, control, or operation of a water distribution plant or system owned by the municipality in accordance with the terms mutually agreed on by the governing bodies of the authority and the municipality.

(b) The authority may acquire by a contract described by

Subsection (a) rights in surface water or groundwater belonging to the municipality.

(c) The authority may use water rights acquired from a municipality under Subsection (b) only for:

(1) a purpose for which the municipality would be authorized to use them; and

(2) the purposes of the municipality's water distribution plant or system.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0313. CONTRACTS FOR SALE AND DELIVERY OF WATER TO CERTAIN MUNICIPALITIES. The authority may enter into a contract necessary to provide for the sale and delivery of water to the City of Eldorado, Oklahoma.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0314. ACQUISITION OF PROPERTY BY GIFT, PURCHASE, OR EMINENT DOMAIN. (a) In this section, "property" means property of any kind, including a lighter, tug, barge, or other floating equipment of any nature.

(b) The authority may acquire by gift or purchase property or a property interest located inside or outside the authority's boundaries necessary to the exercise of the powers, rights, privileges, and functions conferred on the authority by this chapter and by the exercise of the power of eminent domain in the manner provided by Subsection (c), provided that the authority is not required to give bond for appeal or bond for costs in a judicial proceeding.

(c) The authority may exercise the power of eminent domain in the manner provided by the general law applicable to a water control and improvement district.

(d) The authority may not exercise the power of eminent

domain outside the authority's boundaries.

(e) The authority's authority under this section to exercise the power of eminent domain expired on September 1, 2013, unless the authority submitted a letter to the comptroller in accordance with Section [2206.101\(b\)](#), Government Code, not later than December 31, 2012.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0315. COST OF RELOCATING OR ALTERING PROPERTY. If the authority's exercise of the power of eminent domain, the power of relocation, or any other power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, railroad, electric transmission line, telephone or telegraph property or facility, or pipeline, the necessary action shall be accomplished at the authority's sole expense.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0316. ACQUISITION OR OPERATION OF PROPERTY.
(a) In this section, "property" includes:

(1) rights, including surface water rights and groundwater rights; and

(2) land, tenements, easements, rights-of-way, improvements, reservoirs, dams, canals, laterals, plants, works, and facilities.

(b) The authority may investigate, plan, acquire, construct, maintain, or operate any property the authority considers necessary or proper to accomplish the purposes for which the authority is created.

(c) The power described by Subsection (b) includes the power to acquire, inside or outside the authority, property and all other rights that are incidental or helpful to carrying out the purposes

for which the authority is created.

(d) The authority may purchase groundwater rights only as provided by Section [8510.0317](#).

(e) Notwithstanding the other provisions of this section, the authority may engage in the generation or distribution of electric energy only as provided by Section [8510.0310](#).

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0317. LIMITATION ON PURCHASE OF GROUNDWATER RIGHTS. The authority may purchase groundwater rights in a county inside the authority's territory only if:

(1) there is a groundwater conservation district that has jurisdiction over water wells located in the county; or

(2) in a county that is not in the jurisdiction of a groundwater conservation district, the commissioners court of the county approves the purchase of groundwater rights by the authority in the county.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0318. LIMITATION ON POWERS OF AUTHORITY REGARDING GROUNDWATER. This chapter does not authorize the authority to:

(1) acquire or regulate groundwater or groundwater rights by the exercise of the power of eminent domain; or

(2) regulate the use of groundwater resources.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0319. LIMITATION ON POWERS AND DUTIES OF AUTHORITY; COMMISSION APPROVAL OF CERTAIN PLANS. (a) The authority's powers and duties under this chapter are subject to all legislative declarations of public policy in the maximum use of the

waters of the authority's watersheds for the purposes for which the authority was created.

(b) The commission shall consider the adequacy and feasibility of, and approve or refuse to approve, each flood control or conservation plan that is devised to achieve a purpose for which the authority was created.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0320. LIMITATION ON POWER TO MANUFACTURE AND PRODUCE GASOHOL. The authority may manufacture and produce gasohol only:

(1) to operate the authority's equipment in an emergency as determined by the authority's general manager; and

(2) on obtaining any necessary authorization required by law.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0321. SEAL. The authority may use a corporate seal.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Text of section effective on April 01, 2023

Sec. 8510.0401. PROCEDURE FOR PAYMENT. A warrant for the payment of money by the authority may be drawn and signed by two authority officers or employees, as designated by a standing order entered in the authority's minutes, if the account has been contracted and ordered paid by the board.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0402. RECEIPT OF MONEY. The treasurer shall receive and give a receipt for all money received and spent by the authority.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0403. FISCAL YEAR. The authority's fiscal year ends September 30 of each year.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0404. FILING OF AUDIT REPORT. A copy of the audit report prepared under Subchapter G, Chapter 49, Water Code, shall be filed:

- (1) as required by Section 49.194, Water Code; and
- (2) in the office of the auditor.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0405. ASSET MANAGEMENT PLAN. (a) In this section, "system" means a system for the:

(1) provision of water to the public for human consumption; or

(2) collection and treatment of wastewater.

(b) The authority shall adopt an asset management plan by:

(1) preparing an asset inventory that identifies the assets of each system and the condition of the assets;

(2) developing criteria to prioritize assets for repair or replacement, including:

(A) the date by which the asset will need to be

repaired or replaced;

(B) the importance of the asset in providing safe drinking water and complying with regulatory standards;

(C) the importance of the asset to the effective operation of the system; and

(D) other criteria as determined by the authority;

(3) estimating asset repair and replacement costs;

(4) identifying and evaluating potential financing options; and

(5) prioritizing systems that are not in compliance with federal or state regulatory standards, including water quality standards.

(c) The authority shall review and revise the plan as necessary to account for regulatory changes and other developments.

(d) The board shall approve the plan annually as part of its budgeting process.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0406. RATES AND CHARGES. (a) The authority shall impose rates and other charges for the sale or use of water or for services sold, provided, or supplied by the authority.

(b) The rates and other charges must be reasonable and nondiscriminatory but sufficient to provide revenue adequate to:

(1) pay the authority's expenses in carrying out the functions for which it is created; and

(2) fulfill the terms of any agreements made with the holders of any of the authority's obligations.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0407. CHANGES TO RATES AND CHARGES. (a) In this section, "affected person" has the meaning assigned by Section

[13.002](#), Water Code.

(b) The board shall establish a process to ensure that, before the authority makes a significant change to a rate or charge for the sale and use of water, affected persons are provided:

- (1) notice of the proposed change; and
- (2) an opportunity to provide to the board comments regarding the proposed change.

(c) The process established under Subsection (b) must include:

- (1) the provision of notice of a proposed change:
 - (A) on the authority's website; and
 - (B) in an affected person's utility bills; and
- (2) appropriate informational meetings or rate hearings that provide affected persons the opportunity to provide public comments about the proposed change to be held:
 - (A) before sending a statement of intent required under Chapter [13](#), Water Code;
 - (B) in locations as necessary to enable affected persons to attend; and
 - (C) after the provision of notice under Subdivision (1).

(d) The board by rule shall establish a percentage change in a rate or charge such that a change greater than or equal to that percentage is considered significant for purposes of Subsection (b).

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0408. NOTICE OF RIGHT TO APPEAL CHANGES TO RATES.

(a) In this section, "affected person" has the meaning assigned by Section [13.002](#), Water Code.

(b) The authority shall notify affected persons of their right to appeal changes to rates:

- (1) in notices related to changes to rates;
- (2) in utility bills sent before the deadline for initiating an appeal under Chapter [13](#), Water Code; and

(3) on the authority's website.

(c) The notice required by Subsection (b) must include descriptions of:

(1) the appeals process;

(2) the requirements for an appeal, including the number of signatures needed on a petition; and

(3) the methods available for obtaining additional information related to rates.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0409. DEPOSITORY. (a) The board shall designate one or more banks in the authority to serve as depository for the authority's money.

(b) Authority money shall be deposited in a depository, except that:

(1) money pledged to pay bonds may be deposited with the trustee bank named in the trust agreement; and

(2) money shall be remitted to the bank of payment for the payment of the principal of and interest on bonds.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0410. TAX NOT AUTHORIZED BY CHAPTER. This chapter does not authorize the authority to impose any form of tax inside the authority.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. 3530), Sec. 1.03, eff. April 1, 2023.

SUBCHAPTER E. BORROWED MONEY OR GRANTS

Text of section effective on April 01, 2023

Sec. 8510.0501. POWER TO ISSUE OBLIGATIONS OR WARRANTS. The authority may issue obligations or warrants to

obtain money.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0502. LOANS AND GRANTS. The authority may:

- (1) borrow money for its corporate purposes; and
- (2) borrow money or accept a grant from the United States, this state, or any other source, and in connection with the loan or grant, enter into any agreement or assume any obligation as may be required.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0503. POWER TO SEEK AND ACCEPT CONTRIBUTIONS. (a) The authority may seek and accept from any source a contribution to an authority fund for the purpose of funding:

- (1) necessary studies;
- (2) engineering and other services; and
- (3) the collection and computation of data respecting regional and general conditions that influence the character and extent of the improvements necessary to effect the authority's purposes to the greatest public advantage.

(b) A grant or gratuity shall be strictly accounted for and is subject to the same rules and orders applicable to other money the authority handles or disburses.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0504. POWER TO ISSUE BONDS. (a) The authority may issue bonds as authorized by this chapter for the purpose of providing money for any purpose authorized by this chapter.

(b) The authority, without an election, may issue bonds payable from the authority's revenue pledged by board resolution.

(c) The bonds must be authorized by a board resolution.
Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03,
eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0505. FORM OF BONDS. Authority bonds must be:

- (1) issued in the authority's name;
- (2) signed by the president or vice president; and
- (3) attested by the secretary.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03,
eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0506. MATURITY. Authority bonds must mature not
later than 50 years after the date of their issuance.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03,
eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0507. BONDS PAYABLE FROM REVENUE. (a) In this
section, "net revenue" means the authority's gross revenue less the
amount necessary to pay the cost of maintaining and operating the
authority and the authority's property.

- (b) Authority bonds may be secured by a pledge of:
- (1) all or part of the authority's net revenue;
 - (2) the net revenue of a contract entered into at any
time; or
 - (3) other revenue specified by board resolution.

(c) The pledge may reserve the right to issue additional
bonds on a parity with or subordinate to the bonds being issued,
subject to conditions specified by the pledge.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03,
eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0508. COMPENSATION RATES. (a) The board shall set and revise the rates of compensation for:

- (1) water the authority sells; and
- (2) services the authority renders.

(b) The rates of compensation must be sufficient to:

- (1) pay the expense of operating and maintaining the authority's facilities;
- (2) pay the bonds as they mature and the interest as it accrues; and
- (3) maintain the reserve and other funds as provided in the resolution authorizing the bonds.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0509. ADDITIONAL SECURITY. (a) Authority bonds, including refunding bonds, may be additionally secured by a deed of trust lien on the authority's physical property and all franchises, easements, water rights and appropriation permits, leases, and contracts, and all rights related to the property, vesting in the trustee power to:

- (1) sell the property for payment of the debt;
- (2) operate the property; and
- (3) take other action to further secure the bonds.

(b) The deed of trust may:

- (1) contain any provision the board prescribes to secure the bonds and preserve the trust estate;
- (2) provide for amendment or modification of the deed of trust; and
- (3) provide for the issuance of bonds to replace lost or mutilated bonds.

(c) A purchaser under a sale under the deed of trust is the owner of the dam and other property and facilities purchased and is entitled to maintain and operate the property and facilities, if the authority forfeits or defaults.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0510. USE OF BOND PROCEEDS. (a) The authority may set aside an amount of proceeds from the sale of authority bonds for the payment of interest expected to accrue during construction and a reserve interest and sinking fund. The resolution authorizing the bonds may provide for setting aside and using the proceeds as provided by this subsection.

(b) The authority may use proceeds from the sale of the bonds to pay any expense necessarily incurred in accomplishing the authority's purposes.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0511. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on authority bonds, a court may appoint a receiver for the authority on petition of the holders of 25 percent of the outstanding bonds of the issue in default or threatened with default.

(b) The receiver may collect and receive all authority income, employ and discharge authority agents and employees, take charge of money on hand, and manage the authority's proprietary affairs without the board's consent or hindrance.

(c) The receiver may be authorized to sell or contract for the sale of water or to renew those contracts with the approval of the court that appointed the receiver.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.

Text of section effective on April 01, 2023

Sec. 8510.0512. REFUNDING BONDS. (a) The authority may issue refunding bonds to refund outstanding authority bonds and interest on those bonds.

(b) Refunding bonds may:

- (1) be issued to refund bonds of more than one series;
- (2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or
- (3) be secured by a pledge of other or additional revenue.

(c) The provisions of this subchapter regarding the issuance of other bonds and the remedies of the holders apply to refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the authority, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the concurrent surrender and cancellation of the bonds to be refunded.

Added by Acts 2021, 87th Leg., R.S., Ch. 914 (H.B. [3530](#)), Sec. 1.03, eff. April 1, 2023.