

NOTICE OF PUBLIC MEETING
LORENA CITY COUNCIL
MONDAY, MARCH 17, 2025 6:30 P.M.
LORENA CITY HALL
107-A S. FRONTAGE ROAD, LORENA TEXAS

THE PUBLIC WILL BE ABLE TO JOIN THE MEETING BY VIDEOCONFERENCE
AT THE FOLLOWING LINK <https://meet.goto.com/963677189>

The City Council Meeting will be opened to the public.

Questions and comments on items listed on the agenda may be emailed no later than NOON on the day of the meeting to the City Secretary Monica Hendrix via email to mhendrix@lorenatx.gov

AGENDA-(amended to correct item 11 and 12 numbering)

- 1. Call to Order/Roll Call.**
- 2. Pledge of Allegiance.**
- 3. Citizens questions or comments.**

At this time any person with business before the Council not scheduled on the agenda may speak to the Council. Comments are limited to three (3) minutes, and this time is not transferable. Under the Texas Open Meetings Act, the Council is prohibited from discussing, responding, or acting on any comments or items that have not been properly posted on the agenda. This forum is limited to a total of 30 minutes.

- 4. Approval of Minutes:**
 - a. February 18, 2025**
- 5. Discussion and possible action authorizing the election contract with McLennan County Election Administration for the May 3, 2025 general election.**
- 6. Discussion and possible action authorizing the donation of five (5) Watchguard 4RE in-car camera systems and five (5) Stalker SDR 2X Radars to the Lorena Police Department.**
- 7. Police Department Report.**
- 8. City Manager Report.**
 - a. Senate Bill 1194 and House Bill 2626 creating Central Texas Water Alliance.**
 - b. Phase I of Rosenthal Estates 3 houses complete and 11 under construction.**
 - c. Grading permit issued for phase II of Rosenthal Estates on February 28th.**
 - d. Baby Elizah Davis was born on February 24th at 8:43 A.M. weighing 6lbs, 15.5 oz, and measuring 18.5 inches long.**
- 9. Future Agenda items.**
- 10. Executive Session pursuant to Section 551.072 of the Texas Government Code, Deliberations about Real Property: (1) To deliberate the purchase, exchange, lease or value of real property.**
- 11. Take any action based on discussions held in Executive Session under agenda item 10.**
- 12. Adjourn**

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the City of Lorena, Texas, was posted on the front door at the Lorena City Hall and the city website at on March 14, 2025.

Monica Hendrix

Monica Hendrix-City Secretary

PURSUANT TO SECTION 551.127 OF THE TEXAS GOVERNMENT CODE, AND IN CONJUNCTION WITH THE GUIDANCE AND PROVISIONS PROVIDED BY THE GOVERNOR OF TEXAS IN THE DECLARATION OF DISASTER ENACTED MARCH 13, 2020, MEMBERS OF THE CITY COUNCIL MAY BE PARTICIPATING REMOTELY IN COMPLIANCE WITH THE TEXAS OPEN

MEETINGS ACT, AS TEMPORARILY MODIFIED BY THE GOVERNOR.

Attendance by Other Elected or Appointed Officials – NOTICE OF POSSIBLE QUORUM: It is anticipated that members of City Council or other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

In compliance with the American with Disabilities Act, the City of Lorena will provide reasonable accommodations for persons attending and/or participating in City Council meetings. The facility is wheelchair accessible, with handicap parking available at the side of the building. Requests for sign interpreters or special services must be received seventy-two (72) hours prior to the meeting by calling the City Secretary at 254-857-4641.

PROCEDURES FOR CITIZEN PARTICIPATION AT MEETINGS

The meetings will be streamed live on the City of Lorena's Facebook page.

Citizens who wish to address the Council on any item on the agenda or under the hearing of visitors, must submit questions via email to the City Secretary Monica Hendrix @ mhendrix@lorenatx.gov or in person at Lorena City Hall at 107-A S. Frontage Road by NOON on the day of the meeting. Your comments will be read into the records during the meeting.

Council may not comment publicly on issues raised during citizen comments that are not listed on the agenda but may direct the City Manager to resolve or request the matter to be placed on a future agenda. Such public comments shall not include any “deliberation” as defined by Chapter 551 of the Government Code, as now or hereafter amended.



City of Lorena

107-A S. Frontage Road
Lorena, Texas 76655
(254) 857-4641 Fax (254)857-4118

NOTICE OF PUBLIC MEETING AND PUBLIC HEARINGS

LORENA CITY COUNCIL

TUESDAY, FEBRUARY 18, 2025 6:30 P.M.

LORENA CITY HALL

107-A S. FRONTAGE ROAD, LORENA TEXAS

THE PUBLIC WILL BE ABLE TO JOIN THE MEETING BY VIDEOCONFERENCE
AT THE FOLLOWING LINK <https://meet.goto.com/559363309>

The City Council Meeting will be opened to the public.

Questions and comments on items listed on the agenda may be emailed no later than
NOON on the day of the meeting to the City Secretary Monica Hendrix via email to mhendrix@lorenatx.gov

MINUTES

1. Call to Order/Roll Call.

Mayor Ross called the meeting to order at 6:30 p.m. Council members present were Mayor Tommy Ross, Mayor Pro tem Kelly Yarbrough, Jason Blanek, Carla Pendergraft, Emily McKenzie and Brad Wetzel.

City Staff present were Monica Hendrix, Kyler Jones, Linda Klump, Kevin Neal and Peter Rivas. Chief Scott Holt arrived late due to travel.

2. Pledge of Allegiance.

Mayor Ross led the Pledge of Allegiance.

3. Citizens questions or comments.

At this time any person with business before the Council not scheduled on the agenda may speak to the Council. Comments are limited to three (3) minutes, and this time is not transferable. Under the Texas Open Meetings Act, the Council is prohibited from discussing, responding, or acting on any comments or items that have not been properly posted on the agenda. This forum is limited to a total of 30 minutes.

Local Citizen Gary Cox spoke and wanted to know if the PD ever found the thieves who broke into the Tobacco Barn. Cox also questioned why the Police Report is at the end of the agenda. Cox also gave his concerns about the financial status of the city and why the city is having financial issues.

4. Approval of Minutes:

a. January 21, 2025

MOTION: Carla Pendergraft moved to approve the minutes.

SECOND: Emily McKenzie

FOR: Jason Blanek, Carla Pendergraft, Kelly Yarbrough, Emily McKenzie and Brad Wetzel.

AGAINST: None

ABSENT: None

Motion carried 5-0.

5. Committee and Corporation Reports:

a. Lorena Economic Development Corporation

Kelly Yarbrough reported the meeting was held on February 11th and there was very in depth discussion on some of the same items related to economic development located here in Lorena. EDC will meet again on March 18, 2025 at 6:00 p.m.

b. Lorena Planning and Zoning Commission

No meeting.

6. Presentation of 2024 Fiscal Year Audit.

Kristy Davis and Raven Peavy with Jaynes, Reitmeier, Boyd & Therrell, PC (JRBT) presented the financial audit overview to the council. As a result of the audit in their opinion, the financial statements present fairly, in all material respects, the financial position as of September 30, 2024, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. The internal controls and compliance review shows no material instances of noncompliance.

7. Discussion and possible action accepting the 2024 Fiscal Year Audit.

MOTION: Brad Wetzel moved to accepting the 2024 Fiscal Year audit.

SECOND: Jason Blanek

FOR: Jason Blanek, Carla Pendergraft, Kelly Yarbrough, Emily McKenzie and Brad Wetzel.

AGAINST: None

ABSENT: None

Motion carried 5-0.

8. Discussion and possible action on Ordinance 2025-0121-02 adopting a Condition Use Permit(CUP) to allow a Convenience Store with fuel sales along the I-35 Corridor District, tabled from the January 21, 2025 city council meeting.

Emily McKenzie spoke and after visiting with our Finance Officer Linda Klump, McKenzie gave her thoughts on the city's financial situation. McKenzie feels there are three big concerns for the city which are the salaries, the TIRZ debt and the sewage treatment cost. McKenzie spoke at length and feels the Texan will not be the answer to help with these three big concerns. McKenzie spoke about the Comprehensive Plan and what is allowed at the proposed location of the Texan Store. McKenzie stated council has approved the Foodie's Travel Center and will eventually earn sales tax from that development and the city should wait to see how much that will impact the budget. McKenzie does not feel the city should approve the Texan at this location. Jason Blanek and Carla Pendegraft spoke and feel the Texan will be good for Lorena. Blanek says he would much rather have the traffic off of interstate 35 pay for the city needs than to keep burdening the citizens of Lorena. Kelly Yarbrough spoke and says that the Neighborhood Center District does allow for a Convenience Store with fuel sales with a CUP. Yarbrough also stated there will be other businesses that will come and compete with the current businesses in Lorena. Yarbrough stated she has spoken to numerous people and done her research as well. Mayor Ross spoke and gave his thoughts. Ross read from the list of allowed uses in the Interstate 35 Corridor District that are allowed by right without approval from the council. Ross also says the owner has the right to sell the property to whomever he chooses.

Brad Wetzel spoke and wants to discuss the conditions of the CUP if approved. Wetzel would like to add the condition that no vehicle or truck parking will be allowed on the landscaped/grass area shown on the submitted site plan now or in the future. Developer/Owner to repair/upgrade that portion of S. Bordon Street to the edge of their property if and when damage occurs due to increased and/or heavy tractor-trailer traffic, No truck parking except under diesel canopy, Swap Privacy fence and landscape buffer adjacent to Walter Street where required landscaping is on the outside of the fence facing Walter Street, Walter Street privacy fence to be 10ft tall, Pylon Sign allowed to be 90ft tall, Install truck-height barricades restricting tractor-trailer access to inner city roads and/or downtown, Use of alternative construction material to allow EFIS, Foundation plantings around the building not required. Jason Blanek says to add the conditions that were also included in the staff report. Blanek wanted to make sure that the landscaping near the fence will be planted close

together for the buffer. Emily McKenzie spoke again and asked why the council is being so cautious of conditions when the council is clearly going against the comprehensive plan.

MOTION: After discussion of the conditions of the CUP, Brad Wetzel moved to approve the Conditional Use Permit The Texan Store with the following conditions:

1. Current undeveloped landscape area/buffer shown on submitted proposed site plan can never be developed into truck/vehicle parking
2. Developer/owner will be required to maintain the portion of S. Bordon Street to the edge of the property if and when damage occurs due to increased and/or heavy tractor trailer traffic.
3. No truck parking except under diesel canopy.
4. To allow one pylon pole sign not to exceed 90' in height on the property, rather than the standard of Lorena Zoning Code Section 12.4.00 Pylon Sign which limits a pylon sign to 25 feet in height. (See Exhibit A).
5. Egress to S. Bordon Street will be right turn only. Left turns from the site onto S. Bordon Street will be restricted by the installation of a physical barrier such as a traffic diverter and signage. Install a semi-truck height barricade to discourage left hand turns onto Bordon Street.
6. To allow the use of EIFS for varying percentages of each façade of the building, and 100% of the fuel canopies, as specified in their exhibit.
7. Allow waiving the requirement for foundation planting around the building.
8. That the development shall generally adhere to the Conceptual Site Plan and Architectural Elevations (Exhibits A and B).
9. That no outside storage or display shall be allowed on the property with the exception of an ice sales freezer and a propane cage.
10. Any construction resulting from the approval of this Conditional Use Permit shall conform to the requirements set forth by the Lorena Zoning Ordinance, the International Building Code (IBC), the Lorena Municipal Code of Ordinances, city adopted engineering and fire codes and with all other applicable regulatory requirements administered and/or enforced by the state and federal government.

SECOND: Carla Pendergraft

Local citizens to include Brett Marvel, Jacob Lail, Joe Ryan, Malisa Spivey, Chantel Spivey, Bethany Ryan, Megan Vrana, Molly Vrana, Sara Oliver, Tim Thompson, Cali Dupree, Pat Kultgen, Rick Jespersen and Gary Cox spoke for 3 minutes each and were adamantly against the proposed development. Citizen Bill Coleman spoke and is in favor of the proposed development and several other citizens were present at the meeting to support the proposed development.

FOR: Jason Blanek, Carla Pendergraft, Kelly Yarbrough and Brad Wetzel.

AGAINST: Emily McKenzie

ABSENT: NONE

Motion carried 4-1.

9. Discussion and possible action on Resolution 2025-0218-01 authorizing membership in the Atmos cities steering committee.

The Atmos Cities Steering Committee is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting rates charged by Atmos with the City.

MOTION: Jason Blanek moved to approve the resolution authorizing membership in the Atmos cities steering committee.

SECOND: Brad Wetzel

FOR: Jason Blanek, Carla Pendergraft, Kelly Yarbrough, Emily McKenzie and Brad Wetzel.

AGAINST: None

ABSENT: None

Motion carried 5-0.

10. Discussion and possible action authorizing the City of Lorena to retire K9 Drogen into the care of his former handler, Jay Greer.

Police Chief Scott Holt informed council that on February 11, 2025, Officer Jay Greer resigned his employment with the City of Lorena. This presented a situation where his K9 partner, Drogen, was without a handler. The

options available to the City of Lorena are to keep Drogen or transfer ownership. While continuing Drogen as a working asset is possible, Holt did not feel this is the best course of action due to the care and boarding of the dog, the training of a new handler and the length of time it takes to train one and the age of the dog. Holt says the Lorena PD has a great working relationship with other departments in the area that have a K9 available if need be.

MOTION: Jason Blanek moved to authorize the retirement of K9 Drogen to the care of his handler Jay Greer.

SECOND: Brad Wetzel

FOR: Jason Blanek, Carla Pendergraft, Kelly Yarbrough and Brad Wetzel.

ABSTAIN: Emily McKenzie

AGAINST: None

ABSENT: None

Motion carried 4-1.

11. Discussion and possible action authorizing the Chief of Police to enter into a contract between the City of Lorena and Jay Greer regarding the terms of Drogen's retirement.

MOTION: Jason Blanek moved to authorize Chief Holt to enter into a contract with Jay Greer regarding the terms of Drogen's retirement.

SECOND: Kelly Yarbrough

FOR: Jason Blanek, Carla Pendergraft, Kelly Yarbrough and Brad Wetzel.

ABSTAIN: Emily McKenzie

AGAINST: None

ABSENT: None

Motion carried 4-1.

12. Police Department Report.

In January there were 153 calls for service, 125 traffic stops and 4 arrest. Mayor Ross asked about openings within the department and Chief Holt reported there is one opening in the department and we have one officer in the police academy.

13. City Manager Report.

- a. **Year 3 (final year) of PCED certification training is the first week of March 2025. Will attend continuing education each year to maintain certification.**

CM Kevin Neal reported he will be in the Woodlands attending his PCED training.

- b. **Employee Kaylee Davis and husband Issac is expecting baby Elizah Davis on February 24th.**

CM reported Court Clerk Kaylee Davis is expecting her daughter on February 24th.

Kelly Yarbrough thanked Kevin Neal for always being available for questions to items for discussion.

14. Future Agenda Items.

Councilman Jason Blanek asked about the McLennan County Transportation System coming to present to the council and citizens what they offer. Kevin Neal will follow up again with them.

15. Adjourn

Due to no further business the meeting adjourned at 8:44 p.m.

These minutes were approved the 17th day of March 2025.

Tommy Ross, Mayor

Attest:

Monica Hendrix, City Secretary

AGREEMENT TO CONDUCT JOINT ELECTION

The Entity agrees to enter into a Joint Election Agreement with McLennan County and the following entities and hereby agrees to the following:

LIST OF CONTRACTING ENTITIES AND THEIR BALLOT ISSUES:

Bellmead – electing two (2) city council members;

Gholson – electing two (2) city council members AND a Special election for one (1) city council member;

Lacy Lakeview – electing a mayor and three (3) city council members;

Lorena – electing a mayor and two (2) city council members;

Mart – electing a mayor and two (2) city council members;

Waco – electing one (1) city council member;

Woodway – electing three (3) city council members;

Connally ISD – electing two (2) school board members;

Gholson ISD – electing three (3) school board members;

Lorena ISD – electing two (2) school board members;

Mart ISD – electing three (3) school board members;

McGregor ISD – electing three (3) school board members;

Robinson ISD – voting in a Special Bond Election;

Waco ISD – electing one (1) school board members;

- In all of the Districts' and Cities' voting precincts, which lie within the boundaries of the respective entities, the ballots shall include the specified contests for the respective parties. All entities agree to share Vote Centers, staff and voting equipment and to pay the total cost or a pro-rata cost for Vote Centers inclusive of staff, voting equipment and other expenses needed to conduct the election for both Early Voting, if applicable, and Election Day.
- Appoint the McLennan County Elections Administrator as the Early Voting Clerk for the Joint Election.
- Designates the Early Voting Clerk and the McLennan County Judge as the custodians of keys to the ballot box for voted ballots in accordance with Texas Election Code, Sec. 271.008 and Sec. 66.060.
- Central Count Workers will be paid an hourly rate of \$15.00 per hour.
- Support the use of high school students to serve as election clerks, as prescribed in Section 32.0511 of the Election Code.
- Post the respective notice of drawing for a place on the ballot.
- Appoint the Elections Administrator as the general custodian of the voted ballots as authorized by the Texas Election Code, Sec. 271.010 and Sec. 66.001. Access to the election records will be available to the contracting entities, as well as the public, in accordance with the Texas Public Information Act, Chapter 552 of the Government Code.
- Prepare and post filing period notice by each respective filing authority.
- The contracting entities shall provide tables and chairs at the shared Vote Centers as needed.
- Contracting Officer shall procure, allocate and distribute all election supplies; employ all election officers and personnel needed to conduct the election; provide training for the

election workers on the election laws and on the use of the electronic voting equipment; conduct background checks for all election officials, staff and temporary workers, as prescribed in the Election Code 129.051(g); secure all Vote Centers; operate the Central Count Station; prepare payment to election officers and personnel and billing to the contracting entities; provide precinct by precinct election returns to the Secretary of State as required by law; and any and all other duties necessary to conduct an election, as provided in the Election Services Contract.

- If a manual count or recount is required to be performed in accordance with Section 127.201 of the Election Code, the contracting entities shall be responsible for performing the manual count and/or recount with the Contracting Officer.

In TESTIMONY HEREOF, the Agreement to Conduct Joint Election is multiple originals all of equal force, has been executed on behalf of the parties hereto as follows, to wit:

a) It has on the _____ day of _____, 2025 been executed on behalf of McLennan County by the Elections Administrator, pursuant to the Texas Election Code, so authorizing;

b) It has on the _____ day of _____, 2025 been executed on behalf of the Entity by its Mayor or School Board President, pursuant to the authority of the City Council or School Board, so authorizing;

ATTEST:

City of Lorena

Mayor, City of Lorena

CONTRACTING OFFICER

**Jared Goldsmith
Elections Administrator, McLennan County**



CITY OF LORENA POLICE DEPARTMENT

"Because of You, We Serve"

TO: MONICA HENDRIX

FROM: SCOTT HOLT

RE: COUNCIL AGENDA ITEM

SUBJECT: Discussion and possible action authorizing the donation of five (5) Watchguard 4RE in-car camera systems and five (5) Stalker SDR 2X Radars to the Lorena Police Department

BACKGROUND: In early 2025, Chief Holt submitted a request to the Department of Public Safety Surplus Program for five (5) Watchguard 4RE in-car camera systems and five (5) Stalker SDR 2X Radars. This equipment is what the Lorena Police Department is currently using. The Lorena Police Department was notified on February 28, 2025, that we were awarded the above requested equipment. This donation will have a positive financial impact on the City of Lorena of \$32,614.56.

RECOMMENDATION: City staff recommends the council's review and approval of the donated equipment



 Lorena Police Department
<https://www.ci.lorena.tx.us/97/Police>

Ph: 254.867.9614 Fax: 254.857.9616 email: police@lorenatx.gov
100 N. Bordon St Lorena, Texas 76655



LORENA POLICE DEPARTMENT



COUNCIL REPORT
FEBRUARY 2025

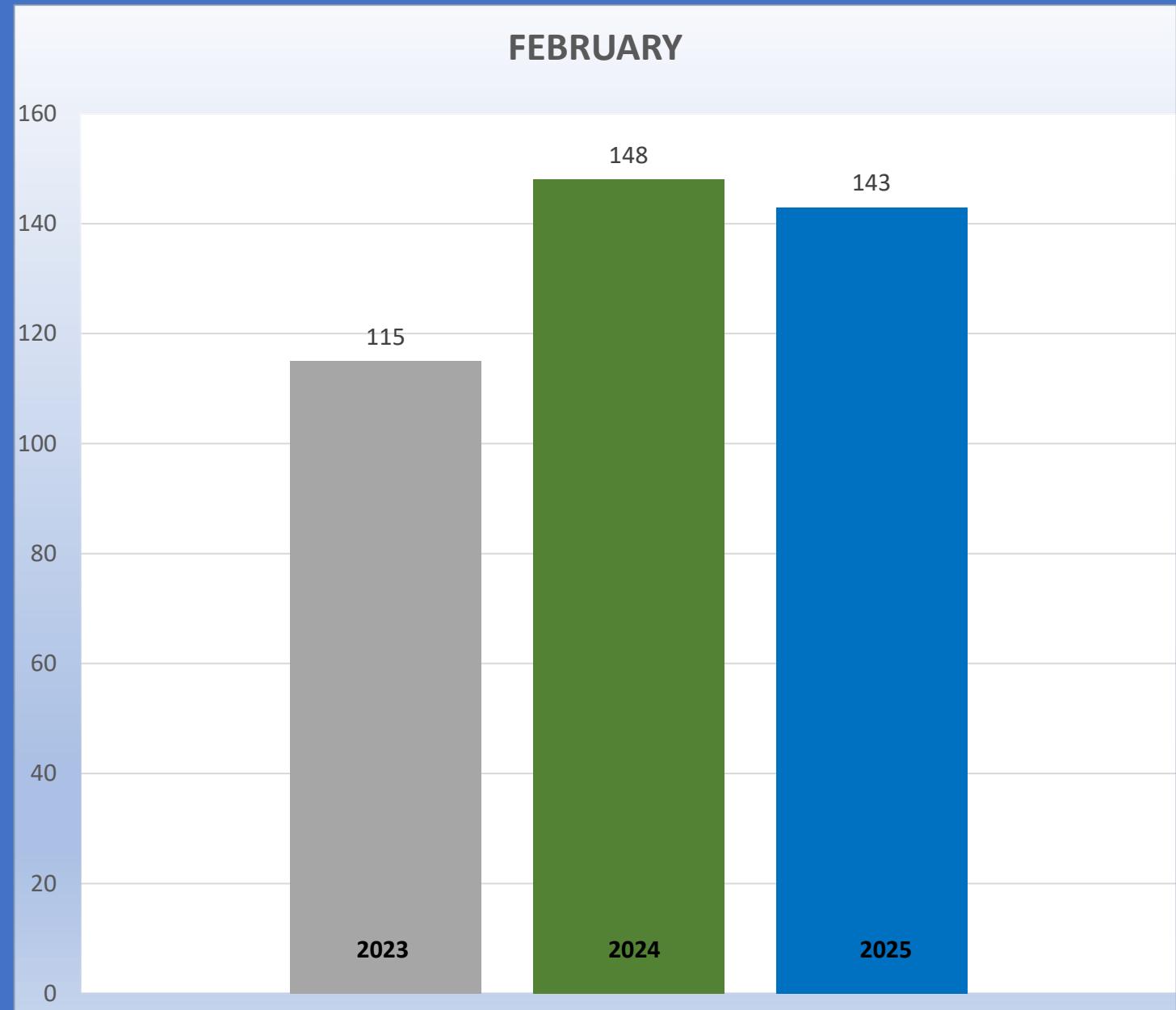
CALLS FOR SERVICE BY TYPE – FEBRUARY 2025

DESCRIPTION	# OF CALLS
BURGLAR ALARM	3
ABANDONED VEHICLE	1
ACCIDENT	7
ASSIST CITIZEN	3
ASSIST MOTORIST	12
ASSIST OTHER AGENCIES	9
ASSIST OTHER AGENCIES-K9	2
CIVIL MATTER	1
CRIMINAL MISCHIEF	3
DISTURBANCE	2
EMS	10
FIRE	4
FOLLOW UP	6
FOOT PATROL	31
FOUND PROPERTY	1
HARASSMENT	1
OPEN DOOR	1
RECKLESS DRIVING	3
SUSPICIOUS CIRCUMSTANCES	4
SUSPICIOUS PERSON	5
SUSPICIOUS VEHICLE	6
TRAFFIC COMPLAINTS	5
TRAFFIC HAZARD	11
VCO - DOG	3
VCO-NOISE VIOLATION	1
WELFARE CHECK	6
WELFARE CONCERN	2
TOTAL	143

CALLS FOR SERVICE – DETAILED

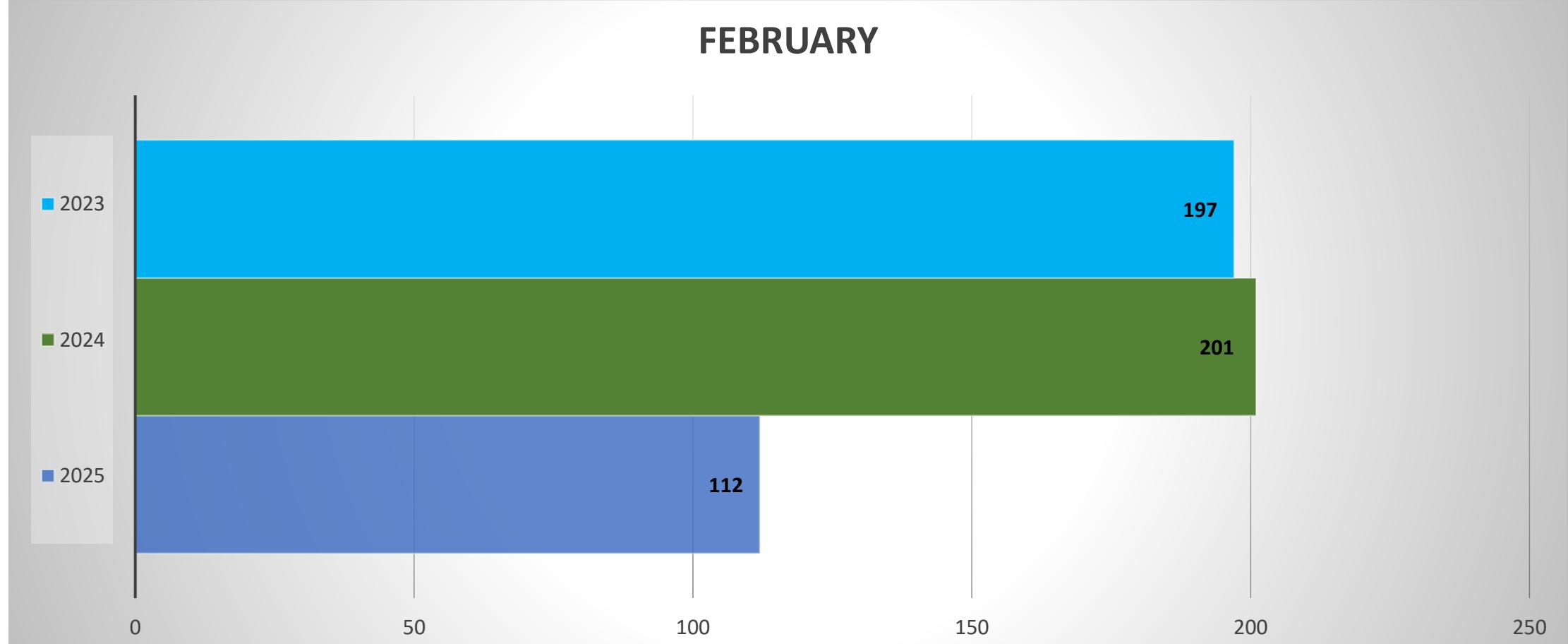
- 2/3/2025 – Suspicious Circumstances – Caller reported an unknown individual attempted to open the door at their business after hours while the business owner was inside doing paperwork. Officer Greer determined the individual had missed a bus and was waiting on a ride.
- 2/3/2025 – Welfare Check – Passerby reported seeing an individual laying on the ground near the interstate. Officer Becknauld spoke to the individual, who stated he was just fine and resting while walking to Dallas.
- 2/3/2025 – Suspicious vehicle – Resident reported a vehicle had parked in front of her residence and the driver had been sitting inside the vehicle for 20 minutes. Lt Rivas spoke to the driver, who stated she was just resting. The driver decided to find a different location to rest.
- 2/7/2025 – Suspicious Circumstances – Caller reported a pickup backed up to the doors of the Primary School at 3:40 in the morning. Officer Greer responded and determined it was a custodian.
- 2/8/2025 – Suspicious Circumstances – Lieutenant Rivas responded to a call of two subjects trying to break into the park restrooms. Contact was made with the subjects in the park trail. No damage was found to the park restroom doors.
- 2/11/2025 – Civil Disturbance – Management of local business called to request an intoxicated employee be warned away from the business. (Now) Former employee was issued a criminal trespass warning by an officer.
- 2/12/2025 – Disturbance – Dollar General employees called to report male and female arguing in the parking lot. The call resulted in a female being warned away from the business.
- 2/15/2025 – Suspicious Vehicle – Report of vehicle parked on the side of the road on Old Rosenthal Rd. Officer spoke to driver of vehicle and ensured everything was ok.
- 2/15/2025 – Hit & Run – Lieutenant Rivas responded to a call of a Failure to Stop and Identify crash that occurred in a local parking lot. Video footage revealed the plate and subsequent identity of the driver; who returned to the scene and provided insurance information.
- 2/19/2025 – Open Door – Sgt Bull responded to a call stating a neighbor's front door was open and the dogs were outside. Upon arrival Sgt Bull noted the dogs were secure and the front door was closed.
- 2/21/2025 – Loud Music – Officer Becknauld responded to a call of loud music coming from a vehicle at the park. The subject was warned to turn the music down.
- 2/23/2025 – Family Disturbance – Lieutenant Rivas responded to a disturbance call between family members. The disturbance was settled by one family member leaving the residence.
- 2/27/2025 – Assist Motorist – AAA representative called on behalf of stranded motorist near I35 mile marker 320. Officer Becknauld provided traffic control until a wrecker arrived to remove the vehicle.

CALLS FOR SERVICE - GRAPH



TRAFFIC STOPS BY LORENA POLICE

FEBRUARY



ARRESTS

- Total Arrests – 0 arrests for the month of February

INVESTIGATIONS

- 2/3/2025 – Found Property – Officer Becknauld received a call of a found wallet with contents on the ground in the parking lot of the local apartment complex. Case is ongoing.
- 2/6/2025 – Criminal Mischief – Officer Board received a call regarding graffiti on a restroom wall at a local business. Case is ongoing.





The Senate of The State of Texas

Senator Peter P. Flores

District 24

March 4, 2025

Lorena City Council
City of Lorena
107-A South Frontage Road
Lorena, Tx 76655

Dear Lorena City Council,

I hope this letter finds you well. I am writing, in accordance with Article XVI, Section 59 of the Texas Constitution, to inform you of an important piece of legislation that I have filed in the Texas Senate, and Representative Buckley has filed in the Texas House, which I believe will have a significant positive impact on our region's future: the establishment of the **Central Texas Water Alliance**.

As you are well aware, water resources are one of the most critical issues facing our communities in Central Texas. The Alliance aims to bring together local stakeholders, including cities, counties, and water management districts, to collaborate on water conservation, infrastructure development, and sustainable resource management. By working together, we can ensure that our region's water needs are met now and into the future.

Senate Bill 1194 and House Bill 2626 will create a framework for the Central Texas Water Alliance to:

- Improve water supply and distribution systems.
- Promote conservation efforts across local governments and communities.
- Develop regional water infrastructure projects to reduce costs and enhance resilience.
- Secure funding opportunities for innovative water management solutions.

The collaboration between local governments and other key stakeholders is crucial as we navigate the challenges of population growth and changing environmental conditions. I firmly believe that this Alliance will help provide the coordinated, strategic approach needed to address these issues effectively.

As this bill moves through the legislative process, I will keep you informed of any developments and encourage your feedback and support. I look forward to working together on this important initiative and to ensuring that the Central Texas region remains a great place to live and grow for generations to come.

If you have any questions or would like more information about the bill, please do not hesitate to reach out to my office. I look forward to your thoughts and support as we work to make this vision a reality. Thank you for your continued partnership in serving our communities.

God Bless Texas,



Pete Flores
State Senator – District 24



Brad Buckley
State Representative – District 54

By: Flores

S.B. No. 1194

A BILL TO BE ENTITLED

1 AN ACT

2 relating to creating the Central Texas Water Alliance; providing
3 authority to issue bonds; granting the power of eminent domain;
4 providing authority to impose fees.

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

6 SECTION 1. Subtitle X, Title 6, Special District Local Laws
7 Code, is amended by adding Chapter 11020 to read as follows:

CHAPTER 11020. CENTRAL TEXAS WATER ALLIANCE

SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 11020.0101. DEFINITIONS. In this chapter:

14 (3) "Director" means a member of the board.

18 (5) "Local government" means:

21 (B) a local government corporation;

24 (D) a combination of two or more of the entities

1 described by this subdivision.

2 (6) "Private entity" includes an individual,
3 corporation, organization, business trust, estate, trust,
4 partnership, and association and any other legal entity that is not
5 a governmental body or agency.

6 (7) "Sponsor" means:

7 (A) the initial sponsors of the alliance under
8 Section 11020.0105; and
9 (B) a local government or private entity added to
10 the alliance as a member under Section 11020.0106.

11 (8) "Water" includes:

12 (A) groundwater, percolating or otherwise,
13 notwithstanding the quality of the groundwater;
14 (B) any surface water, naturally or artificially
15 impounded or in a navigable or nonnavigable watercourse; and
16 (C) municipal wastewater or industrial
17 wastewater, including municipal wastewater or industrial
18 wastewater that has been treated to a quality suitable for reuse for
19 a beneficial use.

20 Sec. 11020.0102. NATURE OF ALLIANCE. The alliance is a
21 regional water authority created under and essential to accomplish
22 the purposes of Section 59, Article XVI, Texas Constitution.

23 Sec. 11020.0103. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

24 (a) The alliance is created to serve a public use and benefit.

25 (b) All land and other property included in the territory of
26 the alliance will benefit from the works and projects to be
27 accomplished by the alliance under powers conferred by Section 59,

1 Article XVI, Texas Constitution, and powers granted under this
2 chapter.

3 Sec. 11020.0104. ALLIANCE TERRITORY. The territory of the
4 alliance is composed of the territory:

5 (1) of the sponsors, including territory within the
6 municipal boundaries of a sponsor that is a municipality;

7 (2) if applicable, located in the service areas of the
8 sponsors, including the territory within the sponsors'
9 certificates of convenience and necessity; and

10 (3) added to and not excluded from the alliance in
11 accordance with applicable law.

12 Sec. 11020.0105. INITIAL SPONSORS. The initial sponsors of
13 the alliance are:

14 (1) Bell County;

15 (2) Bell County Water Control and Improvement District
16 No. 1;

17 (3) Clearwater Underground Water Conservation
18 District; and

19 (4) McLennan County.

20 Sec. 11020.0106. METHOD OF ADDING SPONSORS. (a) A local
21 government or a private entity may petition the board to add that
22 local government or private entity as a sponsor.

23 (b) A petition under Subsection (a) must be submitted in the
24 manner and form required by board rule.

25 (c) On receipt of a petition under Subsection (a), the board
26 shall set a hearing on the petition and provide notice of the date,
27 time, place, and purpose of the hearing to:

4 (d) At the hearing, the board shall determine whether:

5 (1) the local government or private entity will

6 benefit from being added to the alliance as a sponsor; and

7 (2) it is in the best interest of the alliance to add

8 the local government or private entity to the alliance as a sponsor.

9 (e) If, after a hearing on the petition, the board
10 determines that the local government or private entity should be
11 added to the alliance as a sponsor, the board shall issue an order:

20 (4) stating the effective date of the order.

21 (f) If the subject of the order is a local government, the
22 effective date of the order must allow enough time for the local
23 government to comply with Subsection (g).

24 (g) A local government that is the subject of an order
25 issued under Subsection (e) shall publish notice of the alliance's
26 proposal to add the local government to the alliance as a sponsor.

27 The notice must:

- 1 (1) be published in a newspaper of general circulation
- 2 in the county in which the local government is located;
- 3 (2) be published at least once per week for two
- 4 consecutive weeks and with the first publication appearing on or
- 5 before the 14th day before the effective date of the order; and
- 6 (3) state the effective date of the order.

7 Sec. 11020.0107. METHOD OF REMOVING SPONSORS. (a) The
8 governing body of a sponsor may petition the board to remove the
9 entity from the alliance as a sponsor.

10 (b) A petition must be submitted in the manner and form
11 required by board rule.

12 (c) After receiving a petition under Subsection (a), the
13 board shall:

14 (1) decide whether the petitioning sponsor should be
15 removed from the alliance as a sponsor; and
16 (2) by order approve, conditionally approve, or
17 disapprove the petition.

18 (d) The board may not approve a petition submitted under
19 this section if that action would impair or violate or conflict with
20 the terms of any outstanding bonds, notes, or other obligations of
21 the alliance.

22 (e) An order issued under Subsection (c) that approves or
23 conditionally approves a sponsor's petition to be removed from the
24 alliance as a sponsor must address:

25 (1) all matters related to the removal as determined
26 by the board, including the removal of the territory of the sponsor
27 and, if applicable, territory located in the service area of the

1 sponsor as provided by the sponsor's certificate of convenience and
2 necessity; and

3 (2) if applicable, any conditions imposed by the board
4 that the petitioning sponsor must satisfy before the board approves
5 the petition, which may include:

6 (A) payment by the petitioning sponsor of all
7 bonds, notes, or other obligations issued by the alliance on behalf
8 of the sponsor;

9 (B) payment by the petitioning sponsor of the
10 sponsor's pro rata share of any bond, note, or other obligation
11 issued by the alliance, other than the bonds, notes, or other
12 obligations described by Paragraph (A), if the payment is allowed
13 under the terms of the bond, note, or other obligation;

14 (C) conditions related to the ownership or
15 transfer of ownership of real property, facilities, equipment,
16 personnel, and supplies; and

17 (D) conditions the alliance considers necessary
18 for the winding up of activities in connection with the removal of
19 the petitioning sponsor as a sponsor from the alliance.

20 (f) If the board by order issued under Subsection (c)
21 conditionally approves a sponsor's petition, the petitioning
22 sponsor remains a sponsor and shall make all payments owed to the
23 alliance when due and shall satisfy all conditions included in the
24 order. The board shall approve the petition immediately after all
25 required payments to the alliance are received and all conditions
26 included in the order are satisfied as determined by the board.

27 (g) The removal of a sponsor from the alliance under this

S.B. No. 1194

1 section does not prohibit the former sponsor from contracting with
2 the alliance for the provision of water supply, wastewater
3 treatment, or other services provided by the alliance.

4 Sec. 11020.0108. REAPPORTIONMENT OF DIRECTORS. After the
5 addition or removal of a sponsor under this subchapter, the board by
6 rule shall reapportion the directors of the alliance among the
7 sponsors in accordance with Section 11020.0201(c)(2). The board
8 may increase or decrease the number of directors on the board in
9 accordance with Section 11020.0201(a).

10 Sec. 11020.0109. LIBERAL CONSTRUCTION OF CHAPTER. This
11 chapter shall be liberally construed to effect its purposes.

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 11020.0201. DIRECTORS. (a) Except for the initial
14 board of directors, the alliance is governed by a board of directors
15 consisting of at least 5 and not more than 18 members.

16 (b) The board is responsible for the management, operation,
17 and control of the alliance.

18 (c) The board by rule shall:

19 (1) establish the number of directors of the alliance;
20 and

21 (2) apportion the directors for each sponsor based on
22 the amount of water contracted to be supplied to the sponsor under
23 the terms of the alliance's water supply contract with the sponsor,
24 subject to Section 11020.0203(a).

25 Sec. 11020.0202. ELIGIBILITY TO SERVE AS DIRECTOR. (a) To
26 be eligible to serve as a director, a person must be:

27 (1) at least 18 years of age; and

1 (2) a resident of the territory located in the
2 alliance or an employee of a sponsor.

3 (b) A director who also serves on the governing body of a
4 sponsor is not a dual officeholder and is not prohibited by the
5 common law doctrine of incompatibility from serving on both the
6 board and the governing body.

7 (c) Service on the board by a public officeholder is an
8 additional duty of that person's office.

9 Sec. 11020.0203. APPOINTMENT OF DIRECTORS. (a) Each
10 sponsor is entitled to appoint at least one director.

11 (b) Each director must be appointed by the governing body of
12 a sponsor in accordance with the rules adopted under Section
13 11020.0201 that govern the apportionment of directors among the
14 sponsors.

15 (c) Each sponsor shall appoint the appropriate number of
16 directors not earlier than January 1 and not later than February 28
17 of each year.

18 Sec. 11020.0204. TERMS OF OFFICE. (a) Directors serve
19 staggered three-year terms, with one-third or as near as possible
20 to one-third of the members' terms expiring February 28 of each
21 year.

22 (b) A director's term begins on March 1 of the year the
23 director is appointed.

24 (c) A director may not serve more than five consecutive
25 terms as a director.

26 Sec. 11020.0205. REMOVAL OF DIRECTOR. A sponsor that
27 appoints a director may remove the director from office at any time,

1 with or without cause.

2 Sec. 11020.0206. BOARD VACANCY. If there is a vacancy on
3 the board, the governing body of the sponsor that appointed the
4 director who vacated the office shall appoint a director to serve
5 the remainder of the term.

6 Sec. 11020.0207. VOTING AUTHORITY. (a) Except as provided
7 by Subsection (b), each director is entitled to one vote on any
8 issue before the board.

9 (b) The board may establish a graduated voting procedure
10 after each sponsor has appointed a director to the board.

11 Sec. 11020.0208. OFFICERS. At the first meeting of the
12 board after March 1 of each year, the board shall elect officers for
13 the alliance, including a chair, vice chair, secretary, and
14 treasurer.

15 Sec. 11020.0209. MEETINGS AND ACTIONS OF BOARD; QUORUM.
16 (a) The board may meet as many times each year as the board
17 considers appropriate.

18 (b) A concurrence of a majority of the directors present and
19 voting is sufficient for transacting any business of the alliance
20 unless other applicable law, or the alliance by rule, requires a
21 concurrence of a greater number of directors for a specific type of
22 decision.

23 (c) Directors of the alliance are public officials and are
24 entitled to governmental immunity for their actions in their
25 capacity as directors and officers of the alliance.

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 11020.0301. GENERAL POWERS AND DUTIES. (a) The

1 alliance may:

2 (1) acquire, purchase, own, hold, lease, construct,
3 improve, and maintain a reservoir, groundwater well, or other
4 source of water supply, including:

5 (A) groundwater, surface water, and wastewater
6 reused directly or indirectly; and

7 (B) aquifer storage and recovery facilities;

8 (2) acquire, own, construct, operate, repair,
9 improve, maintain, or extend, inside or outside the alliance's
10 boundaries, water and wastewater works, improvements, facilities,
11 plants, pipelines, equipment, and appliances for:

12 (A) the treatment and transportation of water and
13 wastewater;

14 (B) the direct or indirect reuse of wastewater;

15 (C) aquifer storage and recovery projects; and

16 (D) the provision of wholesale water and
17 wastewater services to alliance customers, municipalities,
18 districts, water supply corporations, and other persons in this
19 state;

20 (3) acquire, purchase, own, hold, lease, and maintain
21 interests, including capacity rights and other contractual rights,
22 in sources of water supply, reservoirs, groundwater wells, water
23 and wastewater systems, treatment works, improvements, facilities,
24 plants, equipment, appliances, aquifer storage and recovery
25 projects, and the direct or indirect reuse of wastewater;

26 (4) finance any purchase or acquisition through a
27 bond, note, or other obligation under Subchapter E, or through a

1 lease-purchase agreement; and

2 (5) sell, lease, convey, or otherwise dispose of any
3 right, interest, or property the alliance considers to be
4 unnecessary for the efficient operation or maintenance of the
5 alliance's facilities.

6 (b) In addition to the powers specifically provided by this
7 chapter, the alliance may exercise the powers provided by Section
8 65.201, Water Code.

9 Sec. 11020.0302. ALLIANCE POLICIES, RULES, AND BYLAWS. The
10 alliance may adopt and enforce policies, rules, and bylaws
11 reasonably required to implement this chapter, including rules
12 governing procedures before the board and rules regarding
13 implementation, enforcement, and any other matters related to the
14 exercise of the rights, powers, privileges, and functions conferred
15 on the alliance by this chapter for the provision of water and
16 wastewater service.

17 Sec. 11020.0303. EMINENT DOMAIN. (a) The alliance may
18 exercise the power of eminent domain to acquire a fee simple or
19 other interest in property if the interest is necessary for the
20 alliance to exercise the rights or authority conferred by this
21 chapter.

22 (b) The alliance shall exercise the right of eminent domain
23 in the manner provided by Chapter 21, Property Code. The alliance
24 is not required to give bond for appeal or bond for costs in a
25 condemnation suit or other suit to which it is a party.

26 (c) The alliance may not use the power of eminent domain for
27 the condemnation of land for the purpose of acquiring rights to

1 groundwater or for the purpose of acquiring water or water rights.

2 Sec. 11020.0304. WATER CONSERVATION OR DROUGHT CONTINGENCY
3 PLANS. The alliance by rule may develop, prepare, revise, adopt,
4 implement, enforce, and manage water conservation or drought
5 contingency plans for the alliance or any portion of the alliance.

6 Sec. 11020.0305. SPONSOR CONVEYANCES AND ACQUISITIONS. (a)
7 In this section, "utility system" has the meaning assigned by
8 Section 1502.001, Government Code.

9 (b) A sponsor may convey a utility system facility or asset
10 or the sponsor's interest in a utility system facility or asset to
11 the alliance without holding an election to approve the conveyance.

12 (c) A sponsor is exempt from the provisions of Chapter 1502,
13 Government Code, regarding the conveyance, sale, or acquisition of
14 a utility system, or any related works, improvements, facilities,
15 plants, equipment, or appliances.

16 Sec. 11020.0306. CONTRACTS. (a) The alliance may contract
17 with any person to carry out a power authorized by this chapter.

18 (b) A person who enters into a contract with the alliance
19 may pledge to the payment of the contract any source of revenue that
20 may be available to the person, including ad valorem taxes, if the
21 person has the authority to impose those taxes.

22 (c) Payments made under a contract with the alliance
23 constitute an operating expense of the person served under the
24 contract, unless otherwise prohibited by a previously outstanding
25 obligation of the person. To the extent a person pledges funds to
26 the payment of the contract that are to be derived from the person's
27 own water system, the payments constitute an operating expense of

1 that system.

2 Sec. 11020.0307. COOPERATIVE CONTRACTS. The alliance may
3 enter into an interlocal contract with a local government under
4 Chapter 791, Government Code, to carry out a power of the alliance.

5 Sec. 11020.0308. RATES AND FEES. (a) The alliance shall
6 establish rates and fees to be assessed against sponsors and
7 customers of the alliance. The rates and fees may be established by
8 classes of customers, by project, or by area of service.

9 (b) A sponsor, local government, water supply corporation,
10 private entity, or other person that contracts with the alliance
11 shall establish, charge, and collect fees, rates, charges, rentals,
12 and other amounts for any service or facility provided under or in
13 connection with a contract with the alliance and shall pledge
14 sufficient amounts to make all payments required under the
15 contract.

16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

17 Sec. 11020.0401. AD VALOREM TAXES PROHIBITED. The alliance
18 may not impose an ad valorem tax.

19 Sec. 11020.0402. GIFTS, GRANTS, LOANS, AND OTHER MONEY.
20 The alliance may apply for, accept, receive, and administer gifts,
21 grants, loans, and other money available from any source.

22 SUBCHAPTER E. BONDS, NOTES, AND OTHER OBLIGATIONS

23 Sec. 11020.0501. REVENUE BONDS, NOTES, AND OTHER
24 OBLIGATIONS. (a) In addition to bonds, notes, and other
25 obligations that the alliance is authorized to issue under other
26 law, to accomplish the purposes of the alliance, the alliance may
27 issue bonds, notes, or other obligations payable solely from and

1 secured by all or part of any funds or any revenue from any source or
2 sources, including:

3 (1) fees, rates, and other charges the alliance
4 imposes or collects;

5 (2) the sale of:

6 (A) water;

7 (B) water or wastewater services;

8 (C) water rights or capacity;

9 (D) water transmission rights, capacity, or
10 services;

11 (E) water pumping;

12 (F) wastewater reused directly or indirectly;

13 (G) aquifer storage and recovery services;

14 (H) sewer services; or

15 (I) any other service or product of the alliance
16 provided inside or outside the boundaries of the alliance;

17 (3) grants or gifts;

18 (4) the ownership or operation of all or a designated
19 part of the alliance's works, improvements, facilities, plants, or
20 equipment; and

21 (5) the proceeds of contracts.

22 (b) Bonds, notes, or other obligations issued by the
23 alliance may be first or subordinate lien obligations at the
24 board's discretion.

25 (c) In connection with any bonds, notes, or other
26 obligations of the alliance, the alliance may exercise any power of
27 an issuer under Chapter 1371, Government Code.

1 (d) The alliance may conduct a public, private, or
2 negotiated sale of the bonds, notes, or other obligations.

3 (e) The alliance may enter into one or more indentures of
4 trust to further secure its bonds, notes, or other obligations.

5 (f) The alliance may issue bonds, notes, or other
6 obligations in more than one series as necessary to carry out the
7 purposes of this chapter. In issuing bonds, notes, or other
8 obligations secured by revenue of the alliance, the alliance may
9 reserve the right to issue additional bonds, notes, or other
10 obligations secured by the alliance's revenue that are on parity
11 with or are senior or subordinate to the bonds, notes, or other
12 obligations issued earlier.

13 (g) A resolution of the board or a trust indenture securing
14 the bonds, notes, or other obligations may specify additional
15 provisions that constitute a contract between the alliance and the
16 alliance's bondholders, noteholders, or other obligation holders.

17 (h) Bonds, notes, or other obligations may be additionally
18 secured by deed of trust or mortgage on any or all of the alliance's
19 facilities.

20 (i) The authority provided by this chapter for the
21 authorization and issuance of bonds, notes, and other obligations
22 is in addition to, and not in lieu of, the authority otherwise
23 established under general law and may not be construed as a
24 limitation on, or a modification of, general law providing for
25 authorization and issuance of bonds, notes, and other forms of
26 obligations. Nothing in this chapter may be construed as affecting
27 any existing contract, bond, note, or other obligation of the

1 alliance or any indenture, covenant, mortgage, or other agreement
2 relating to them.

3 Sec. 11020.0502. ELECTION NOT REQUIRED. The alliance is
4 not required to hold an election to approve the issuance of revenue
5 bonds or notes or of other obligations under this subchapter.

6 Sec. 11020.0503. USE OF REVENUE AND GROWTH PROJECTIONS.
7 For the purposes of attorney general review and approval and in lieu
8 of any other manner of demonstrating the ability to pay debt service
9 and satisfy any other pecuniary obligations relating to bonds,
10 notes, or other obligations, the alliance may demonstrate the
11 alliance's ability to satisfy the debt service and those
12 obligations using accumulated funds of the alliance and revenue and
13 growth projections prepared by a professional utility rate
14 consultant at the direction of the alliance. If the resolution
15 authorizing the issuance of the bonds, notes, or other obligations
16 provides that the alliance intends to increase rates to the extent
17 necessary to pay debt service and satisfy any other pecuniary
18 obligations arising under the bonds, notes, or other obligations,
19 the revenue projections prepared by a professional utility rate
20 consultant may include forecast rate increases and accumulated and
21 available fund balances as determined by the alliance.

22 Sec. 11020.0504. REFUNDING BONDS. The alliance may issue
23 refunding bonds, notes, and other obligations to refund any of its
24 bonds, notes, or other obligations in any manner provided by law,
25 including Chapter 1207, Government Code.

26 Sec. 11020.0505. BONDS, NOTES, AND OTHER OBLIGATIONS EXEMPT
27 FROM TAXATION. A bond, note, or other obligation issued under this

1 chapter, a transaction related to the bond, note, or other
2 obligation, the interest on the bond, note, or other obligation,
3 and the profit from the sale of the bond, note, or other obligation
4 are exempt from taxation by this state or a political subdivision of
5 this state.

6 SECTION 2. (a) The sponsors of the Central Texas Water
7 Alliance shall appoint the initial directors under Section
8 11020.0203, Special District Local Laws Code, as added by this Act,
9 not earlier than 30 days and not later than 90 days after the
10 effective date of this Act.

11 (b) As soon as practicable after the initial directors have
12 been appointed under Section 11020.0203, Special District Local
13 Laws Code, as added by this Act, the initial directors shall draw
14 lots to determine which directors serve a one-year term expiring
15 February 28, 2027, which directors serve a two-year term expiring
16 February 28, 2028, and which directors serve a three-year term
17 expiring February 28, 2029. The lots must be split into thirds or
18 as near to thirds as possible.

19 SECTION 3. (a) The legal notice of the intention to
20 introduce this Act, setting forth the general substance of this
21 Act, has been published as provided by law, and the notice and a
22 copy of this Act have been furnished to all persons, agencies,
23 officials, or entities to which they are required to be furnished
24 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
25 Government Code.

26 (b) The governor, one of the required recipients, has
27 submitted the notice and Act to the Texas Commission on

1 Environmental Quality.

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

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

10 SECTION 4. (a) If this Act does not receive a two-thirds
11 vote of all the members elected to each house, Subchapter C, Chapter
12 11020, Special District Local Laws Code, as added by Section 1 of
13 this Act, is amended by adding Section 11020.0309 to read as
14 follows:

15 Sec. 11020.0309. NO EMINENT DOMAIN POWER. The district may
16 not exercise the power of eminent domain.

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

20 SECTION 5. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2025.

By: Buckley

H.B. No. 2626

A BILL TO BE ENTITLED

1 AN ACT

2 relating to creating the Central Texas Water Alliance; providing
3 authority to issue bonds; granting the power of eminent domain;
4 providing authority to impose fees.

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

6 SECTION 1. Subtitle X, Title 6, Special District Local Laws
7 Code, is amended by adding Chapter 11020 to read as follows:

CHAPTER 11020. CENTRAL TEXAS WATER ALLIANCE

SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 11020.0101. DEFINITIONS. In this chapter:

11 (1) "Alliance" means the Central Texas Water Alliance.

14 (3) "Director" means a member of the board.

18 (5) "Local government" means:

19 (A) a municipality, county, district, or other
20 political subdivision of this state;

21 (B) a local government corporation;

24 (D) a combination of two or more of the entities

1 described by this subdivision.

2 (6) "Private entity" includes an individual,
3 corporation, organization, business trust, estate, trust,
4 partnership, and association and any other legal entity that is not
5 a governmental body or agency.

6 (7) "Sponsor" means:

7 (A) the initial sponsors of the alliance under
8 Section 11020.0105; and
9 (B) a local government or private entity added to
10 the alliance as a member under Section 11020.0106.

11 (8) "Water" includes:

12 (A) groundwater, percolating or otherwise,
13 notwithstanding the quality of the groundwater;
14 (B) any surface water, naturally or artificially
15 impounded or in a navigable or nonnavigable watercourse; and
16 (C) municipal wastewater or industrial
17 wastewater, including municipal wastewater or industrial
18 wastewater that has been treated to a quality suitable for reuse for
19 a beneficial use.

20 Sec. 11020.0102. NATURE OF ALLIANCE. The alliance is a
21 regional water authority created under and essential to accomplish
22 the purposes of Section 59, Article XVI, Texas Constitution.

23 Sec. 11020.0103. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

24 (a) The alliance is created to serve a public use and benefit.

25 (b) All land and other property included in the territory of
26 the alliance will benefit from the works and projects to be
27 accomplished by the alliance under powers conferred by Section 59,

1 Article XVI, Texas Constitution, and powers granted under this
2 chapter.

3 Sec. 11020.0104. ALLIANCE TERRITORY. The territory of the
4 alliance is composed of the territory:

5 (1) of the sponsors, including territory within the
6 municipal boundaries of a sponsor that is a municipality;

7 (2) if applicable, located in the service areas of the
8 sponsors, including the territory within the sponsors'
9 certificates of convenience and necessity; and

10 (3) added to and not excluded from the alliance in
11 accordance with applicable law.

12 Sec. 11020.0105. INITIAL SPONSORS. The initial sponsors of
13 the alliance are:

14 (1) Bell County;

15 (2) Bell County Water Control and Improvement District
16 No. 1;

17 (3) Clearwater Underground Water Conservation
18 District; and

19 (4) McLennan County.

20 Sec. 11020.0106. METHOD OF ADDING SPONSORS. (a) A local
21 government or a private entity may petition the board to add that
22 local government or private entity as a sponsor.

23 (b) A petition under Subsection (a) must be submitted in the
24 manner and form required by board rule.

25 (c) On receipt of a petition under Subsection (a), the board
26 shall set a hearing on the petition and provide notice of the date,
27 time, place, and purpose of the hearing to:

H.B. No. 2626

4 (d) At the hearing, the board shall determine whether:

5 (1) the local government or private entity will

6 benefit from being added to the alliance as a sponsor; and

7 (2) it is in the best interest of the alliance to add

8 the local government or private entity to the alliance as a sponsor.

9 (e) If, after a hearing on the petition, the board
10 determines that the local government or private entity should be
11 added to the alliance as a sponsor, the board shall issue an order:

23 government to comply with subsection (g).

24 (g) A local government that is the subject of an order

25 issued under Subsection (e) shall publish notice of the alliance's

26 proposal to add the local government to the alliance as a sponsor.

27. The notice must:

1 (1) be published in a newspaper of general circulation
2 in the county in which the local government is located;
3 (2) be published at least once per week for two
4 consecutive weeks and with the first publication appearing on or
5 before the 14th day before the effective date of the order; and
6 (3) state the effective date of the order.

7 Sec. 11020.0107. METHOD OF REMOVING SPONSORS. (a) The
8 governing body of a sponsor may petition the board to remove the
9 entity from the alliance as a sponsor.

10 (b) A petition must be submitted in the manner and form
11 required by board rule.

12 (c) After receiving a petition under Subsection (a), the
13 board shall:

14 (1) decide whether the petitioning sponsor should be
15 removed from the alliance as a sponsor; and

16 (2) by order approve, conditionally approve, or
17 disapprove the petition.

18 (d) The board may not approve a petition submitted under
19 this section if that action would impair or violate or conflict with
20 the terms of any outstanding bonds, notes, or other obligations of
21 the alliance.

22 (e) An order issued under Subsection (c) that approves or
23 conditionally approves a sponsor's petition to be removed from the
24 alliance as a sponsor must address:

25 (1) all matters related to the removal as determined
26 by the board, including the removal of the territory of the sponsor
27 and, if applicable, territory located in the service area of the

1 sponsor as provided by the sponsor's certificate of convenience and
2 necessity; and

3 (2) if applicable, any conditions imposed by the board
4 that the petitioning sponsor must satisfy before the board approves
5 the petition, which may include:

6 (A) payment by the petitioning sponsor of all
7 bonds, notes, or other obligations issued by the alliance on behalf
8 of the sponsor;

9 (B) payment by the petitioning sponsor of the
10 sponsor's pro rata share of any bond, note, or other obligation
11 issued by the alliance, other than the bonds, notes, or other
12 obligations described by Paragraph (A), if the payment is allowed
13 under the terms of the bond, note, or other obligation;

14 (C) conditions related to the ownership or
15 transfer of ownership of real property, facilities, equipment,
16 personnel, and supplies; and

17 (D) conditions the alliance considers necessary
18 for the winding up of activities in connection with the removal of
19 the petitioning sponsor as a sponsor from the alliance.

20 (f) If the board by order issued under Subsection (c)
21 conditionally approves a sponsor's petition, the petitioning
22 sponsor remains a sponsor and shall make all payments owed to the
23 alliance when due and shall satisfy all conditions included in the
24 order. The board shall approve the petition immediately after all
25 required payments to the alliance are received and all conditions
26 included in the order are satisfied as determined by the board.

27 (g) The removal of a sponsor from the alliance under this

1 section does not prohibit the former sponsor from contracting with
2 the alliance for the provision of water supply, wastewater
3 treatment, or other services provided by the alliance.

4 Sec. 11020.0108. REAPPORTIONMENT OF DIRECTORS. After the
5 addition or removal of a sponsor under this subchapter, the board by
6 rule shall reapportion the directors of the alliance among the
7 sponsors in accordance with Section 11020.0201(c)(2). The board
8 may increase or decrease the number of directors on the board in
9 accordance with Section 11020.0201(a).

10 Sec. 11020.0109. LIBERAL CONSTRUCTION OF CHAPTER. This
11 chapter shall be liberally construed to effect its purposes.

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 11020.0201. DIRECTORS. (a) Except for the initial
14 board of directors, the alliance is governed by a board of directors
15 consisting of at least 5 and not more than 18 members.

16 (b) The board is responsible for the management, operation,
17 and control of the alliance.

18 (c) The board by rule shall:

19 (1) establish the number of directors of the alliance;
20 and

21 (2) apportion the directors for each sponsor based on
22 the amount of water contracted to be supplied to the sponsor under
23 the terms of the alliance's water supply contract with the sponsor,
24 subject to Section 11020.0203(a).

25 Sec. 11020.0202. ELIGIBILITY TO SERVE AS DIRECTOR. (a) To
26 be eligible to serve as a director, a person must be:

27 (1) at least 18 years of age; and

1 (2) a resident of the territory located in the
2 alliance or an employee of a sponsor.

3 (b) A director who also serves on the governing body of a
4 sponsor is not a dual officeholder and is not prohibited by the
5 common law doctrine of incompatibility from serving on both the
6 board and the governing body.

7 (c) Service on the board by a public officeholder is an
8 additional duty of that person's office.

9 Sec. 11020.0203. APPOINTMENT OF DIRECTORS. (a) Each
10 sponsor is entitled to appoint at least one director.

11 (b) Each director must be appointed by the governing body of
12 a sponsor in accordance with the rules adopted under Section
13 11020.0201 that govern the apportionment of directors among the
14 sponsors.

15 (c) Each sponsor shall appoint the appropriate number of
16 directors not earlier than January 1 and not later than February 28
17 of each year.

18 Sec. 11020.0204. TERMS OF OFFICE. (a) Directors serve
19 staggered three-year terms, with one-third or as near as possible
20 to one-third of the members' terms expiring February 28 of each
21 year.

22 (b) A director's term begins on March 1 of the year the
23 director is appointed.

24 (c) A director may not serve more than five consecutive
25 terms as a director.

26 Sec. 11020.0205. REMOVAL OF DIRECTOR. A sponsor that
27 appoints a director may remove the director from office at any time,

1 with or without cause.

2 Sec. 11020.0206. BOARD VACANCY. If there is a vacancy on
3 the board, the governing body of the sponsor that appointed the
4 director who vacated the office shall appoint a director to serve
5 the remainder of the term.

6 Sec. 11020.0207. VOTING AUTHORITY. (a) Except as provided
7 by Subsection (b), each director is entitled to one vote on any
8 issue before the board.

9 (b) The board may establish a graduated voting procedure
10 after each sponsor has appointed a director to the board.

11 Sec. 11020.0208. OFFICERS. At the first meeting of the
12 board after March 1 of each year, the board shall elect officers for
13 the alliance, including a chair, vice chair, secretary, and
14 treasurer.

15 Sec. 11020.0209. MEETINGS AND ACTIONS OF BOARD; QUORUM.
16 (a) The board may meet as many times each year as the board
17 considers appropriate.

18 (b) A concurrence of a majority of the directors present and
19 voting is sufficient for transacting any business of the alliance
20 unless other applicable law, or the alliance by rule, requires a
21 concurrence of a greater number of directors for a specific type of
22 decision.

23 (c) Directors of the alliance are public officials and are
24 entitled to governmental immunity for their actions in their
25 capacity as directors and officers of the alliance.

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 11020.0301. GENERAL POWERS AND DUTIES. (a) The

1 alliance may:

2 (1) acquire, purchase, own, hold, lease, construct,
3 improve, and maintain a reservoir, groundwater well, or other
4 source of water supply, including:

5 (A) groundwater, surface water, and wastewater
6 reused directly or indirectly; and

7 (B) aquifer storage and recovery facilities;

8 (2) acquire, own, construct, operate, repair,
9 improve, maintain, or extend, inside or outside the alliance's
10 boundaries, water and wastewater works, improvements, facilities,
11 plants, pipelines, equipment, and appliances for:

12 (A) the treatment and transportation of water and
13 wastewater;

14 (B) the direct or indirect reuse of wastewater;

15 (C) aquifer storage and recovery projects; and

16 (D) the provision of wholesale water and
17 wastewater services to alliance customers, municipalities,
18 districts, water supply corporations, and other persons in this
19 state;

20 (3) acquire, purchase, own, hold, lease, and maintain
21 interests, including capacity rights and other contractual rights,
22 in sources of water supply, reservoirs, groundwater wells, water
23 and wastewater systems, treatment works, improvements, facilities,
24 plants, equipment, appliances, aquifer storage and recovery
25 projects, and the direct or indirect reuse of wastewater;

26 (4) finance any purchase or acquisition through a
27 bond, note, or other obligation under Subchapter E, or through a

1 lease-purchase agreement; and

2 (5) sell, lease, convey, or otherwise dispose of any
3 right, interest, or property the alliance considers to be
4 unnecessary for the efficient operation or maintenance of the
5 alliance's facilities.

6 (b) In addition to the powers specifically provided by this
7 chapter, the alliance may exercise the powers provided by Section
8 65.201, Water Code.

9 Sec. 11020.0302. ALLIANCE POLICIES, RULES, AND BYLAWS. The
10 alliance may adopt and enforce policies, rules, and bylaws
11 reasonably required to implement this chapter, including rules
12 governing procedures before the board and rules regarding
13 implementation, enforcement, and any other matters related to the
14 exercise of the rights, powers, privileges, and functions conferred
15 on the alliance by this chapter for the provision of water and
16 wastewater service.

17 Sec. 11020.0303. EMINENT DOMAIN. (a) The alliance may
18 exercise the power of eminent domain to acquire a fee simple or
19 other interest in property if the interest is necessary for the
20 alliance to exercise the rights or authority conferred by this
21 chapter.

22 (b) The alliance shall exercise the right of eminent domain
23 in the manner provided by Chapter 21, Property Code. The alliance
24 is not required to give bond for appeal or bond for costs in a
25 condemnation suit or other suit to which it is a party.

26 (c) The alliance may not use the power of eminent domain for
27 the condemnation of land for the purpose of acquiring rights to

1 groundwater or for the purpose of acquiring water or water rights.

2 Sec. 11020.0304. WATER CONSERVATION OR DROUGHT CONTINGENCY
3 PLANS. The alliance by rule may develop, prepare, revise, adopt,
4 implement, enforce, and manage water conservation or drought
5 contingency plans for the alliance or any portion of the alliance.

6 Sec. 11020.0305. SPONSOR CONVEYANCES AND ACQUISITIONS. (a)
7 In this section, "utility system" has the meaning assigned by
8 Section 1502.001, Government Code.

9 (b) A sponsor may convey a utility system facility or asset
10 or the sponsor's interest in a utility system facility or asset to
11 the alliance without holding an election to approve the conveyance.

12 (c) A sponsor is exempt from the provisions of Chapter 1502,
13 Government Code, regarding the conveyance, sale, or acquisition of
14 a utility system, or any related works, improvements, facilities,
15 plants, equipment, or appliances.

16 Sec. 11020.0306. CONTRACTS. (a) The alliance may contract
17 with any person to carry out a power authorized by this chapter.

18 (b) A person who enters into a contract with the alliance
19 may pledge to the payment of the contract any source of revenue that
20 may be available to the person, including ad valorem taxes, if the
21 person has the authority to impose those taxes.

22 (c) Payments made under a contract with the alliance
23 constitute an operating expense of the person served under the
24 contract, unless otherwise prohibited by a previously outstanding
25 obligation of the person. To the extent a person pledges funds to
26 the payment of the contract that are to be derived from the person's
27 own water system, the payments constitute an operating expense of

1 that system.

2 Sec. 11020.0307. COOPERATIVE CONTRACTS. The alliance may
3 enter into an interlocal contract with a local government under
4 Chapter 791, Government Code, to carry out a power of the alliance.

5 Sec. 11020.0308. RATES AND FEES. (a) The alliance shall
6 establish rates and fees to be assessed against sponsors and
7 customers of the alliance. The rates and fees may be established by
8 classes of customers, by project, or by area of service.

9 (b) A sponsor, local government, water supply corporation,
10 private entity, or other person that contracts with the alliance
11 shall establish, charge, and collect fees, rates, charges, rentals,
12 and other amounts for any service or facility provided under or in
13 connection with a contract with the alliance and shall pledge
14 sufficient amounts to make all payments required under the
15 contract.

16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

17 Sec. 11020.0401. AD VALOREM TAXES PROHIBITED. The alliance
18 may not impose an ad valorem tax.

19 Sec. 11020.0402. GIFTS, GRANTS, LOANS, AND OTHER MONEY.
20 The alliance may apply for, accept, receive, and administer gifts,
21 grants, loans, and other money available from any source.

22 SUBCHAPTER E. BONDS, NOTES, AND OTHER OBLIGATIONS

23 Sec. 11020.0501. REVENUE BONDS, NOTES, AND OTHER
24 OBLIGATIONS. (a) In addition to bonds, notes, and other
25 obligations that the alliance is authorized to issue under other
26 law, to accomplish the purposes of the alliance, the alliance may
27 issue bonds, notes, or other obligations payable solely from and

1 secured by all or part of any funds or any revenue from any source or
2 sources, including:

3 (1) fees, rates, and other charges the alliance
4 imposes or collects;

5 (2) the sale of:

6 (A) water;

7 (B) water or wastewater services;

8 (C) water rights or capacity;

9 (D) water transmission rights, capacity, or
10 services;

11 (E) water pumping;

12 (F) wastewater reused directly or indirectly;

13 (G) aquifer storage and recovery services;

14 (H) sewer services; or

15 (I) any other service or product of the alliance

16 provided inside or outside the boundaries of the alliance;

17 (3) grants or gifts;

18 (4) the ownership or operation of all or a designated
19 part of the alliance's works, improvements, facilities, plants, or
20 equipment; and

21 (5) the proceeds of contracts.

22 (b) Bonds, notes, or other obligations issued by the
23 alliance may be first or subordinate lien obligations at the
24 board's discretion.

25 (c) In connection with any bonds, notes, or other
26 obligations of the alliance, the alliance may exercise any power of
27 an issuer under Chapter 1371, Government Code.

1 (d) The alliance may conduct a public, private, or
2 negotiated sale of the bonds, notes, or other obligations.

3 (e) The alliance may enter into one or more indentures of
4 trust to further secure its bonds, notes, or other obligations.

5 (f) The alliance may issue bonds, notes, or other
6 obligations in more than one series as necessary to carry out the
7 purposes of this chapter. In issuing bonds, notes, or other
8 obligations secured by revenue of the alliance, the alliance may
9 reserve the right to issue additional bonds, notes, or other
10 obligations secured by the alliance's revenue that are on parity
11 with or are senior or subordinate to the bonds, notes, or other
12 obligations issued earlier.

13 (g) A resolution of the board or a trust indenture securing
14 the bonds, notes, or other obligations may specify additional
15 provisions that constitute a contract between the alliance and the
16 alliance's bondholders, noteholders, or other obligation holders.

17 (h) Bonds, notes, or other obligations may be additionally
18 secured by deed of trust or mortgage on any or all of the alliance's
19 facilities.

20 (i) The authority provided by this chapter for the
21 authorization and issuance of bonds, notes, and other obligations
22 is in addition to, and not in lieu of, the authority otherwise
23 established under general law and may not be construed as a
24 limitation on, or a modification of, general law providing for
25 authorization and issuance of bonds, notes, and other forms of
26 obligations. Nothing in this chapter may be construed as affecting
27 any existing contract, bond, note, or other obligation of the

1 alliance or any indenture, covenant, mortgage, or other agreement
2 relating to them.

3 Sec. 11020.0502. ELECTION NOT REQUIRED. The alliance is
4 not required to hold an election to approve the issuance of revenue
5 bonds or notes or of other obligations under this subchapter.

6 Sec. 11020.0503. USE OF REVENUE AND GROWTH PROJECTIONS.
7 For the purposes of attorney general review and approval and in lieu
8 of any other manner of demonstrating the ability to pay debt service
9 and satisfy any other pecuniary obligations relating to bonds,
10 notes, or other obligations, the alliance may demonstrate the
11 alliance's ability to satisfy the debt service and those
12 obligations using accumulated funds of the alliance and revenue and
13 growth projections prepared by a professional utility rate
14 consultant at the direction of the alliance. If the resolution
15 authorizing the issuance of the bonds, notes, or other obligations
16 provides that the alliance intends to increase rates to the extent
17 necessary to pay debt service and satisfy any other pecuniary
18 obligations arising under the bonds, notes, or other obligations,
19 the revenue projections prepared by a professional utility rate
20 consultant may include forecast rate increases and accumulated and
21 available fund balances as determined by the alliance.

22 Sec. 11020.0504. REFUNDING BONDS. The alliance may issue
23 refunding bonds, notes, and other obligations to refund any of its
24 bonds, notes, or other obligations in any manner provided by law,
25 including Chapter 1207, Government Code.

26 Sec. 11020.0505. BONDS, NOTES, AND OTHER OBLIGATIONS EXEMPT
27 FROM TAXATION. A bond, note, or other obligation issued under this

1 chapter, a transaction related to the bond, note, or other
2 obligation, the interest on the bond, note, or other obligation,
3 and the profit from the sale of the bond, note, or other obligation
4 are exempt from taxation by this state or a political subdivision of
5 this state.

6 SECTION 2. (a) The sponsors of the Central Texas Water
7 Alliance shall appoint the initial directors under Section
8 11020.0203, Special District Local Laws Code, as added by this Act,
9 not earlier than 30 days and not later than 90 days after the
10 effective date of this Act.

11 (b) As soon as practicable after the initial directors have
12 been appointed under Section 11020.0203, Special District Local
13 Laws Code, as added by this Act, the initial directors shall draw
14 lots to determine which directors serve a one-year term expiring
15 February 28, 2027, which directors serve a two-year term expiring
16 February 28, 2028, and which directors serve a three-year term
17 expiring February 28, 2029. The lots must be split into thirds or
18 as near to thirds as possible.

19 SECTION 3. (a) The legal notice of the intention to
20 introduce this Act, setting forth the general substance of this
21 Act, has been published as provided by law, and the notice and a
22 copy of this Act have been furnished to all persons, agencies,
23 officials, or entities to which they are required to be furnished
24 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
25 Government Code.

26 (b) The governor, one of the required recipients, has
27 submitted the notice and Act to the Texas Commission on

1 Environmental Quality.

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

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

10 SECTION 4. (a) If this Act does not receive a two-thirds
11 vote of all the members elected to each house, Subchapter C, Chapter
12 11020, Special District Local Laws Code, as added by Section 1 of
13 this Act, is amended by adding Section 11020.0309 to read as
14 follows:

15 Sec. 11020.0309. NO EMINENT DOMAIN POWER. The district may
16 not exercise the power of eminent domain.

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

20 SECTION 5. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2025.