

1-1 By: Sanford (Senate Sponsor - Fallon) H.B. No. 3436
 1-2 (In the Senate - Received from the House May 6, 2019;
 1-3 May 6, 2019, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 17, 2019, reported favorably by
 1-5 the following vote: Yeas 7, Nays 0; May 17, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7	X			
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the creation of the Celina Municipal Management
 1-18 District No. 3; providing authority to issue bonds and impose
 1-19 assessments, fees, and taxes.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-21 SECTION 1. Subtitle C, Title 4, Special District Local Laws
 1-22 Code, is amended by adding Chapter 3965 to read as follows:

1-23 CHAPTER 3965. CELINA MUNICIPAL MANAGEMENT DISTRICT NO. 3

1-24 SUBCHAPTER A. GENERAL PROVISIONS

1-25 Sec. 3965.0101. DEFINITIONS. In this chapter:

1-26 (1) "Board" means the district's board of directors.

1-27 (2) "City" means the City of Celina, Texas.

1-28 (3) "Commission" means the Texas Commission on
 1-29 Environmental Quality.

1-30 (4) "Director" means a board member.

1-31 (5) "District" means the Celina Municipal Management
 1-32 District No. 3.

1-33 Sec. 3965.0102. CREATION AND NATURE OF DISTRICT. The
 1-34 district is a special district created under Sections 52 and 52-a,
 1-35 Article III, and Section 59, Article XVI, Texas Constitution.

1-36 Sec. 3965.0103. PURPOSE; LEGISLATIVE FINDINGS. (a) The
 1-37 creation of the district is essential to accomplish the purposes of
 1-38 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-39 Texas Constitution, and other public purposes stated in this
 1-40 chapter. By creating the district and in authorizing the city and
 1-41 other political subdivisions to contract with the district, the
 1-42 legislature has established a program to accomplish the public
 1-43 purposes set out in Section 52-a, Article III, Texas Constitution.

1-44 (b) The creation of the district is necessary to promote,
 1-45 develop, encourage, and maintain employment, commerce,
 1-46 transportation, housing, tourism, recreation, the arts,
 1-47 entertainment, economic development, safety, and the public
 1-48 welfare in the district.

1-49 (c) This chapter and the creation of the district may not be
 1-50 interpreted to relieve the city from providing the level of
 1-51 services provided to the area in the district as of the effective
 1-52 date of the Act enacting this chapter. The district is created to
 1-53 supplement and not to supplant the city services provided in the
 1-54 district.

1-55 Sec. 3965.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-56 (a) The district is created to serve a public use and benefit.

1-57 (b) All land and other property included in the district
 1-58 will benefit from the improvements and services to be provided by
 1-59 the district under powers conferred by Sections 52 and 52-a,
 1-60 Article III, and Section 59, Article XVI, Texas Constitution, and
 1-61 other powers granted under this chapter.

2-1 (c) The district is created to accomplish the purposes of a
 2-2 municipal management district as provided by general law and
 2-3 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 2-4 Texas Constitution.

2-5 (d) The creation of the district is in the public interest
 2-6 and is essential to:

2-7 (1) further the public purposes of developing and
 2-8 diversifying the economy of the state;

2-9 (2) eliminate unemployment and underemployment;

2-10 (3) develop or expand transportation and commerce; and

2-11 (4) provide quality residential housing.

2-12 (e) The district will:

2-13 (1) promote the health, safety, and general welfare of
 2-14 residents, employers, potential employees, employees, visitors,
 2-15 and consumers in the district, and of the public;

2-16 (2) provide needed funding for the district to
 2-17 preserve, maintain, and enhance the economic health and vitality of
 2-18 the district territory as a community and business center; and

2-19 (3) promote the health, safety, welfare, and enjoyment
 2-20 of the public by providing pedestrian ways and by landscaping and
 2-21 developing certain areas in the district, which are necessary for
 2-22 the restoration, preservation, and enhancement of scenic beauty.

2-23 (f) Pedestrian ways along or across a street, whether at
 2-24 grade or above or below the surface, and street lighting, street
 2-25 landscaping, parking, and street art objects are parts of and
 2-26 necessary components of a street and are considered to be a street
 2-27 or road improvement.

2-28 (g) The district will not act as the agent or
 2-29 instrumentality of any private interest even though the district
 2-30 will benefit many private interests as well as the public.

2-31 Sec. 3965.0105. DISTRICT TERRITORY. (a) The district is
 2-32 composed of the territory described by Section 2 of the Act enacting
 2-33 this chapter, as that territory may have been modified under other
 2-34 law.

2-35 (b) The boundaries and field notes contained in Section 2 of
 2-36 the Act enacting this chapter form a closure. A mistake in the
 2-37 field notes or in copying the field notes in the legislative process
 2-38 does not affect the district's:

2-39 (1) organization, existence, or validity;

2-40 (2) right to contract;

2-41 (3) authority to borrow money or issue bonds or other
 2-42 obligations described by Section 3965.0601 or to pay the principal
 2-43 and interest of the bonds or other obligations;

2-44 (4) right to impose or collect an assessment, or
 2-45 collect other revenue; or

2-46 (5) legality or operation.

2-47 Sec. 3965.0106. APPLICABILITY OF MUNICIPAL MANAGEMENT
 2-48 DISTRICTS LAW. Except as otherwise provided by this chapter,
 2-49 Chapter 375, Local Government Code, applies to the district.

2-50 Sec. 3965.0107. CONSTRUCTION OF CHAPTER. This chapter
 2-51 shall be liberally construed in conformity with the findings and
 2-52 purposes stated in this chapter.

2-53 Sec. 3965.0108. CONFLICTS OF LAW. This chapter prevails
 2-54 over any provision of Chapter 375, Local Government Code, that is in
 2-55 conflict or inconsistent with this chapter.

2-56 Sec. 3965.0109. CONSENT OF MUNICIPALITY REQUIRED. The
 2-57 board may not hold an election to authorize the issuance of bonds
 2-58 until the governing body of the city by ordinance or resolution
 2-59 consents to the creation of the district and to the inclusion of
 2-60 land in the district. The city's consent must be granted in the
 2-61 manner provided by Section 54.016, Water Code, for including land
 2-62 within the corporate limits or extraterritorial jurisdiction of a
 2-63 city.

2-64 Sec. 3965.0110. EFFECT OF ANNEXATION. Notwithstanding any
 2-65 other law, if all or any part of the territory of the district is
 2-66 annexed by the city into the city's corporate limits, the district
 2-67 retains all of the district's outstanding debt and obligations and
 2-68 continues to operate under this chapter until the district is
 2-69 dissolved under Subchapter G.

SUBCHAPTER B. BOARD OF DIRECTORS

3-1 Sec. 3965.0201. GOVERNING BODY; TERMS. The district is
 3-2 governed by a board of five directors who serve staggered terms of
 3-3 four years, with two or three directors' terms expiring June 1 of
 3-4 each odd-numbered year. One director is appointed by the city, and
 3-5 four directors are appointed by the commission as provided by
 3-6 Sections 3965.0202 and 3965.0203, respectively.

3-7 Sec. 3965.0202. APPOINTMENT AND REMOVAL OF DIRECTOR
 3-8 APPOINTED BY CITY. (a) The governing body of the city shall
 3-9 appoint one director who must be:

3-10 (1) at least 18 years of age; and

3-11 (2) a resident of the city.

3-12 (b) At any time the governing body of the city may remove the
 3-13 director appointed by the city and appoint a director to serve the
 3-14 remainder of the removed director's term.

3-15 Sec. 3965.0203. APPOINTMENT BY COMMISSION. (a) Before the
 3-16 term of a director other than a director appointed under Section
 3-17 3965.0202 expires, the board shall recommend to the commission the
 3-18 appropriate number of persons to serve as successor directors. The
 3-19 commission shall appoint as directors the persons recommended by
 3-20 the board.

3-21 (b) A person recommended by the board under Subsection (a)
 3-22 must be:

3-23 (1) at least 18 years of age;

3-24 (2) an owner of property in the district;

3-25 (3) an owner of stock, whether beneficial or
 3-26 otherwise, of a corporate owner of property in the district;

3-27 (4) an owner of a beneficial interest in a trust that
 3-28 owns property in the district; or

3-29 (5) an agent, employee, or tenant of a person
 3-30 described by Subdivision (2), (3), or (4).

3-31 Sec. 3965.0204. VACANCY. If a vacancy occurs on the board,
 3-32 the remaining directors shall appoint a director for the remainder
 3-33 of the unexpired term.

3-34 Sec. 3965.0205. DIRECTOR'S OATH OR AFFIRMATION. (a) A
 3-35 director shall file the director's oath or affirmation of office
 3-36 with the district, and the district shall retain the oath or
 3-37 affirmation in the district records.

3-38 (b) A director shall file a copy of the director's oath or
 3-39 affirmation with the secretary of the city.

3-40 Sec. 3965.0206. OFFICERS. The board shall elect from among
 3-41 the directors a chair, a vice chair, and a secretary. The offices
 3-42 of chair and secretary may not be held by the same person.

3-43 Sec. 3965.0207. COMPENSATION; EXPENSES. (a) The district
 3-44 may compensate each director in an amount not to exceed \$150 for
 3-45 each board meeting. The total amount of compensation a director may
 3-46 receive each year may not exceed \$7,200.

3-47 (b) A director is entitled to reimbursement for necessary
 3-48 and reasonable expenses incurred in carrying out the duties and
 3-49 responsibilities of the board.

3-50 Sec. 3965.0208. LIABILITY INSURANCE. The district may
 3-51 obtain and pay for comprehensive general liability insurance
 3-52 coverage from a commercial insurance company or other source that
 3-53 protects and insures a director against personal liability and from
 3-54 all claims relating to:

3-55 (1) actions taken by the director in the director's
 3-56 capacity as a member of the board;

3-57 (2) actions and activities taken by the district; or

3-58 (3) the actions of others acting on behalf of the
 3-59 district.

3-60 Sec. 3965.0209. NO EXECUTIVE COMMITTEE. The board may not
 3-61 create an executive committee to exercise the powers of the board.

3-62 Sec. 3965.0210. BOARD MEETINGS. The board shall hold
 3-63 meetings at a place that is accessible to the public and located in
 3-64 the district or in the city.

3-65 Sec. 3965.0211. INITIAL DIRECTORS. (a) On or after
 3-66 September 1, 2019, the owner or owners of a majority of the assessed
 3-67 value of the real property in the district according to the most
 3-68 recent certified tax appraisal rolls for the county may submit a
 3-69

4-1 petition to the commission requesting that the commission appoint
 4-2 as initial directors the four persons named in the petition. The
 4-3 commission shall appoint as initial directors the four persons
 4-4 named in the petition.

4-5 (b) The governing body of the city shall appoint one initial
 4-6 director.

4-7 (c) The initial directors shall determine by lot which three
 4-8 positions expire June 1, 2021, and which two positions expire June
 4-9 1, 2023.

4-10 (d) This section expires September 1, 2021.

4-11 SUBCHAPTER C. POWERS AND DUTIES

4-12 Sec. 3965.0301. GENERAL POWERS AND DUTIES. The district
 4-13 has the powers and duties necessary to accomplish the purposes for
 4-14 which the district is created.

4-15 Sec. 3965.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)
 4-16 Subject to Subsection (b), the district may provide, design,
 4-17 construct, acquire, improve, relocate, operate, maintain, or
 4-18 finance an improvement project or service using money available to
 4-19 the district, or contract with a governmental or private entity to
 4-20 provide, design, construct, acquire, improve, relocate, operate,
 4-21 maintain, or finance an improvement project or service authorized
 4-22 under this chapter or Chapter 375, Local Government Code.

4-23 (b) The district may not construct or finance an improvement
 4-24 project, other than a water, sewer, or drainage facility or road,
 4-25 unless the governing body of the city by ordinance or resolution
 4-26 consents to the construction or financing.

4-27 (c) The district may issue bonds, notes, or other
 4-28 obligations to maintain or repair an existing improvement project
 4-29 only if the governing body of the city by ordinance or resolution
 4-30 consents to the issuance.

4-31 Sec. 3965.0303. LOCATION OF IMPROVEMENT PROJECT. A
 4-32 district improvement project may be located inside or outside of
 4-33 the district.

4-34 Sec. 3965.0304. OWNERSHIP OF IMPROVEMENT PROJECTS. (a)
 4-35 Before a district improvement project may be put into operation,
 4-36 the district must transfer ownership of the project to the city.

4-37 (b) The transfer of ownership is complete on the city's
 4-38 acceptance of ownership.

4-39 Sec. 3965.0305. RETAIL WATER AND SEWER SERVICES PROHIBITED.
 4-40 The district may not provide retail water or sewer services.

4-41 Sec. 3965.0306. ADDING OR REMOVING TERRITORY. (a) Subject
 4-42 to Subsections (b), (c), and (d), the board may add or remove
 4-43 territory as provided by Subchapter J, Chapter 49, Water Code.

4-44 (b) The district may add territory as described by
 4-45 Subsection (a) only if the governing body of the city by ordinance
 4-46 or resolution consents to the addition.

4-47 (c) The district and all districts created under Subchapter
 4-48 D collectively may add a total area of not more than 200 acres.

4-49 (d) Territory added under Subsection (a) must be located in
 4-50 the corporate limits of the city.

4-51 Sec. 3965.0307. NO EMINENT DOMAIN POWER. The district may
 4-52 not exercise the power of eminent domain.

4-53 SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

4-54 Sec. 3965.0401. DIVISION OF DISTRICT; PREREQUISITES. The
 4-55 district, including territory added to the district under Section
 4-56 3965.0306, may be divided into two or more new districts only if the
 4-57 district has no outstanding bonded debt. Territory previously
 4-58 added to the district under Section 3965.0306 may be included in a
 4-59 new district.

4-60 Sec. 3965.0402. LAW APPLICABLE TO NEW DISTRICT. This
 4-61 chapter applies to any new district created by division of the
 4-62 district, and a new district has all the powers and duties of the
 4-63 district.

4-64 Sec. 3965.0403. DIVISION PROCEDURES. (a) The board, on its
 4-65 own motion or on receipt of a petition signed by an owner of real
 4-66 property in the district, may adopt an order proposing to divide the
 4-67 district.

4-68 (b) If the board decides to divide the district, the board
 4-69 shall:

5-1 (1) set the terms of the division, including names for
 5-2 the new districts and a plan for the payment or performance of any
 5-3 outstanding district obligations;

5-4 (2) prepare a metes and bounds description for each
 5-5 proposed district; and

5-6 (3) appoint four initial directors for each new
 5-7 district.

5-8 (c) The governing body of the city shall appoint one
 5-9 director for each new district.

5-10 Sec. 3965.0404. CONTRACT AUTHORITY OF NEW DISTRICTS. The
 5-11 new districts may contract with each other for any matter the boards
 5-12 of the new districts consider appropriate, including the joint
 5-13 construction or financing of a utility improvement.

5-14 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

5-15 Sec. 3965.0501. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 5-16 board by resolution shall establish the number of directors'
 5-17 signatures and the procedure required for a disbursement or
 5-18 transfer of the district's money.

5-19 Sec. 3965.0502. MONEY USED FOR IMPROVEMENTS OR SERVICES.
 5-20 The district may acquire, construct, or finance an improvement
 5-21 project or service authorized by this chapter or Chapter 375, Local
 5-22 Government Code, using any money available to the district.

5-23 Sec. 3965.0503. METHOD OF NOTICE FOR HEARING. The district
 5-24 may mail the notice required by Section 375.115(c), Local
 5-25 Government Code, by certified or first class United States mail.
 5-26 The board shall determine the method of notice.

5-27 Sec. 3965.0504. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
 5-28 The board by resolution may impose and collect an assessment for any
 5-29 purpose authorized by this chapter in all or any part of the
 5-30 district.

5-31 (b) An assessment, a reassessment, or an assessment
 5-32 resulting from an addition to or correction of the assessment roll
 5-33 by the district, penalties and interest on an assessment or
 5-34 reassessment, an expense of collection, and reasonable attorney's
 5-35 fees incurred by the district are:

5-36 (1) a first and prior lien against the property
 5-37 assessed;

5-38 (2) superior to any other lien or claim other than a
 5-39 lien or claim for county, school district, or municipal ad valorem
 5-40 taxes; and

5-41 (3) the personal liability of and a charge against the
 5-42 owners of the property even if the owners are not named in the
 5-43 assessment proceedings.

5-44 (c) The lien is effective from the date of the board's
 5-45 resolution imposing the assessment until the date the assessment is
 5-46 paid. The board may enforce the lien in the same manner that the
 5-47 board may enforce an ad valorem tax lien against real property.

5-48 (d) The board may make a correction to or deletion from the
 5-49 assessment roll that does not increase the amount of assessment of
 5-50 any parcel of land without providing notice and holding a hearing in
 5-51 the manner required for additional assessments.

5-52 (e) The district may not impose an assessment on a
 5-53 municipality, county, or other political subdivision.

5-54 Sec. 3965.0505. NOTICE OF ASSESSMENTS. Annually, the board
 5-55 shall file with the secretary of the city written notice that
 5-56 specifies the assessments the district will impose in the
 5-57 district's next fiscal year in sufficient clarity to describe the
 5-58 assessments for the operation and maintenance of the district and
 5-59 the assessments for the payment of debt service of obligations
 5-60 issued or incurred by the district.

5-61 SUBCHAPTER F. TAXES AND BONDS

5-62 Sec. 3965.0601. BONDS AND OTHER OBLIGATIONS. (a) The
 5-63 district may issue, by public or private sale, bonds, notes, or
 5-64 other obligations payable wholly or partly from ad valorem taxes or
 5-65 assessments in the manner provided by Subchapter A, Chapter 372, or
 5-66 Subchapter J, Chapter 375, Local Government Code. Sections
 5-67 375.207(a) and (b), Local Government Code, do not apply to the
 5-68 district.

5-69 (b) In exercising the district's borrowing power, the

6-1 district may issue a bond or other obligation in the form of a bond,
 6-2 note, certificate of participation or other instrument evidencing a
 6-3 proportionate interest in payments to be made by the district, or
 6-4 other type of obligation.

6-5 (c) In addition to the sources of money described by
 6-6 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local
 6-7 Government Code, district bonds may be secured and made payable
 6-8 wholly or partly by a pledge of any part of the money the district
 6-9 receives from improvement revenue or from any other source.

6-10 (d) Not later than the 30th day before the date the district
 6-11 holds a bond sale, the district shall provide the governing body of
 6-12 the city written notice of the sale.

6-13 SUBCHAPTER G. DISSOLUTION

6-14 Sec. 3965.0701. DISSOLUTION BY CITY ORDINANCE. (a) The
 6-15 governing body of the city may dissolve the district by ordinance.

6-16 (b) The governing body may not dissolve the district until:

6-17 (1) water, sanitary, sewer, and drainage improvements
 6-18 and roads have been constructed to serve at least 90 percent of the
 6-19 developable territory of the district; and

6-20 (2) the district has reimbursed each party that has an
 6-21 agreement with the district for all costs advanced to or on behalf
 6-22 of the district.

6-23 (c) Until the district is dissolved, the district is
 6-24 responsible for all bonds and other obligations of the district.

6-25 Sec. 3965.0702. COLLECTION OF ASSESSMENTS AND OTHER
 6-26 REVENUE. (a) If the dissolved district has bonds or other
 6-27 obligations outstanding secured by and payable from assessments or
 6-28 other revenue, other than revenue from ad valorem taxes, the city
 6-29 shall succeed to the rights and obligations of the district
 6-30 regarding enforcement and collection of the assessments or other
 6-31 revenue.

6-32 (b) The city shall have and exercise all district powers to
 6-33 enforce and collect the assessments or other revenue to pay:

6-34 (1) the bonds or other obligations when due and
 6-35 payable according to their terms; or

6-36 (2) special revenue or assessment bonds or other
 6-37 obligations issued by the city to refund the outstanding bonds or
 6-38 obligations.

6-39 Sec. 3965.0703. ASSUMPTION OF ASSETS AND LIABILITIES. (a)
 6-40 After the city dissolves the district, the city assumes, subject to
 6-41 the appropriation and availability of funds, the obligations of the
 6-42 district, including any bonds or other debt payable from
 6-43 assessments or other district revenue.

6-44 (b) If the city dissolves the district, the board shall
 6-45 transfer ownership of all district property to the city.

6-46 SUBCHAPTER H. SPECIAL BOND PROVISIONS

6-47 Sec. 3965.0801. APPLICABILITY. This subchapter applies
 6-48 only to bonds payable wholly or partly from revenue derived from
 6-49 assessments on real property in the district.

6-50 Sec. 3965.0802. CONFLICT OF LAWS. In the event of a
 6-51 conflict between this subchapter and any other law, this subchapter
 6-52 prevails.

6-53 Sec. 3965.0803. WRITTEN AGREEMENT REGARDING SPECIAL
 6-54 APPRAISALS. Before the district may issue bonds, the district and
 6-55 any person to whom the board intends that proceeds of the bonds be
 6-56 distributed, including the developer, another owner of land in the
 6-57 district, and any entity acting as a lender to the developer or
 6-58 other landowner for the purpose of a project relating to the
 6-59 district, must enter into a written agreement that:

6-60 (1) waives for the term of the agreement the right to a
 6-61 special appraisal with respect to taxation by the district under
 6-62 Subchapters B, C, D, E, F, and H, Chapter 23, Tax Code; and

6-63 (2) remains in effect for 30 years and is binding on
 6-64 the parties, on entities related to or affiliated with the parties,
 6-65 and on their successors and assignees.

6-66 Sec. 3965.0804. REQUIREMENTS FOR ADVERTISING BOND ISSUE. A
 6-67 district may not advertise for an issuance of bonds until the
 6-68 completion of at least 25 percent of the projected value of the
 6-69 improvements, including houses and other buildings, that are liable

7-1 for district assessments and necessary to support the district
7-2 bonds.

7-3 Sec. 3965.0805. REQUIREMENTS FOR BOND ISSUE. The district
7-4 may not issue bonds until:

7-5 (1) the district submits to the commission:

7-6 (A) an engineer's report describing the project
7-7 for which the bonds will provide funding, including data, profiles,
7-8 maps, plans, and specifications related to the project; and

7-9 (B) a cash flow analysis to determine the
7-10 projected rate of assessment, which includes the following
7-11 assumptions:

7-12 (i) each ending balance for debt service in
7-13 the analysis is not less than 25 percent of the following year's
7-14 debt service requirement;

7-15 (ii) interest income is only shown on the
7-16 ending balance for debt service for the first two years; and

7-17 (iii) the projected rate of assessment is
7-18 level or decreasing for the life of the bonds issued by the
7-19 district;

7-20 (2) the completion of at least 75 percent of the
7-21 projected value of the improvements, including houses and other
7-22 buildings, that are liable for district assessments and necessary
7-23 to support the district bonds; and

7-24 (3) the district has obtained an independent market
7-25 study from a firm recognized in the area of real estate market
7-26 analysis supporting the development projects for the real property
7-27 that is liable for district assessments and necessary to support
7-28 the district bonds.

7-29 Sec. 3965.0806. REQUIREMENTS FOR COLLECTION OF REVENUE TO
7-30 PAY BONDS. The district may not collect an assessment to be used
7-31 for the payment of bonds until:

7-32 (1) the completion of at least 95 percent of the
7-33 underground water, wastewater, and drainage facilities financed
7-34 from bond proceeds that are necessary to serve the projected
7-35 build-out, as certified by the district's engineer;

7-36 (2) the district or other appropriate party has
7-37 secured the groundwater, surface water, and water discharge permits
7-38 that are necessary to secure capacity to support the projected
7-39 build-out;

7-40 (3) the completion of at least 95 percent of lift
7-41 station, water plant, and sewage treatment plant capacity
7-42 sufficient to serve the connections constructed in the project for
7-43 a period of not less than 18 months, as certified by the district's
7-44 engineer; and

7-45 (4) the completion of at least 95 percent of the
7-46 streets and roads that are necessary to provide access to the areas
7-47 served by utilities and financed by the proceeds of bonds issued by
7-48 the district, as certified by the district's engineer and
7-49 constructed in accordance with municipal or county standards.

7-50 SECTION 2. The Celina Municipal Management District No. 3
7-51 initially includes all the territory contained in the following
7-52 area:

7-53 All that certain tract or parcel of land lying and being situated in
7-54 Denton County, Texas, a part of the Texas & Pacific Railway Survey,
7-55 Abstract No. 1299, and being and including all that same tract said
7-56 to contain 61.58 acres, more or less, as described in a deed to
7-57 Godwin Family Investments, Ltd., recorded under Clerk's File
7-58 No. 04-0035436, said tract or parcel of land is herein described as
7-59 follows to wit:

7-60 BEGINNING at an 1/2 inch iron rod set in Smiley Road (a County Road
7-61 running in a Northerly and Southerly direction) for the Northeast
7-62 corner of said Texas & Pacific Railway Survey and the Northeast
7-63 corner of the premises here described, said corner being the
7-64 Southeast corner of WILLOW WOOD, an addition to Denton County
7-65 according to the plat thereof recorded in Cabinet M, page 260 of the
7-66 Denton County Plat Records, an 1/2 inch iron rod found for witness
7-67 bears North89 degrees 44 minutes 31 seconds West 27.56 feet;

7-68 THENCE with Smiley Road and the East line of said Texas & Pacific
7-69 Railway Survey, South 00 degrees 30 minutes 10 seconds West 1321.66

8-1 feet to an 1/2 inch iron rod found for corner, said corner being the
8-2 Northeast corner of a record 62.35 acre tract described in a deed to
8-3 Sekine Saraj, et al, recorded under Clerk's File No. 04-0005473;
8-4 THENCE North 89 degrees 25 minutes 27 seconds West at 28.05 feet
8-5 passing an 1/2 inch iron rod set for witness on the West margin of
8-6 Smiley Road and in all a total distance of 2040.69 feet to a 3/4 inch
8-7 iron rod found for the Northwest corner of said 62.35 acre tract and
8-8 the Southeast corner hereof;
8-9 THENCE North 01 degrees 05 minutes 30 seconds East 18.26 feet to an
8-10 1/2 inch iron rod found for corner, same being an angle point in the
8-11 East line of a record 324.61 acre tract described in a Deed to Rita
8-12 A. Sorrells, recorded in Volume 4381, Page 1 of the Real Property
8-13 Records of Denton County;
8-14 THENCE North 00 degrees 44 minutes 22 seconds East 856.37 feet to an
8-15 1/2 inch iron rod found at an angle point of said 324.61 acre tract;
8-16 THENCE North 00 degrees 43 minutes 49 seconds East 435.74 feet to an
8-17 1/2 inch iron rod found for corner on the North line of said Texas &
8-18 Pacific Railway Survey, said corner being a Northeasterly corner of
8-19 said 324.61 acre tract, said corner also being the Southwest corner
8-20 of said WILLOW Wood Addition;
8-21 THENCE along the South line of WILLOW WOOD addition, South 89
8-22 degrees 44 minutes 31 seconds East a distance of 2035.25 feet to the
8-23 Place of BEGINNING and containing 61.57 acres of land.
8-24 All that certain tract or parcel of land lying and being situated in
8-25 Denton County, Texas, a part of the W.S. Ray Survey, Abstract
8-26 No. 1105, the A.E. Norwood Survey, Abstract No. 969, the J. Ray
8-27 Survey, Abstract No. 1104, the T. & P. Railroad Survey, Abstract
8-28 No. 1299 and the Thomas B. Cox Survey, Abstract No. 309, and being
8-29 and including all that same land conveyed to Rita L. Sorrells in a
8-30 Correction Substitute Trustee's Deed recorded in Volume 4381, page
8-31 1 of the Real Property Records of Denton County, said tract or
8-32 parcel of land is herein described as follows; to wit:
8-33 BEGINNING at an 1/2 inch iron rod found on the Southeast
8-34 right-of-way line of F.M. Highway No. 428 at the Northerly
8-35 termination corner of a boundary line described in a Boundary Line
8-36 Agreement recorded under Denton County Clerk's File
8-37 No. 98-R0022137, said corner being the Northwest corner of the
8-38 premises herein described,
8-39 THENCE along the Southeast right-of-way line of said F.M. Highway
8-40 as follows:
8-41 1) North 48 degrees 43 minutes 38 seconds East 1792.49 feet to an
8-42 1/2 inch iron rod found;
8-43 2) North 48 degrees 44 minutes 09 seconds East 248.64 feet to an
8-44 1/2 inch iron rod found;
8-45 3) North 45 degrees 58 minutes 51 seconds East 100.06 feet to an
8-46 1/2 inch iron rod found, and
8-47 4) North 48 degrees 43 minutes 17 seconds East 673.75 feet to an
8-48 1/2 inch iron rod found for the Northeast corner hereof, said corner
8-49 being the Northwest corner of the Willow Wood, an addition to Denton
8-50 County according to the plat thereof recorded in Cabinet M, page 260
8-51 of the Plat Records of Denton County;
8-52 THENCE South 22 degrees 31 minutes 00 seconds East 1066.49 feet to
8-53 an 1/2 inch iron rod found at an angle corner hereof, said corner
8-54 being a Southwesterly corner of said Willow Wood;
8-55 THENCE South 46 degrees 49 minutes 39 seconds East 640.13 feet to an
8-56 1/2 inch iron rod found for corner, said corner being the Southwest
8-57 corner of Willow Wood;
8-58 THENCE South 00 degrees 45 minutes 11 seconds West 436.11 feet to an
8-59 1/2 inch iron rod found for corner;
8-60 THENCE South 00 degrees 44 minutes 22 seconds West 856.37 feet to an
8-61 1/2 inch iron rod found for corner;
8-62 THENCE South 01 degrees 05 minutes 30 seconds West 18.26 feet to a
8-63 3/4 inch iron rod found at the Southwest corner of a record 61.58
8-64 acre tract described in a Deed recorded in Volume 1554, page 883 of
8-65 the Real Property Records of Denton County;
8-66 THENCE South 00 degrees 33 minutes 36 seconds West 1324.91 feet to
8-67 an 1/2 inch iron rod found for corner;
8-68 THENCE South 89 degrees 51 minutes 55 seconds West 704.96 feet to an
8-69 1/2 inch iron rod found for a re-entrant corner hereof;

9-1 THENCE South 00 degrees 26 minutes 35 seconds West 1810.06 feet to
9-2 an 1/2 inch iron rod found for corner;
9-3 THENCE South 00 degrees 00 minutes 58 seconds West 865.64 feet to an
9-4 1/2 inch iron rod found in the center of an unimproved lane known as
9-5 Crutchfield Road;
9-6 THENCE North 89 degrees 36 minutes 31 seconds West along a line
9-7 following the approximate center of said unimproved lane a distance
9-8 of 1947.13 feet to a point for the Southeast corner of a record
9-9 40.00 acre tract described in a Deed to Frisco West, LTD., recorded
9-10 under Denton County Clerk's File No. 97-R0090325, said corner being
9-11 the Southwest corner hereof;
9-12 THENCE North 00 degrees 13 minutes 01 seconds East 4017.88 feet to
9-13 an 1/2 inch iron rod found at the Northeast corner of said record
9-14 40.00 acre tract for a re-entrant corner hereof;
9-15 THENCE North 88 degrees 52 minutes 02 seconds West 310.88 feet to an
9-16 1/2 inch iron rod found for a corner of said boundary line described
9-17 in said Boundary Line Agreement;
9-18 THENCE North 00 degrees 17 minutes 43 seconds East a distance of
9-19 838.26 feet to the Place of BEGINNING and containing 324.64 acres of
9-20 land.

9-21 SECTION 3. (a) The legal notice of the intention to
9-22 introduce this Act, setting forth the general substance of this
9-23 Act, has been published as provided by law, and the notice and a
9-24 copy of this Act have been furnished to all persons, agencies,
9-25 officials, or entities to which they are required to be furnished
9-26 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
9-27 Government Code.

9-28 (b) The governor, one of the required recipients, has
9-29 submitted the notice and Act to the Texas Commission on
9-30 Environmental Quality.

9-31 (c) The Texas Commission on Environmental Quality has filed
9-32 its recommendations relating to this Act with the governor,
9-33 lieutenant governor, and speaker of the house of representatives
9-34 within the required time.

9-35 (d) All requirements of the constitution and laws of this
9-36 state and the rules and procedures of the legislature with respect
9-37 to the notice, introduction, and passage of this Act have been
9-38 fulfilled and accomplished.

9-39 SECTION 4. This Act takes effect September 1, 2019.

9-40

* * * * *