

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3051

By: Caldwell (Trey)

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9 COMMITTEE SUBSTITUTE

10 An Act relating to water; amending 82 O.S. 2011,
11 Sections 1324.2 and 1324.9, which relate to water
12 districts; modifying definitions; modifying certain
13 allowable charge; allowing certain monies to be used
14 for water sustainability assessments; and providing
15 an effective date.

16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 1. AMENDATORY 82 O.S. 2011, Section 1324.2, is
18 amended to read as follows:

19 Section 1324.2 As used in this act unless the context clearly
20 requires otherwise:

21 1. "District" means a public nonprofit water district, a public
22 nonprofit sewer district, a public nonprofit natural gas
23 distribution district or a nonprofit solid waste management district
24 or a district for the operation of all or a combination of

1 waterworks, sewage facilities, natural gas distribution facilities
2 and solid waste management systems, created pursuant to this act;

3 2. "Board" means the governing body of a district;

4 3. The terms "board of county commissioners" and "county clerk"
5 shall mean, respectively, the board of county commissioners and
6 county clerk of the county in which the greatest portion of the
7 territory of any proposed rural water district, rural sewer
8 district, rural natural gas distribution district or rural solid
9 waste management district is located;

10 4. "Corporation" means a not-for-profit corporation organized:

11 a. pursuant to the provisions of the Oklahoma General
12 Corporation Act for a purpose not involving pecuniary
13 gain to its shareholders or members, paying no
14 dividends or other pecuniary remuneration, directly or
15 indirectly to its shareholders or members as such and
16 having no capital stock, and

17 b. for the purpose of developing and providing rural
18 water supplies to serve rural residents-i

19 5. "Rural resident" means any natural person, firm,
20 partnership, association, corporation, business trust, federal
21 agency, state agency, state or political subdivision thereof,
22 municipality of ~~ten thousand (10,000)~~ twenty-five thousand (25,000)
23 persons or less, or any other legal entity, owning or having an
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1 interest in lands within the rural area located within the
2 boundaries of the district;

3 6. "Rural area" means any area lying outside the corporate
4 limits of any municipal corporation and includes any areas of open
5 country, unincorporated communities, and, with the consent of the
6 governing body thereof by ordinance duly adopted, may include the
7 area within the corporate limits of any municipality having a
8 population of less than ~~ten thousand (10,000)~~ twenty-five thousand
9 (25,000) persons according to the last ~~decennial census~~ Federal
10 Decennial Census, when said municipality is one of the petitioners
11 for creation of a district or for the annexation of additional
12 territory as provided by Section 1324.13 of this title; provided,
13 further, that when a water, sewer, natural gas or solid waste
14 management district is totally within the municipal city limits of a
15 city with ~~ten thousand (10,000)~~ a population of twenty-five thousand
16 (25,000) or less, the board of directors of the sewer, natural gas,
17 water or solid waste management district shall be the governing body
18 of the town. Provided, further, that when a city or town with a
19 population of ~~ten thousand (10,000)~~ twenty-five thousand (25,000) or
20 less receives the majority of its water from a rural water, natural
21 gas, sewer or solid waste management district, any resident of said
22 city or town shall be eligible to serve on the board of directors.
23 Provided, further, that areas lying within the corporate limits of
24 any municipality having a population of more than ~~ten thousand~~

1 ~~(10,000)~~ twenty-five thousand (25,000) persons according to the last
2 ~~decennial census~~ Federal Decennial Census may be included in a
3 water, sewer, natural gas or solid waste management district with
4 the consent of the governing body by ordinance duly adopted when
5 such water, sewer, natural gas or solid waste services are not and
6 cannot be provided in a reasonable time by other sources;

7 7. "Benefit unit" means a legal right to one service connection
8 to the district's facilities and to participate in the affairs of
9 the district;

10 8. "Participating member" means any rural resident who has
11 subscribed to one or more benefit units;

12 9. "Sewage facilities" means the necessary facilities of
13 collection, transportation, storage, treatment or processing and
14 disposal or release of sewage;

15 10. "Solid waste management system" means the entire process of
16 collection, transportation, storage, processing and disposal of
17 solid wastes;

18 11. "Water works" means the necessary facilities from the
19 initial source to the place for consumer utilization, and includes
20 supply, storage, treatment, transportation and distribution;

21 12. "Solid waste" means all putrescible and nonputrescible
22 refuse in solid or semisolid form including, but not limited to,
23 garbage, rubbish, ashes or incinerator residue, street refuse, dead
24 animals, demolition wastes, construction wastes, solid or semisolid

1 commercial and industrial wastes and hazardous wastes including
2 explosives, pathological wastes, chemical wastes, herbicide and
3 pesticide wastes; and

4 13. "Gas distribution facilities" means the necessary
5 facilities from the initial source to the place for consumer
6 utilization and includes supply, transportation and distribution.

7 SECTION 2. AMENDATORY 82 O.S. 2011, Section 1324.9, is
8 amended to read as follows:

9 Section 1324.9 A. The board of directors shall be the
10 governing body of the district and shall meet annually on a date
11 prescribed by the bylaws and at such other times as may be
12 determined by the board or upon call by the chair or any two members
13 of the board. Vacancies on the board shall be filled for the
14 unexpired term, and until such appointee's successor is elected and
15 has qualified, by appointment by the remaining members of the board.
16 The board shall adopt such rules in conformity with the provisions
17 of this act and the bylaws of the district as are deemed necessary
18 for the conduct of the business of the district. It shall be the
19 duty of the secretary to cause an entry to be made upon its records
20 showing all of its minutes, decisions and orders made pursuant to
21 the provisions of this act.

22 B. The district shall have the power to charge an amount, as
23 determined by the board and approved by the members of the district,
24 not to exceed ~~ten cents (\$0.10)~~ twenty cents (\$0.20) per one

1 thousand (1,000) gallons of water sold, to be included in the water
2 rates for the district and paid by the retail water consumers of the
3 district. The charge shall be approved by a majority vote of the
4 participating members of the district who are present at a regular
5 or special meeting, for which public notice has been given and the
6 issue is on the agenda and presented for a vote. The public notice
7 of the meeting and election shall state the amount of the proposed
8 fee, the intended purpose of the fee, and the entity or entities
9 which will receive the monies. If approved, the board shall
10 distribute the monies received from the charge to any entity or
11 entities, except for any entity that has statutory or regulatory
12 authority over any aspect of the district, selected by the board for
13 purposes that will assist or aid the board in the performance of its
14 duties for the district and which will benefit the area within the
15 district or the members of the district. The monies may also be
16 used to fund any water sustainability assessments that the district
17 participates in.

18 SECTION 3. This act shall become effective November 1, 2020.
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20 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND NATURAL RESOURCES,
21 dated 02/26/2020 - DO PASS, As Amended.
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