

SEP 02 2016 VTH

At 10:40 AM.
Velva L. Price, District Clerk

No. D-1 - GN -16 -415/

EX PARTE

SAN JACINTO
RIVER AUTHORITY

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

98 TH JUDICIAL DISTRICT

NOTICE OF PROCEEDINGS AND ORDER

The Court issues the following Notice of Proceedings and Order pursuant to Chapter 1205 of the Texas Government Code.

NOTICE IS HEREBY GIVEN to all persons who (i) reside in the territory of the San Jacinto River Authority (SJRA), (ii) own property located within the boundaries of the SJRA, or (iii) have or claim a right, title, or interest in any property or money to be affected by the proceedings described below, the issuance of the public securities or public security authorizations described below, including all actions or expenditures of funds, taken or made and/or proposed to be taken or made in connection with or affecting the securities described below. For purposes of this Notice of Proceedings and Order, the persons named in section sections (i), (ii), and (iii) above shall be referred to as the **Interest Parties**.

The SJRA is an agency and political subdivision of the State of Texas, being a conservation and reclamation district created and functioning under Article XVI, Section 59, of the Texas Constitution, pursuant to the provisions of Chapter 426, Acts of the 45th Texas Legislature, Regular Session, 1937, as amended (the **SJRA Act**). The SJRA is authorized by the SJRA Act and the general laws of the State of Texas, including but not limited to Chapter 1371, Texas Government Code, as amended, to issue revenue bonds. The SJRA has issued its Special Project Revenue Bonds (GRP Project), Series 2009, in the original aggregate principal amount of \$21,500,000; its Special Project Revenue Bonds (GRP Project), Series 2011, in the original aggregate principal amount of \$83,155,000; its Special Project Revenue Bonds (GRP Project), Series 2011A, in the original aggregate principal amount of \$67,470,000; its Special Project Revenue Bonds (GRP Project), Series 2012, in the original aggregate principal amount of \$175,000,000; Series 2012A, in the original aggregate principal amount of \$165,000,000; its Special Project Revenue Bonds (GRP Project), Series 2013, in the original aggregate principal amount of \$39,850,000; and its Special Project Revenue Bonds (GRP Project), Series 2016, in the original aggregate principal amount of \$2,305,000 (the **Bonds**), all for the purpose of paying for the costs related to the implementation of a Groundwater Reduction Plan (**GRP**), including the construction and operation of all facilities comprising the Lake Conroe Surface Water Treatment and Transmission System, the acquisition of lands and rights-of-way and equipment related thereto, and the legal, fiscal and engineering fees in connection therewith, and funding capitalized interest and a debt service reserve fund. The Bonds are payable from, and secured solely by a pledge of and lien on, net revenues derived from fees, rates and charges imposed and



collected by SJRA from water users (**Participants**) that have executed contracts (**GRP Contracts**) to join in the GRP.

The SJRA has filed an *in rem* action for declaratory judgment (the **Petition**) seeking, among other things, a declaration by this Court (a) that the SJRA is authorized to set rates for Participants pursuant to the procedures set forth in the GRP Contracts; (b) that the SJRA issued its fiscal year 2017 Rate Order, including the setting of its fiscal year 2017 rate, in accordance with the procedures set forth in the GRP Contracts; (c) that the SJRA's fiscal year 2017 rate, Rate Order, and the GRP Contracts, including the GRP Contract with the City of Conroe, Texas, are legal and valid; and (d) that said City's refusal to pay the fiscal year 2017 rate is illegal and invalid, and its failure to pay is a breach of the GRP Contract. A full description of the lawsuit and the relief sought is contained in the SJRA's Petition, *Ex Parte San Jacinto River Authority*, Cause No. D-1-6N-16-451, filed in the 98th Judicial District Court of Travis County, Texas.

IT IS HEREBY ORDERED and Notice is hereby given, that any interested party (any of the Interested Parties described above) may become a named party to these proceedings by pleading to the Petition on or before, and may appear for hearing and trial in the courtroom of the 201st Judicial District Court of Travis County, Texas at 10:00 a.m. on Monday, September 26, 2016 it being the first Monday after the expiration of 20 days from the date this Order is issued. After said date, Interested Parties may become named parties by intervention on leave of court.

IT IS FURTHER ORDERED that, at such hearing and trial, any Interested Parties desiring to do so may appear, and the Attorney General of Texas shall appear, and show cause why the prayers of the Petition of the SJRA filed in this action and generally described above should not be granted and the proceedings and public securities authorizations validated and confirmed as therein prayed. Be on further notice that, at such time, place, and date the Court will proceed to full and final hearing on the merits of all matters and prayers within the Petition of the SJRA.

SO ORDERED.

SIGNED this 2 day of September, 2016.

M. L. Price
DISTRICT JUDGE PRESIDING

I, VELVA L. PRICE, District Clerk, Travis County,
Texas, do hereby certify that this is a true and
correct copy as same appears of record in my
office. Witness my hand and seal of office
On September 2, 2016



Velva L. Price
VELVA L. PRICE
DISTRICT CLERK

By Deputy: KAH