

Bond Case Briefs

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PUBLIC CONTRACTS - TEXAS

San Jacinto River Authority v. City of Conroe

Supreme Court of Texas - April 12, 2024 - S.W.3d - 2024 WL 1590001

Private utilities filed suit against San Jacinto River Authority (SJRA), claiming breach of groundwater reduction plan (GRP contracts. SJRA filed counterclaims against utilities and third-party claims against cities, claiming breach of GRP contracts by failing to pay required water rates and pumpage fees for surface water sold to cities in order to transition from groundwater use to surface water use.

The 284th District Court granted cities' pleas to jurisdiction, asserting their statutory immunity had not been waived under Local Government Contract Claims Act, and dismissed SJRA's claims against cities. SJRA filed interlocutory appeal. The Beaumont Court of Appeals affirmed. SJRA petitioned for review.

The Supreme Court held that:

- In matter of first impression, contractual adjudication procedures made enforceable by Local Government Contract Claims Act are not limitations on Act's immunity waiver;
- Government Code provision stating that statutory prerequisites to suit were jurisdictional in suits against governmental entity did not apply;
- Pre-suit mediation procedures in GRP contracts did not apply; and
- GRP contracts stated essential terms so cities waived immunity.