

CHAPTER 780

H.B. No. 2488

An Act relating to the creation, administration, powers, duties, operation, and financing of the El Paso County Lower Valley Water District Authority.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. By virtue of Article XVI, Section 59, of the Texas Constitution a conservation and reclamation district is hereby created to be known as El Paso County Lower Valley Water District Authority (hereinafter called "authority"), which shall be a governmental agency and a body politic and corporate.

Sec. 2. The authority shall comprise all of the territory as follows:

Beginning at the most southerly point of the incorporated boundary of the City of El Paso, Texas, said point also being common to the United States Mexico boundary;

Thence, Northerly following along the existing city limits boundary a distance of 6.0 miles (approximately) to the North right-of-way line of U.S. Interstate 10;

Thence, Easterly following along the North right-of-way line of U.S. Interstate 10 a distance of .85 miles (approximately) to a point;

Thence, Northerly along the boundary of the Horizon Water District a distance of 1.2 miles (approximately) to a point on the common corner of W. J. Rand Survey 315 1/2 and C.D. Stewart Survey 317, 318 and 319;

Thence, West following along the boundary of the Horizon Water District along the common line of W.J. Rand Survey 315 1/2 and C.D. Stewart Survey 317 a distance of 1.0 mile to the common corner of O.A. Danielson Surveys 315 and 316, W.J. Rand Survey 315 1/2 and C.D. Stewart Survey 317;

Thence, North following along the boundary of the Horizon Water District along the common line of W.J. Rand Survey 315 1/2 and O.A. Danielson Survey 315 a distance of 1.0 mile to the common corner of O.A. Danielson Survey 312 and 315, W.J. Rand Survey 315 1/2 and Block 79, TSP 3, Section 17 of the T & P R.R. Surveys;

Thence, East following along the boundary of the Horizon Water District along the common line of W.J. Rand Survey 315 1/2 and Block 79, TSP 3, Section 17 of the T & P R.R. Surveys a distance of 1.0 mile to the common corner of Sections 17 and 18, Block 79, TSP 3 of the T & P R.R. Surveys, W.J. Rand Survey 315 1/2 and C.D. Stewart Survey 319;

Thence, North following along the boundary of the Horizon Water District along the common line of Sections 17 and 18, Block 79, TSP 3 of the T & P R.R. Surveys a distance of 1.0 miles to the common corner of Sections 15, 16, 17 and 18, Block 79, TSP 3 of the T & P R.R. Surveys; Thence, East following along the boundary of the Horizon Water District along the common line of Sections 15 and 18, Block 79, TSP 3 of the T & P R.R. Surveys a distance of 1.0 mile to the common corner of Sections 14, 15, 18 and 19, Block 79, TSP 3 of the T & P R.R. Surveys; Thence, South following along the boundary of the Horizon Water District along the common line of Sections 18 and 19, Block 79, TSP 3 of the T & P R.R. Surveys a distance of 1.0 mile to the common corner of Sections 18, 19 and 22 of the T & P R.R. Surveys and C.D. Stewart Survey 319;

Thence, East following along the boundary of the Horizon Water District along the common line of Sections 19 and 22, Block 79, TSP 3 of the T & P R.R. Surveys a distance of 1.0 mile to the common corner of Sections 19, 20, 21 and 22, Block 79, TSP 3 of the T & P R.R. Surveys; Thence, South following along the boundary of the Horizon Water District along the common line of Sections of 21 and 22, Block 79, TSP 3 of the T & P R.R. Surveys a distance of .5 mile to a point;

Thence, West following along the boundary of the Horizon Water District a distance of .5 mile (approximately) to a point;

Thence, South following along the boundary of the Horizon Water District a distance of .5 mile (approximately) to the common line of Section 22, Block 79, TSP 3 of the T & P R.R. Surveys and C.D. Stewart Survey 320;

Thence, East following along the boundary of the Horizon Water District and the common line of Section 22, Block 79, TSP 3 of the T & P R.R. Surveys and C.D. Stewart Survey 320 a distance of .5 mile (approximately) to the common corner of Sections 21 and 22, Block 79, TSP 3 of the T & P R.R. Surveys, C.D. Stewart 320 and W.J. Rand Survey 325;

Thence, South following along the boundary of the Horizon Water District and the common line of C.D. Stewart Survey 320 and W.J. Rand Survey 325 a distance of 1.0 mile to the common corner of C.D. Stewart Surveys 320, 321, 322 and W.J. Rand Survey 325;

Thence, West following along the boundary of the Horizon Water District and also being the common line of C.D. Stewart Surveys 320 and 322 a distance of 1.0 mile to the common corner of C.D. Stewart Surveys 318, 320, 322 and 323;

Thence, South following the boundary of the Horizon Water District and also being the common line of C.D. Stewart Surveys 322 and 323 a distance of 1.0 mile to the common corner of C.D. Stewart Surveys 322, 323 and Leigh Clark Surveys 292 and 293;

Thence, East following the boundary of the Horizon Water District and also being the common line of C.D. Stewart Survey 322 and Leigh Clark Survey 292 a distance of 1.0 mile to the common corner of C.D. Stewart Surveys 321, 322 and Leigh Clark Survey 291 and 292;

Thence, South following the boundary of the Horizon Water District and also being the common line of Leigh Clark Surveys 291 and 292 a distance of 1.0 mile to the common corner of Leigh Clark Surveys 291, 292, 295 and 296;

Thence, West following the boundary of the Horizon Water District and also being the common line of Leigh Clark Surveys 292 and 295 a distance of 1.0 mile to the common corner of Leigh Clark Surveys 292, 293, 294 and 295;

Thence, South following the boundary of the Horizon Water District and also being the common line of Leigh Clark Surveys 294 and 295 a distance of 1.0 mile to the common corner of Leigh Clark Surveys 294 and 295;

Thence, East following the boundary of the Horizon Water District and being the common section lines of several surveys a distance of 6.0 miles to the common corner of Sections 2, 3, 8 and 9, Block 78, TSP 4 of the T & P R.R. Surveys;

Thence, North following the boundary of the Horizon Water District and being the common line of Sections 2 and 3, Block 78, TSP 4 of the T & P R.R. Surveys a distance of 1.0 mile to the common corner of Sections 46 and 47, Block 78, TSP 3 and Sections 2 and 3, Block 78, TSP 4 of the T & P R.R. Surveys;

Thence, East following the boundary of the Horizon Water District and being the common section lines of several surveys a distance of 6.0 miles to the common corner of Sections 46 and 47, Block 77, TSP 3 and Sections 2 and 3, Block 77, TSP 4 of the T & P R.R. Surveys;

Thence, South following along the boundary of the Horizon Water District and being the common line of Sections 2 and 3, Block 77, TSP 4 of the T & P R.R. Surveys, a distance of one mile to the common corner of Sections 2, 3, 10 and 11, Block 77, TSP 4 of the T & P R.R. Surveys;

Thence, East following along the boundary of the Horizon Water District and being the common line of Sections 2 and 11, Block 77, TSP 4 of the T & P R.R. Surveys a distance of 1.0 mile to the common corners of Sections 1, 2, 11 and 12, Block 77, TSP 4 of the T & P R.R. Surveys;

Thence South following along the boundary of the Horizon Water District and being the common line of Sections 11 and 12, Block 77, TSP 4 of the T & P R.R. Surveys a distance of 1.0 mile to the common corners of Sections 11, 12, 13 and 14, Block 77, TSP 4 of the T & P R.R. Surveys;

Thence, East following along the boundary of the Horizon Water District and being the common line of Sections 12 and 13, Block 77, TSP 4 of the T & P R.R. Surveys a distance of 1.0 mile to the common line of El Paso County and Hudspeth County;

Thence along said county line, South 11 miles to a point, said point being common to the NE corner of Survey No. 350 and the NW corner of Survey No. 349;

Thence continuing along the Hudspeth - El Paso County line, East 2.0 miles to a point, said point marking the NE corner of Survey No. 348;

Thence continuing along the Hudspeth - El Paso County line, South 4.0 miles to a point; Thence continuing along the Hudspeth - El Paso County line, East 0.25 miles to the most easterly corner of Survey No. 362;

Thence continuing along the Hudspeth - El Paso County line, South 45°06' West, 3.2 miles to a point on the United States - Mexico international boundary and as defined by the rectified Rio Grande river channel;

Thence following along said international boundary line in a northwesterly direction, 28 miles (approximately) to the point of beginning of this description. Save and except the existing areas encompassed by the following incorporated entities; 1) City of Clint, Texas, 2) El Paso County Water Authority (Horizon), 3) Fabens Water Control and Water Improvement District No. 4, 4) Tornillo Water Supply Corporation, 5) Haciendas Del Norte Water Improvement District, 6) San Elizario Municipal Utility District, and 7) Cuadrilla Water Improvement Corporation; and A parcel of land continuing 5 square miles in the county of El Paso, Texas and being more particularly described as follows: Sections 16 and 18 in Block 78, Township 2, T & P RR Survey, El Paso County, Texas Section 48, Block 79, Township 2, T & P RR Survey, El Paso County, Texas Section 2 and 10, Block 79, Township 3, T & P RR Survey, El Paso County, Texas. It is hereby found that all of the land thus included in said authority will be benefited by the improvements to be acquired and constructed by the authority.

SECTION 2A. If the Homestead Municipal Utility District No. 1 or Homestead Municipal Utility District No. 2 is established by Act of the 69th Legislature, Regular Session, 1985, and receives the required subsequent approval of the qualified voters at a confirmation election, the territory of the approved district is excluded from the boundaries of the El Paso County Lower Valley Water District Authority.

SECTION 2B. Before the authority is created, a confirmation election must be called and held within the boundaries of the proposed authority in accordance with Sections 54.026 through 54.029, Water Code. Creation of the authority must be approved by a majority of the qualified voters of the proposed authority voting at the election. The requirement in Section 54.026, Water Code, for a simultaneous director election does not apply.

SECTION 3. (a) The authority shall be governed by, and all powers of the authority shall be exercised by a board of seven directors. The position numbers for the initial members of the board of directors, their names, and the dates of the end of their respective terms shall be as follows:

<i>NAME OF DIRECTOR</i>	<i>END OF TERM</i>
1. Hector Alarcon	First Saturday in April, 1987
2. Dale Jones	First Saturday in April, 1987
3. William Lovelady	First Saturday in April, 1987
4. Richard Ortiz	First Saturday in April, 1987
5. Maria del Socorro Ramirez	First Saturday in April, 1988
6. William Skov	First Saturday in April, 1988
7. Jose Luis Loya	First Saturday in April, 1988.

(b) On the first day in April in each year beginning with 1987, an election shall be held in the authority for the election of directors. Four directors shall be elected in each odd-numbered year and three directors shall be elected in each even-numbered year. With the exception of the initial directors, each director shall serve for a term of two years. In the event of a vacancy or vacancies in the office of director, the remaining members of the board of directors at a regular or special meeting may appoint a director or directors to serve for the unexpired term or terms.

(c) Notice of elections shall be given by the board of directors by publishing a copy thereof once a week for two consecutive weeks in a newspaper of general circulation in the authority, the first publication being at least 14 days prior to the election.

(d) Each director shall serve for his term of office as herein provided, and thereafter until his successor shall be appointed or elected and qualified. No person shall be qualified to serve as a director unless he resides in and owns taxable property in the authority. No employee of the authority shall serve as director. Such directors shall subscribe the constitutional oath of office, and each shall give bond for the faithful performance of his duties in the amount of \$5,000, the cost of which shall be paid by the authority.

(e) The board may establish regular meetings to conduct authority business and may hold special meetings at other times as the business of the authority requires. The board shall hold its meetings within the authority unless the board, by a majority vote at a public meeting, votes to hold a meeting or meetings outside the authority.

(f) A majority of the directors shall constitute a quorum of the board. A vote of a majority of the quorum present shall be necessary to pass on any question before the board. The board may adopt bylaws to govern its affairs. The board shall adopt a seal for the authority. The board may provide in the bylaws that each director shall receive a fee of \$20 for attending each meeting of the board, provided that not more than \$40 shall be paid to any director for meetings held in any one calendar month. Such bylaws may provide that each director shall also be entitled to receive \$20 per day devoted to the business of the authority and to reimbursement for actual expenses incurred in attending to authority business provided that such service and expenses are expressly approved by the board.

(g) If the board determines that in order to ensure fair representation it would be in the best interest of the people of the El Paso County Lower Valley Water District Authority to change the method by which directors are elected, then the board may adopt any plan of redistricting, including a plan based on equal geographical areas, that is in conformity with the laws and constitutions of both Texas and the United States.

SECTION 3A. At the time this Act takes effect, the following persons shall constitute the temporary board of directors of the authority:

- (1) Jeraldine Baldwin
- (2) Dale Jones
- (3) William Lovelady
- (4) Richard Ortiz
- (5) Maria del Socorro Ramirez
- (6) William Skov
- (7) Robert C. Wilson.

SECTION 4. (a) The board of directors shall elect from its members a president and a vice-president of the authority, and such other officers as in the judgment of the board are necessary. The president shall be the chief executive officer of the authority and the presiding officer of the board and shall have the same right to vote as any other director. The vice-president shall perform all duties and exercise all powers conferred by this Act upon the president when the president is absent or fails or declines to act. The board shall also appoint a secretary and a treasurer who may or may not be members of the board, and it may combine such offices. The treasurer shall give bond in such amount as may be required by the board of directors, but in no event less than \$100,000. The condition of such bond shall be that he will faithfully account for all money which shall come into his custody as treasurer of the authority. Until the authority shall have authorized the issuance of bonds, the amount of the official bond of the treasurer may be fixed by the board of directors in any amount not less than \$5,000.

(b) The board shall have authority to employ a general manager and all consulting engineers, financial consultants, attorneys, and auditors.

SECTION 5. Other territory may be included in the authority as provided in Sections 6, 7, and 8 of this Act.

SECTION 6. (a) The owner or owners of land contiguous to the authority or otherwise may file with the board a petition requesting that there be included in the authority the land described in the petition by metes and bounds or by lot and block number if there is a recorded plat of the area to be included in the authority.

(b) The petition of the landowner or landowners to add land to the authority shall be signed and executed in the manner provided by law for the conveyance of real estate.

(c) The board shall hear and consider the petition and may add to the authority the land described in the petition if it is considered to be to the advantage of the authority and if the water system and other improvements of the authority are sufficient or will be sufficient to supply the added land without injuring land already in the authority.

SECTION 7. (a) A petition requesting the annexation of a defined area shall be filed with the secretary of the board, and shall be signed by a majority in value of the owners of land in the defined area, as shown by the tax rolls of the county or counties in which such area is located, or signed by 50 landowners if the number of landowners in such defined area is more than 50.

(b) It shall be the duty of the board to pass an order fixing a time and place at which the petition for annexation shall be heard which shall not be less than 30 days from the day of the order calling the hearing.

(c) The secretary shall issue a notice setting forth the time and place of the hearing and describing the area proposed to be annexed. Notice of the hearing shall be given by posting copies of the notice in three public places in the authority, and in one public place in the area proposed to be annexed for at least 14 days before the day of the hearing and by publishing a copy of the notice in a newspaper of general circulation in the county or counties in which the area proposed to be annexed is located one time at least 14 days before the day of the hearing.

(d) If upon the hearing of the petition it is found by the board that the proposed annexation of the area to the authority is feasible and practicable and would be of benefit both to the area and to the authority, then the board, by order entered in its minutes describing such area, may receive the proposed area as an addition to and to become a part of the authority. The order adding the proposed territory to the authority need not include all of the land described in the petition, if on the hearing a modification or change is found necessary or desirable by the board.

SECTION 8. (a) A copy of the order adding or annexing land to the authority, signed by a majority of the members of the board and attested by the secretary of the board, shall be filed and recorded in the deed records of the county or counties in which the authority is located if the land is finally annexed to the authority.

(b) After the order is recorded, the area shall be a component part of the authority.

SECTION 9. The authority is authorized to acquire water appropriation permits, construction permits and other permits directly from the Texas Water Commission or from owners of permits. The authority is also authorized to acquire water or a water supply from any person, firm, corporation, or public agency, the State of Texas, or from the United States government or any of its agencies. The authority may, within the discretion of its board of directors, contract with one or more substantial users of water to acquire such water supply on an agreed allocation of storage space as between authority and such user, or may contract independently for the authority's water supply. The authority is authorized to collect, transport, process, dispose of, and control all domestic, industrial, or communal wastes, whether in fluid, solid, or composite state.

SECTION 9A. The authority shall adopt and implement a program of water conservation consistent with rules and criteria duly adopted and enforceable by the Texas Department of Water Resources for similarly situated districts in the region. A program of water conservation means the practices, techniques, and technologies which will reduce the consumption of water, reduce the loss or waste of water, improve efficiency in the use of water, or increase the recycling and reuse of water so that a water supply is made available for future uses.

SECTION 10. The authority is authorized to purchase, construct, acquire, own, lease, operate, maintain, repair, improve, and extend inside and outside its boundaries, at any location whatsoever, in the sole discretion of the authority, land and any interest in land, any and all works, improvements, facilities, plants, equipment, and appliances incident, helpful, or necessary to provide for (1) the control, storage, preservation, transmission, treatment, and distribution and use of storm water and floodwater, the water of rivers and streams, and underground water, for municipal, domestic, industrial, and other beneficial uses, and (2) the collection, transportation, processing, disposition, and control of domestic, industrial, or commercial wastes. The authority shall have the authority to enter into any contract with any person, firm, corporation, city, district, public agency, or other political subdivision and to perform any other act consistent with the powers herein granted to carry out any such power.

SECTION 11. For the purpose of carrying out any power or authority conferred by this Act the authority shall have the right to acquire land and easements within and without the authority (including land above the probable high water line around any impounding or diversion reservoir) by condemnation in the manner provided by Chapter 21, Property Code, relating to eminent domain. The authority is hereby declared to be a political subdivision of the State of Texas within the meaning of Chapter 21, Property Code. The amount of and character of interest in land and easements thus to be acquired shall be determined by the board of directors; provided, however, that as against persons, firms, and corporations, or receivers or trustees thereof, who have the power of eminent domain, the fee title may not be condemned, but the authority may condemn only an easement.

SECTION 12. In the event that the authority, in the exercise of the power of eminent domain or power of relocation, or any other power granted hereunder, makes necessary the relocation, raising, rerouting or changing the grade of, or altering the construction of any highway, railroad, electric transmission line, pipeline, canal, or drainage ditch, all such necessary relocation, raising, rerouting, changing of grade, or alteration of construction shall be accomplished at the sole expense of the authority, unless otherwise agreed upon in writing by interested parties.

SECTION 13. Any construction contract requiring an expenditure of more than \$12,500 shall be made after publication of a notice to bidders once each week for a minimum of two weeks before awarding the contract. Such notice shall be sufficient if it states the time and place when and where the bids will be opened, the general nature of the work to be done, or the material, equipment, or supplies to be purchased, and states where and the terms upon which copies of the plans and specifications may be obtained. The publication shall be in a newspaper of general circulation published in the authority and designated by the board of directors. It shall not be necessary to advertise work to be performed in an emergency situation.

SECTION 14. The authority may adopt and enforce reasonable rules and regulations to:

- (1) secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of its sanitary sewer system;
- (2) preserve the sanitary condition of all water controlled by the authority;
- (3) prevent waste or the unauthorized use of water controlled by the authority; and
- (4) regulate privileges on any land or any easement owned or controlled by the authority.

The board shall publish once a week for two consecutive weeks a substantive statement of the rules and the penalty for their violation in one or more newspapers with general circulation in the area in which the authority is located.

After such publication, rules adopted by the authority under this section shall be recognized by the courts as if they were penal ordinances of a city. The substantive statement shall be condensed as far as possible to intelligently explain the purpose to be accomplished or the act forbidden by the rules. The notice must advise that breach of the rules will subject the violator to a penalty and that the full text of the rules is on file in the principal office of the authority where they may be read by any interested person. Any number of rules may be included in one notice.

The penalty for violation of a rule is not effective and enforceable until five days after the publication of the notice. Five days after the publication, the published rule shall be in effect, and ignorance of it is not a defense to a prosecution for the enforcement of the penalty. The board may set reasonable penalties for the breach of any rule of the authority, which shall not exceed fines of more than \$200 or imprisonment for more than 30 days or both. These penalties shall be in addition to any other penalties provided by the laws of the state and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the authority's principal office is located.

SECTION 15. The authority shall be empowered to apply for and receive grants from the federal government or the state government or any agencies thereof, for the purposes of carrying out one or more of its powers.

SECTION 16. (a) For the purpose of carrying out any power or authority conferred by this Act, the authority may issue its bonds or other obligations in three general classes:

- (1) secured by ad valorem taxes;
- (2) secured by a pledge of all or part of the revenues accruing to the authority, including without limitation those received from sale of water or other products, rendition of service, tolls, charges, and from all other sources other than ad valorem taxes; and
- (3) secured by a combination pledge of all or part of the revenues described in Subdivision (2) of this subsection, and taxes.

(b) The obligations shall be authorized by resolution of the board and shall be issued in the name of the authority, shall be signed by the president or any vice-president, shall be attested by the secretary, and shall bear the seal of the authority. If authorized by the board, the signatures of the president, or any vice-president, and the secretary or of both may be printed or lithographed on the obligations, and the seal of the authority may be impressed on the obligations or may be printed or lithographed on the obligations. The obligations shall be in the form prescribed by the board, shall be in any denomination or denominations, shall mature serially or otherwise in not to exceed 50 years from their date, shall bear any interest, and may be sold at a price and under terms determined by the board to be the most advantageous reasonably obtainable, and within the discretion of the board, may be made callable prior to maturity at the times and prices prescribed in the obligations, and may be made registrable as to principal or as to both principal and interest. The obligations may be further secured by an indenture of trust with a corporate trustee.

(c) Obligations may be issued in more than one series, and from time to time, as required for carrying out the purposes of this Act. Any pledge of revenue may reserve the right, under conditions therein specified, to issue additional obligations which will be on a parity with or subordinate to the obligations then being issued.

(d) The authority is an "issuer" for the purpose of definitions in Chapter 656, Acts of the 68th Legislature, Regular Session, 1983 (Article 717q, Vernon's Texas Civil Statutes), and all the provisions of Chapter 656, Acts of the 68th Legislature, Regular Session, 1983 (Article 717q, Vernon's Texas Civil Statutes), as they now exist and as they hereinafter may be amended, are applicable to the authority.

(e) The resolution authorizing the obligations or the trust indenture further securing the obligations may specify additional provisions which shall constitute a contract between the authority and the owners of such obligations. The board shall have full discretion in providing for the additional provisions, including the authority to provide for a corporate trustee or receiver to take possession of facilities of the authority in the event of default on the part of the authority in fulfilling the covenants therein made.

SECTION 17. The authority may issue refunding bonds to refund outstanding obligations issued under this Act. The refunding bonds may be issued without having been authorized at an election. Refunding bonds may be issued by the authority as provided by Chapter 503, Acts of the 54th Legislature, Regular Session, 1955 (Article 717k, Vernon's Texas Civil Statutes) and Chapter 784, Acts of the 61st Legislature, Regular Session, 1969 (Article 717k-3, Vernon's Texas Civil Statutes). Obligations issued at any time by the authority also may be refunded in the manner provided by any other applicable law.

SECTION 18. (a) The board may levy and collect ad valorem taxes for the maintenance of the authority and its improvements or for administrative expenses of the authority, or for both purposes, in such amounts as are voted in accordance with this Act.

(b) The maintenance tax and administration tax shall not exceed the maximum rate voted, and the authorized rate shall remain in effect until or unless changed by subsequent vote.

SECTION 19. No ad valorem tax for any purpose authorized in this Act may be levied or collected and no obligations payable wholly or partially from ad valorem taxes, except refunding bonds, may be issued unless an election is held in the authority and the taxes or obligations are duly and favorably voted by a majority of the resident electors of the authority voting at the election. Each election shall be called by resolution of the board. The election resolution shall set forth the date of the election, the proposition to be submitted and voted on, the polling places, and any other matters considered advisable by the board. There shall be at least two polling places in each county which lies wholly inside the authority, one of which shall be at the county seat. There shall be at least one polling place in that part of each county which lies partly inside the authority. Notice of the election shall be given by publishing a substantial copy of the resolution calling the election in a newspaper or newspapers of general circulation in the authority not less than twice in each newspaper, with the interval between the publications to be at least one week, and with the first of each of the publications to be at least 14 days prior to the date set for the election. To the extent not inconsistent with the provisions hereof, the elections herein provided for shall be held in accordance with the provisions of the Texas Election Code.

SECTION 20. (a) The rendition and assessment of property for taxation, the equalization of values, and the collection of taxes for the benefit of the authority shall be in accordance with the law applicable to counties, insofar as such law can be made applicable, and except as hereinafter specifically provided.

(b) The tax assessor-collector of each county shall act as the tax assessor-collector for the authority for property in the authority located in such county. It shall be the duty of the tax assessor-collector in each such county to cause to be placed on the county tax rolls the additional column or columns needed to show the taxes levied by the authority and the amount thereof, based on the value of such property as approved and equalized. The fee of each county tax assessor-collector for assessing and collecting taxes shall be one percent of the taxes collected, to be paid over and disbursed in each county as are other fees of office.

(c) All the laws for the enforcement of state and county taxes shall be available to the authority. The authority shall have the right to cause the officers of each county to enforce and collect the taxes due to the authority in that county, as provided in the law for the enforcement of state and county taxes.

(d) Taxes assessed and levied for the benefit of the authority shall be payable and shall become delinquent at the same time, in the same manner, and subject to the same discount for advance payment as taxes levied by and for the benefit of the county in which the property is taxable. The fee for collecting delinquent taxes through prosecution of suit shall be 15 percent of the taxes collected by the suit, to be paid over and disbursed in each county as are other fees of office.

(e) Concurrently with the levy of county taxes by the commissioners courts, the board shall levy the tax on all taxable property in the authority which is subject to such taxation and shall immediately certify the tax rate to the tax assessors-collectors of the counties which lie inside the authority.

SECTION 21. The authority may issue bond anticipation notes from time to time for the purpose of carrying out any one or more of its powers. Such bond anticipation notes may or may not be secured by a pledge of all or part of revenues of the authority. The authority may from time to time authorize the issuance of bonds for the purpose of providing proceeds to pay the principal of and interest on bond anticipation notes. Such bonds shall be secured by a pledge of all or part of the revenues of the authority, and may be issued on a parity with or subordinate to outstanding bonds of the issuer. If the resolution or trust agreement authorizing the issuance of bond anticipation notes contains a covenant to the effect that such notes shall be payable from the proceeds of the subsequently issued bonds, it shall not be necessary to demonstrate for the purposes of receiving the approval of the attorney general or registration by the comptroller that

the revenues that may be pledged to such notes will be sufficient to pay the principal of and interest on the notes.

SECTION 22. The authority may issue refunding bonds to refund outstanding bonds or notes issued under this Act. The refunding bonds may be issued without having been authorized at an election. Refunding bonds may be issued by the authority as provided by Chapter 503, Acts of the 54th Legislature, Regular Session, 1955 (Article 717k, Vernon's Texas Civil Statutes) and Chapter 784, Acts of the 61st Legislature, Regular Session, 1969 (Article 717k-3, Vernon's Texas Civil Statutes). Bonds and notes issued at any time by the authority also may be refunded in the manner provided by any other applicable law.

SECTION 23. All bonds and bond anticipation notes issued pursuant to this Act and the appropriate proceedings authorizing their issuance shall be submitted to the attorney general of the State of Texas for examination. If the bonds and bond anticipation notes recite that they are secured by a pledge of revenues of any contract, a copy of such contract and the proceedings relating thereto may be submitted to the attorney general. If he finds that such bonds or bond anticipation notes, as the case may be, have been authorized in accordance with law, and, if submitted, such contract has been made in accordance with law, he shall approve the bonds or bond anticipation notes and, if submitted, any such contract, and thereupon the bonds and bond anticipation notes shall be registered by the comptroller of public accounts of the State of Texas; and after such approval and registration, such bonds and bond anticipation notes and any such contract shall be incontestable in any court or other forum for any reason, and shall be valid and binding obligations in accordance with their terms for all purposes.

SECTION 24. The authority is authorized to enter into contracts with the State of Texas, cities and districts organized pursuant to Article XVI, Section 59, of the Texas Constitution, and others for supplying to them water or providing services pertaining to domestic, industrial, or commercial wastes. The authority is also authorized to contract with any city, district, or other person for the rental or leasing of, or for the operation of the water production, water supply, water filtration, or purification and water supply facilities and facilities for providing services pertaining to such wastes of such city, such district, or other person upon such consideration as the authority and the city, the district, or other person may agree. Any such contract may be upon such terms and for such time as the parties may agree, and it may provide that it shall continue in effect until bonds or notes specified therein and refunding bonds issued in lieu of such bonds or notes are paid. All such cities and districts are authorized to enter into such contracts with the authority and to fix, charge, and collect fees, rates, charges, rentals, and other amounts for any service or facilities provided pursuant to or in connection with any contract with this authority, and to pledge such amounts sufficient to make all payments required under the contract.

SECTION 25. The board of directors shall designate one or more banks within the authority to serve as depository or depositories for the funds of the authority. All funds of the authority shall be deposited in such depository bank or banks, except that funds pledged to pay bonds or notes may be deposited with trustee banks named in the trust agreement or bond or note resolution, and except that funds shall be remitted to the bank of payment for the payment of principal of and interest on bonds and notes. To the extent that funds in the depository banks and a trustee bank are not insured by the Federal Deposit Insurance Corporation they shall be secured in the manner provided by law for the security of county funds; or the resolution or trust agreement, or both, securing the bonds or notes, may require that any or all of such funds be secured by obligations of or unconditionally guaranteed by the United States government.

SECTION 26. All bonds and notes of the authority shall be and are hereby declared to be legal and authorized investments for banks, savings banks, trust companies, savings and loan associations, insurance companies, fiduciaries, trustees, guardians, and for the sinking funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the State of Texas. Such bonds and notes shall be eligible to secure the deposit of any and all public funds of the State of Texas, and any and all public funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the State of Texas; and such bonds shall be lawful and sufficient security for said deposits to the extent of their value.

SECTION 27. The accomplishment of the purposes stated in this Act being for the benefit of the people of this state and for the improvement of their properties and industries, the authority in carrying out the purposes of this Act will be performing an essential public function under the constitution and shall not be required to pay any tax or assessment on the project or any part thereof, and the bonds or notes issued hereunder and their transfer and the income therefrom, including the profits made on the sale thereof, shall at all times be free from taxation within this state.

SECTION 28. The board of directors of the authority shall have the power to adopt and promulgate all reasonable regulations (1) to secure, maintain, and preserve the sanitary condition of all water in and to flow into any reservoir owned by the authority, or which by contract or otherwise it may control, to prevent waste of water or the unauthorized use thereof, to regulate residence, hunting, fishing, boating, and camping, and all recreational and business privileges, along or around any such reservoir or any body of land, canal, ditch, or easement owned or controlled by the authority, and (2) to ensure the public health of the recipients of water from the authority's facilities.

SECTION 29. Proof that the publication and the giving of the constitutional notices required in the enactment hereof under the provisions of Article XVI, Sections 59(d) and (e), of the Texas Constitution have been made in the manner provided therein and copies of said notices and the bill as originally introduced have been delivered to the governor of the State of Texas and others as required in such constitutional provisions, and such notices and deliveries are hereby found and declared to be proper and sufficient to satisfy such requirements.

SECTION 30. If any word, phrase, clause, sentence, paragraph, section, or other part of this Act or the application thereof to any person or circumstance shall ever be held to be invalid or unconstitutional by a court of competent jurisdiction in this state, the remainder of the Act and application of such word, phrase, clause, sentence, paragraph, section, or other part of this Act to other persons or circumstances shall not be affected thereby.

SECTION 31. The fact that the region to be served by the proposed facilities of the authority is in urgent need of such facilities creates an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after the date of its passage, and it is so enacted.

Passed by the House on May 24, 1985, by a non-record vote; House concurred in Senate amendments to H.B. No. 2488 on May 27, 1985, by a non-record vote; and, pursuant to the provisions of Article XVI, Section 59(d) of the Constitution of Texas, a copy of H.B. No. 2488 was transmitted to the Governor on May 6, 1985, and the recommendation of the Texas Water Commission was filed with the Speaker of the House on May 27, 1985; passed by the Senate, with amendments, on May 26, 1985, by the following vote: Yeas 31, Nays 0.

Approved: June 14, 1985

Effective: August 26, 1985