

CHAPTER 870

H.B. No. 829

AN ACT

relating to the creation, administration, powers, duties, operations, financing, authority to issue bonds and levy taxes, eminent domain authority, and organization of the Red River County Water District.

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

SECTION 1. CREATION; LEGISLATIVE DECLARATION. Pursuant to Article XVI, Section 59, of the Texas Constitution, a conservation and reclamation district is created in Red River County, to be known as "Red River County Water District," which shall be a governmental agency and a body politic and corporate.

SECTION 2. DEFINITIONS. In this Act:

(1) "District" means the Red River County Water District.

(2) "Board" means the board of directors of the district.

(3) "County" means Red River County.

SECTION 3. BOUNDARIES. (a) The district shall include all of the territory located within the boundaries of Red River County, with the district's boundaries being coterminous with the boundaries of the county, as those boundaries existed on January 1, 1987.

(b) It is provided, however, that no invalidity in the fixing of the boundaries affects the boundaries of the territory included in the district.

SECTION 4. FINDING OF BENEFIT. The legislature finds that all of the land and other property included within the boundaries of the district will be benefited by the works and projects that are to be accomplished by the district under powers conferred by Article XVI, Section 59, of the Texas Constitution and that the district is created to serve a public use and benefit.

SECTION 5. CONFIRMATION ELECTION. (a) The district shall hold a confirmation election to approve the creation of the district.

(b) The initial board of directors of the district must conduct the confirmation election in accordance with Sections 54.026 through 54.029 of the Water Code.

(c) The initial board of directors may submit at the confirmation election a proposition for the issuance of bonds and a proposition for a maintenance tax.

(d) This election may be held on any date selected by the board.

SECTION 6. APPOINTMENT AND ELECTION OF DIRECTORS. (a) On the effective date of this Act the following persons shall take office for the designated places and shall serve as the temporary board of directors of the proposed district:

- (1) Edward Hausler, Place No. 1
- (2) George Beaman, Place No. 2
- (3) Alfred G. Puckett, Place No. 3
- (4) James W. Vaughan, Jr., Place No. 4
- (5) W. C. Covington, Place No. 5
- (6) Tommy VanDeaver, Place No. 6
- (7) Harley Bridges, Place No. 7
- (8) Don Cole, Place No. 8
- (9) Travis Hale, Place No. 9

(b) The initial directors for places 1, 3, 5, 7, and 9 shall serve until the first regular meeting of the board following the third Saturday in May 1988 and the initial directors for places 2, 4, 6, and 8 shall serve until the first regular meeting of the board following the third Saturday in May 1989.

(c) On expiration of the terms of office for the initial directors for places 1 through 6, the appointment of the successor directors shall be as follows:

- (1) the director for Place No. 1 shall be appointed by the governing body of the city of Annona;
- (2) the director for Place No. 2 shall be appointed by the governing body of the city of Avery;
- (3) the director for Place No. 3 shall be appointed by the governing body of the city of Bogata;
- (4) the director for Place No. 4 shall be appointed by the governing body of the city of Clarksville;
- (5) the director for Place No. 5 shall be appointed by the governing body of the city of Detroit; and
- (6) the director for Place No. 6 shall be appointed by the governing body of the Red River County Water Supply Corporation.

(d) On the expiration of the terms of office for the initial directors for places 7, 8, and 9, the successors shall be elected as follows:

(1) the director for Place No. 7 shall be elected by the voters of county commissioners precincts 1 and 2 at elections held on the third Saturday in May of even-numbered years;

(2) the director for Place No. 8 shall be elected by the voters of county commissioners precincts 3 and 4 at elections held on the third Saturday in May of odd-numbered years; and

(3) the director for Place No. 9 shall be elected by the voters of Red River County at elections held on the third Saturday in May of even-numbered years.

(e) Each director for places 1 through 6 is eligible for reappointment, and each director for places 7 through 9 is eligible to run for reelection.

**SECTION 7. TERM OF OFFICE.** Except for the initial directors, a director shall hold office for a term of two years and shall serve until a successor is elected or appointed and has qualified.

**SECTION 8. VACANCY ON BOARD.** A vacancy on the board shall be filled by appointment by the remaining members of the board until the next election or appointment of directors of the district, and the person appointed serves for the remainder of the unexpired term.

**SECTION 9. ELECTION PROCEDURE.** (a) The directors shall publish notice of an election for directors once a week for two consecutive weeks in a newspaper with general circulation in the district.

(b) A person who desires to have his name printed on the ballot at the directors' election shall file a petition signed by the candidate or at least 10 qualified voters with the secretary of the board of directors at least 30 days before the date of the election.

**SECTION 10. QUALIFICATION OF DIRECTORS.** To serve as a director, a person must be a resident of the area within the boundaries of the district and a qualified voter.

**SECTION 11. REMOVAL OF DIRECTORS.** A director may be removed from office by the board for misfeasance, malfeasance, or wilful neglect of duty, but only after reasonable notice and public hearing, unless the notice and public hearing are expressly waived in writing.

**SECTION 12. OATH.** Each director shall take the oath of office.

**SECTION 13. COMPENSATION.** A director is not entitled to receive any compensation of office, but a director is entitled to reimbursement for actual expenses incurred in performing the duties of the office, to the extent authorized and permitted by the board.

**SECTION 14. ORGANIZATION OF BOARD.** (a) After the initial directors have been appointed and at the first meeting of the board in May of each year, or at any time necessary to fill a vacancy, the board shall hold a regular meeting and shall organize by electing a president, vice-president, secretary, and treasurer. The president and the vice-president must be directors of the district.

(b) A person selected to serve as president of the board shall serve in that capacity for a term of one year.

(c) The president shall preside at meetings of the board and perform other duties as prescribed by the board. In the president's absence, the vice-president shall perform the duties of the president.

(d) The person selected as secretary of the board shall be the official custodian of the minutes, books, records, and seal of the board and shall perform the other duties and functions prescribed by the board.

(e) The person selected as treasurer of the board shall perform the duties and functions prescribed by the board.

(f) The offices of secretary and treasurer may be held by one person, and the holder of either of those offices need not be a director.

(g) The board may appoint one or more persons who are not directors to be an assistant secretary of the board to perform any duty or function of the secretary of the board.

**SECTION 15. QUORUM.** (a) A majority of the members of the board constitute a quorum, and all regular directors have a vote.

(b) The district shall act and proceed by resolution adopted by the board, and the affirmative vote of a majority of the board is necessary to adopt any resolution.

**SECTION 16. MEETINGS OF BOARD; LIABILITY.** (a) The board shall hold regular meetings at times specified by resolution of the board and shall hold special meetings when called by the president or any three of the directors.

(b) A director acting in his official capacity is not personally liable for any bonds issued, or contracts executed, by the district.

**SECTION 17. POWERS OF DISTRICT.** (a) The district may exercise all powers necessary or appropriate to carry out the purposes of this Act, including the powers provided in this section.

(b) The district may, through its board, sue and be sued, and plead and be impleaded, in any court of this state in the name of the district.

(c) The district may adopt an official seal and may alter the seal when advisable.

(d) The district may adopt and enforce bylaws, rules, and regulations, not inconsistent with this Act, for the conduct of its affairs.

(e) The district may acquire, hold, use, and dispose of its revenues, income, receipts, funds, and money from every source and may select a depository or depositories for the district.

(f) The district may acquire, own, rent, lease, accept, hold, manage, operate, improve, or dispose of any property, or any interest in property in performing its duties and exercising its powers under this Act.

(g) The district may acquire by purchase, exchange, gift, assignment, condemnation, sale, lease, or otherwise any property, or any interest in property.

(h) The district may sell, assign, lease, encumber, mortgage, or dispose of any property, or any interest in property, and release or relinquish any right, title, claim, lien, interest, easement, or demand however acquired in any property. The district may accomplish this by public or private sale, with or without public bidding, notwithstanding the provisions of any other law. The district may lease or rent any land, buildings, structures, or facilities from or to any person, firm, corporation, city, or other public agency or political subdivision to carry out the purposes of this Act.

(i) To carry out any purposes or power under this Act, the district may apply for, accept, receive, and administer gifts, grants, loans, and other funds available from any source.

(j) The district may operate and maintain an office and appoint and determine the duties, tenure, qualifications, and compensation of its officers, employees, agents, professional advisors, and counsellors, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts.

(k) The district may issue bonds and provide for and secure the payment of the bonds. The district may provide for the rights of the bondholders in the manner provided by this Act.

(l) The district may adopt rules to set, revise, charge, and collect rates, fees, and charges for its facilities and services.

**SECTION 18. PERMITS.** (a) The district may obtain through appropriate proceedings appropriation permits and diversion permits from the Texas Water Commission.

(b) The district may acquire water appropriation permits from owners of permits by contract or otherwise.

(c) The district may lease, purchase, or otherwise acquire rights in and to storage and storage capacity in any reservoir constructed or to be constructed by any person, firm, corporation, public agency, political subdivision, the state, or the United States.

**SECTION 19. CONTRACTS.** (a) The district may enter into and enforce contracts and agreements with any person, firm, corporation, public agency, political subdivision,

the state, or the United States for the purchase or sale of water and for any other purpose relating to its powers.

(b) The district may acquire or construct inside or outside the boundaries of the district a reservoir or reservoirs and all works, water wells, water fields, pumps, plants, transmission lines, and other facilities necessary or useful for the purpose of diverting, impounding, drilling, storing, treating, and transporting water to the cities of Annona, Avery, Bogata, Clarksville, and Detroit and others, including Red River County Water Supply Corporation, for municipal, domestic, industrial, mining, oil flooding, or any other useful purposes.

(c) The district may sell water inside and outside the boundaries of the district and may develop or otherwise acquire underground sources of water.

(d) Public agencies and political subdivisions of the state, including specifically the cities of Annona, Avery, Bogata, Clarksville, and Detroit, may enter into contracts and agreements with the district for a water supply, or for any purpose relating to the district's powers or functions, on the terms and conditions agreed on by the parties. Also, each entity, including specifically the cities of Annona, Avery, Bogata, Clarksville, and Detroit, may lease, sell, or otherwise convey any of its land or any interest in land to the district for the consideration agreed on by the parties. No approval, notice, consent, or election is required in connection with any contract, agreement, or conveyance.

(e) The district is subject to the continuing right of supervision of the state, to be exercised by the Texas Water Commission under this Act, and Chapter 50, Water Code.

**SECTION 20. ACQUISITION OF LAND.** The district may acquire land, or any interest in land, within or without the boundaries of the district for all works, water wells, water fields, pumps, plants, and other facilities necessary or useful for the purpose of diverting, impounding, drilling, storing, treating, and transporting water to the cities of Annona, Avery, Bogata, Clarksville, and Detroit and others, including Red River County Water Supply Corporation, for municipal, domestic, industrial, mining, oil flooding, and any other useful purposes. The district may sell, lease, rent, trade, or otherwise dispose of any real or personal property considered by the board not to be needed for district purposes, as provided by the terms of any resolution or deed of trust authorizing or securing bonds issued by the district.

**SECTION 21. EMINENT DOMAIN RIGHTS-OF-WAY; ENTRY ON LAND.** (a) For the purpose of carrying out any power or authority conferred by this Act, the district may acquire the fee simple title to land, or any other interest in land, and other property and easements, including water rights, land, or any interest in land needed for water fields, water wells, or reservoir and dam and flood easements above the probable high water line around any reservoirs, within or without the boundaries of the district, by condemnation in the manner provided by Chapter 21, Property Code.

(b) The amount of and character of interest in land, other property, and easements acquired shall be determined by the board. The district shall have the same power as provided by general law for water control and improvement districts for the purpose of entering land and making surveys and attending to other business of the district.

(c) The district is granted all necessary or useful rights-of-way and easements along, over, under, and across all public, state, city, and county roads, highways, and places for any of its purposes, but the district must restore any facilities used to their previous condition as nearly as possible at the sole expense of the district.

(d) If the district, in the exercise of its power of eminent domain, makes necessary the relocation, raising, lowering, rerouting, or change in grade, or alteration in the construction of any highway, railroad, electric transmission or distribution line, telegraph or telephone properties and facilities, or pipelines, all necessary relocation, raising, lowering, rerouting, or change in grade, or alteration of construction shall be accomplished at the sole expense of the district. "Sole expense" means the actual cost of relocation, raising, lowering, rerouting, or change in grade or alteration of construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

**SECTION 22. CONSTRUCTION CONTRACT.** Before awarding a construction contract requiring an expenditure of more than \$5,000, a notice to bidders shall be published once each week for two consecutive weeks in a newspaper with general circulation in the district. A notice must state the time and place the bids will be opened, the general nature of the work to be done, or the material, equipment, or supplies to be purchased, and the location at which the terms and conditions of bidding and copies of the plans and specifications may be obtained.

**SECTION 23. NEGOTIABLE BONDS.** (a) For the purpose of carrying out this Act, the district may issue negotiable bonds payable from and secured by revenues or ad valorem taxes, or both revenues and ad valorem taxes, of the district, in the manner provided by the resolution authorizing the issuance of the bonds.

(b) The bonds must be authorized by resolution of the board and shall be issued in the name of the district, signed by the president or vice-president, attested by the secretary, and shall bear the seal of the district. If authorized by the board, the signatures of the president, vice-president, or secretary may be printed or lithographed on the bonds and the seal of the district may be impressed, printed, or lithographed on the bonds.

(c) The bonds shall mature serially or otherwise not more than 40 years from their date of issuance and may be sold at a price and under terms determined by the board to be the most advantageous. The interest cost to the district, including the discount, if any, must not exceed the maximum permitted by general law. The bonds may, within the discretion of the board, be made callable before maturity at the times and prices prescribed in the bonds and may be registered as provided by the bond resolution. The bonds may be exchanged for assets to be acquired by the district.

(d) Bonds may be issued in more than one series and from time to time as required for carrying out the purposes of this Act.

(e) The bonds may be secured by a pledge of all or any part of the revenues of the district, or by all or any part of the revenues of any one or more contracts entered into by the district or other revenues or income specified by resolution of the board or in any trust indenture securing the bonds. A pledge of revenues may reserve the right, under specified conditions, to issue additional bonds that will be on a parity with or subordinate to the bonds then being issued.

(f) The district may issue bonds payable from ad valorem taxes to be levied on all taxable property in the district, or to issue bonds secured by and payable from both taxes and revenues of the district described in Subsection (e) of this section. If bonds are issued payable wholly or partially from ad valorem taxes, the board shall levy a tax sufficient to pay the principal of and the interest on the bonds. The rate of the tax for any year may be set after giving consideration to the money received from the pledged revenues that may be available for payment of the principal of and interest on the bonds, to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.

(g) If bonds payable wholly from revenues are issued, the board shall set the rates of compensation for water sold and services rendered by the district at an amount sufficient to pay the expense of operating and maintaining the facilities of the district, to pay the principal of and interest on the bonds, and to maintain the reserve and other funds as provided in the resolution authorizing the bonds. If bonds payable partially from revenues are issued, the board shall set the rate of compensation for water sold, and any other services rendered by the district, at an amount sufficient to assure compliance with the resolution authorizing the bonds or the trust indenture securing the bonds.

(h) From the proceeds from the sale of the bonds, the district may set aside an amount for the payment of interest expected to accrue during construction not to exceed three years, a reserve interest and sinking fund, and other funds as may be provided by the resolution authorizing the bonds or in the trust indenture. Proceeds from the sale of the bonds also may be used for the payment of all expenses necessarily incurred in accomplishing the purposes for which the district is created, including expenses of issuing and selling bonds.

(i) If the district defaults or threatens to default in the payment of the principal or interest on bonds payable wholly or partially from revenues, a court of competent jurisdiction may, on petition of the holders of outstanding bonds, appoint a receiver with authority to collect and receive all income of the district, except taxes, employ and discharge agents and employees of the district, take charge of funds on hand, except funds received from taxes, unless commingled, and manage the proprietary affairs of the district without consent or hindrance by the board. A receiver also may be authorized to sell or make contracts for the sale of water or renew contracts with the approval of the court. The court may vest the receiver with other powers and duties as the court finds necessary for the protection of the bondholders. The resolution authorizing the issuance of the bonds, or the trust indenture securing them, may limit or qualify the rights of the holders of less than all of the outstanding bonds payable from the same source to institute or prosecute litigation affecting the district's property or income.

**SECTION 24. REFUNDING BONDS.** (a) The district may issue refunding bonds for the purpose of refunding any outstanding bonds authorized by this Act.

(b) Refunding bonds may be issued to refund more than one series of outstanding bonds and combine the pledges for the outstanding bonds for the security of the refunding bonds and may be secured by other or additional revenues and mortgage liens. The provisions of this Act with reference to the issuance by the district of other bonds, their security, and their approval by the attorney general and the remedies of the holders are applicable to refunding bonds.

(c) Refunding bonds shall be registered by the comptroller on surrender and cancellation of the bonds to be refunded, but in lieu of surrender and cancellation, the resolution authorizing the refunding bonds' issuance may provide that the bonds shall be sold and the proceeds of the bonds together with other available funds shall be deposited in the bank at which the original bonds are payable, in which case the refunding bonds may be issued in an amount sufficient to pay all principal coming due, all interest accruing, and any required redemption premium on the bonds being refunded to or through any date on which they are subject to redemption before maturity, or through or at their maturity date.

(d) The comptroller shall register the refunding bonds without concurrent surrender and cancellation of the original bonds and the provisions shall constitute the making of firm banking arrangements for the discharge and final payment or redemption of the bonds being refunded or being paid or redeemed.

(e) The district may enter into an escrow or similar agreement with any place of payment, paying agent, or trustee with respect to the safekeeping, investment, reinvestment, administration, and disposition of any deposit, on the terms and conditions agreed to by the parties. Deposits may be invested and reinvested only in direct obligations of the United States, including obligations the principal of and interest on which are unconditionally guaranteed by the United States, which may be in book entry form and which shall mature or bear interest payable at the times and in the amounts sufficient to provide for the scheduled payment or redemption of those revenue obligations, and that if any of those revenue obligations are scheduled to be paid or redeemed on a date later than the next succeeding scheduled interest payment date, the district shall be required to enter into an appropriate escrow or similar agreement.

(f) Refunding bonds may be issued without having been authorized at an election. Refunding bonds also may be issued by the district as provided by other law of this state.

**SECTION 25. TRUST INDENTURE.** (a) Any bonds authorized by this Act, not payable wholly from ad valorem taxes, may be additionally secured by a trust indenture under which the trustee may be a bank having trust powers located either inside or outside of the state.

(b) The bonds, within the discretion of the board, may be additionally secured by a deed of trust or mortgage lien on physical property of the district and all franchises, easements, water rights, and appropriation permits, leases, contracts, and all rights appurtenant to these properties, vesting in the trustee power to sell the properties for the payment of indebtedness, power to operate the properties, and all other powers and authority for the further security of the bonds.

(c) The trust indenture, regardless of the existence of the deed of trust or mortgage lien on the property, may include any provisions prescribed by the board for the security of the bonds and the preservation of the trust estate, may make provision for amendment or modification, and the issuance of bonds to replace lost or mutilated bonds, and may condition the right to spend district money or sell district property on approval of a registered professional engineer selected as provided by this Act and may make provision for the investment of funds of the district.

(d) The purchaser under a sale under the deed of trust lien if one is given, shall be the absolute owner of properties, facilities, and rights purchased and is entitled to maintain and operate the properties and facilities.

**SECTION 26. BOND ELECTION.** (a) Bonds payable wholly or partially from ad valorem taxes, except refunding bonds, may not be issued unless authorized at an election held for that purpose at which the qualified voters residing in the district are allowed to vote and unless a majority of the votes cast at the election favor the issuance of the bonds. Territory may not be detached from the district after the issuance of bonds that are payable from revenues or taxes or both. Bonds not payable wholly or partially from ad valorem taxes may be issued without an election.

(b) An election may be called by the board without a petition. The resolution calling the election must specify the time and place for holding the election, the purpose for which the bonds are to be issued, the amount of the bonds, the form of the ballot, and other necessary matters. Notice of the election shall be given by publishing a substantial copy of the resolution calling the election in a newspaper with general circulation in the district, once a week for two consecutive weeks, with the first publication to be at least 14 days before the date of the election.

(c) The board shall canvass the returns of the election.

(d) Except as provided by this Act, the election shall be conducted in the manner provided by the Election Code.

(e) The district must secure approval from the Texas Water Commission as provided by Section 51.421, Water Code, before any bonds for improvements may be issued.

**SECTION 27. APPROVAL BY ATTORNEY GENERAL.** (a) Bonds issued by the district and the record relating to their issuance must be submitted to the attorney general for examination.

(b) If the attorney general finds that the bonds have been authorized in accordance with law, he shall approve the bonds and they shall be registered by the comptroller of public accounts.

(c) After the approval and registration of the bonds, the bonds are incontestable in any court, or other forum, for any reason and are valid and binding obligations in accordance with their terms for all purposes.

**SECTION 28. TAX.** (a) The board may annually levy taxes in the district to pay the principal of and interest on bonds issued by the district and the expense of assessing and collecting the taxes.

(b) The board may levy taxes for the entire year in which the district is created.

(c) The board shall levy taxes on all property within the boundaries of the district subject to district taxation.

(d) In setting a tax rate for the payment of the principal of and interest on the district's bonds under this section, the board shall take into consideration the income of the district from sources other than taxation if the pledged income is available for the payment of the principal of and interest on the district's bonds to the extent and in the manner permitted by the resolution authorizing the issuance of the district's bonds. On determination of the amount of tax required to be levied, the board shall make the levy and certify it to the tax assessor-collector.

(e) On approval of a majority of the voters in the district at an election called and held for that purpose, the district may levy and collect a maintenance and operating tax for maintenance purposes, including funds for planning, maintaining, repairing, and operating all necessary plants, works, facilities, improvements, appliances, and equipment of the



district and for paying costs of proper services, engineering, and legal fees, and organization and administrative expenses in an amount not to exceed 10 cents on each \$100 of assessed valuation of property in the district to be used to defray the maintenance and operating costs of the district and its facilities. An election held under this subsection shall be held as provided by this Act for bond elections.

(f) The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

(g) The Tax Code governs the appraisal, assessment, and collection of district taxes.

**SECTION 29. WATER SUPPLY CONTRACTS.** (a) The district may enter into contracts to supply water to cities and other entities, including the cities of Annona, Avery, Bogata, Clarksville, and Detroit and the Red River County Water Supply Corporation. The contracts with the cities of Annona, Avery, Bogata, Clarksville, and Detroit and the Red River County Water Supply Corporation shall provide that the cities and Red River County Water Supply Corporation will pay to the district some portion of the revenues of the cities' and Red River County Water Supply Corporation's water system as an operating expense or from the surplus revenues, if any, from the operation of the respective cities' and Red River County Water Supply Corporation's water system.

(b) The district may contract with any city, public agency, water supply corporation, or political subdivision for the rental or leasing of, or for the operation of, the water production, water field, water supply, water filtration or purification, or water supply facilities of the entity for the consideration agreed to by the district and the entity. A contract may be on the terms and for the time agreed on by the parties, and the contract may provide that it shall continue in effect until bonds specified in the contract and refunding bonds issued in lieu of bonds are paid.

(c) The district may also contract with the cities of Annona, Avery, Bogata, Clarksville, and Detroit and the Red River County Water Supply Corporation for the operation of the district's water facilities by the cities of Annona, Avery, Bogata, Clarksville, and Detroit and the Red River County Water Supply Corporation. An election is not required in connection with any contract.

**SECTION 30. DEPOSITORY.** (a) The board shall name one or more banks to serve as depository for district funds.

(b) District funds, other than those transmitted to a bank of payment for bonds issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) Before the district deposits funds in the depository in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation, the funds shall be secured in the manner provided by law for the security of city funds.

(d) The board may invest district funds, in the manner determined by the board, or in the manner permitted or required in any resolution or trust indenture authorizing or securing bonds of the district.

**SECTION 31. BONDS AS INVESTMENTS.** All bonds of the district are declared to be legal and authorized investments for banks, savings banks, trust companies, 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. The bonds are eligible to secure the deposit of any and all public funds of the state, and any and all public funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the state. The bonds are lawful and sufficient security for the deposits to the extent of their value.

**SECTION 32. TAX STATUS OF BONDS.** Since a district created by this Act is a public entity performing an essential public function, bonds issued by the district, any transaction relating to the bonds, and profits made in the sale of the bonds are free from taxation by the state or by any city, county, special district, or other political subdivision of the state.

SECTION 33. TAX ROLL. (a) The Red River County tax rolls prepared by the Red River County Tax Appraisal District are the tax rolls of the district.

(b) The district shall enter into a contract with the Red River County Tax Appraisal District for the assessment and collection of ad valorem taxes for the district.

SECTION 34. CONFLICT WITH OTHER LAWS. This Act shall be wholly sufficient authority within itself for the issuance of the bonds, the execution of contracts, and conveyances, and the performance of the other acts and procedures authorized by the district, the cities of Annona, Avery, Bogata, Clarksville, and Detroit and Red River County Water Supply Corporation, and all other public agencies and political subdivisions, and other water supply corporations, without reference to any other law or any restrictions or limitations except as provided by this Act. Any bonds issued or other action taken under this Act, to the extent of any conflict or inconsistency between any provisions of this Act and any provisions of any other law, the provisions of this Act prevail.

SECTION 35. NOTICE, ETC. The legislature finds that proper and legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished by the constitution and laws of this state, including the governor of Texas, who has submitted the notice and Act to the Texas Water Commission. Also, the legislature finds that the Texas Water Commission has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time. The general law relating to consent by political subdivisions to the creation of conservation and reclamation districts and the inclusion of land in those districts has been complied with, and all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 36. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create 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 its passage, and it is so enacted.

Passed by the House on May 8, 1987, by the following vote: Yeas 134, Nays 0, 1 present, not voting; and, pursuant to the provisions of Article XVI, Section 59(d) of the Constitution of Texas, a copy of H.B. No. 829 was transmitted to the Governor on February 18, 1987, and the recommendation of the Texas Water Commission was filed with the Speaker of the House on March 6, 1987. Passed by the Senate on May 28, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 18, 1987.

Effective June 18, 1987.