

SAN ANTONIO RIVER AUTHORITY

CHAPTER 276, PAGE 556,

ACTS OF THE 45TH LEGISLATURE, 1937,

AND AS SUBSEQUENTLY AMENDED

FOREWORD

The organic act of the SAN ANTONIO RIVER AUTHORITY was enacted in 1937 by the 45th Legislature, H. B. No. 726, Chapter 276, Page 556. This Act has been subsequently added to and amended by the following laws: Spec. L., Page 1083, 46th Legislature (1939); Chapter 60, Page 82, 53rd Legislature (1953); Chapter 37, Page 1469, 55th Legislature (1957); Chapter 37, Page 78, 56th Legislature (1959); Chapter 233, Page 466, 57th Legislature (1961); Chapter 836, Page 2488, 61st Legislature (1969); Chapter 301, Page 776, 64th Legislature (1975); Chapter 604, Page 1893, 64th Legislature (1975); S. B. 741, 67th Legislature (1981), Chapter 701, Page 5139, 70th Legislature (1987) and 523, 84th Legislature (2015).

The statute has been before the appellate courts in San Antonio River Authority v. Sheppard, 157 Tex. 63, 299, S. W. 2d 920 (1957); City of San Antonio v. Trease, 243 S. W. 2d 187, err. ref. (1951); San Antonio River Authority v. Lewis, 343 S. W. 2d 475; aff. 363 S. W. 2d 444 (1962); and San Antonio River Authority v. Hunt, 405 S. W. 2d 700, ref. n.r.e. (1966).

Revised: February 1, 1990

Reprinted: January 5, 2001

Revised: April 11, 2017

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SAN ANTONIO RIVER AUTHORITY

Section 1. Definitions. The words and phrases used in this Act shall, unless the same be inconsistent with the context, be construed as follows:

- (a) "District" shall mean the San Antonio River Authority.
- (b) "Section 59" shall mean Section 59 of Article 16 of the Constitution of Texas, as the same now provides.
- (c) "Chapter 25" shall be understood to mean Chapter 25 of the General Laws passed by the Thirty-ninth Legislature of Texas at the Regular Session, which adjourned on March 19, 1925, and where not otherwise provided therein, to include any present or future amendment thereof.
- (d) "Board" or "Directors" shall be understood to mean the Board of Directors of this District, or the members thereof in their official capacity.
- (e) "Federal" shall mean or relate to the Government of the United States of America, and/or its functions or subsidiary agencies.
- (f) "State" shall mean or relate to the Government of the State of Texas, and/or such of its functions and agencies as are appropriate to accomplish the objects of this Act.
- (g) "Persons" means and includes an individual, partnership, association, corporation, business trust, legal representative, or receiver or any organized group of persons.
- (h) "Professional services" shall mean those services rendered, either individually or by firms, by accountants, attorneys, engineers, surveyors, geologists, physicians, surgeons, laboratory technicians, bond brokers, fiscal advisers, appraisers, statisticians, researchers and by such other vocations, callings, occupations or employments involving labor, skill, education, special knowledge and compensation or profit, but the labor and skill involved therein being predominantly mental or intellectual rather than physical or manual. Amended, H. B. 83, 57th Legislature.
- (i) "Flood Plain" shall mean the area of the channel of a river or stream and those portions of land abutting and adjacent to such channel which are reasonably required to carry floodwaters. Added, S. B. 704, 61st Legislature.
- (j) "San Antonio River Basin" shall mean all of the area except Bandera, Real and Kerr Counties which has topographic characteristics causing surface

waters to flow into the San Antonio River and its tributaries. Added, S. B. 704, 61st Legislature.

Section 1-a. Application of Sunset Act. The District is subject to review under Chapter 325, Government Code (Texas Sunset Act), but may not be abolished under that chapter. The review shall be conducted under Section 325.025, Government Code, as if the District were a state agency scheduled to be abolished September 1, 2023, and every 12th year after that year.

The District shall pay the cost incurred by the Sunset Advisory Commission in performing the review. The Sunset Advisory Commission shall determine the cost, and the District shall pay the amount promptly on receipt of a statement from the Sunset Advisory Commission detailing the cost. Amended, S.B. 523, 84th Legislature.

Section 2. District Created. Under the authority of, and in pursuance with the policy of, Section 59 of Article 16, of the Constitution of Texas, there is hereby created within the State of Texas, in addition to the Districts into which the State has heretofore been divided, a Conservation and Reclamation District to be known as "SAN ANTONIO RIVER AUTHORITY" (hereinafter called the "District"), which is hereby declared to be a governmental agency, a municipality, body politic and corporate, vested with all the authority and full sovereignty of the State, in behalf of the State, insofar as intended by this Act, and with the authority to exercise the powers, rights, privileges and functions hereinafter specified. The creation of such District is hereby determined to be essential to the accomplishment of the purposes of Section 59 of Article 16 of the Constitution of the State of Texas, including but not limited to the construction, maintenance and operation of navigable canals or waterways, hereinafter authorized, and the control of the waters of those parts of all rivers, streams and tributaries thereof which are within the boundaries of the District as hereinafter defined. Amended, H. B. 83, 57th Legislature.

Section 2-a. Boundaries of the District. The District shall include all of that part of the State of Texas within the boundaries of the Counties of Bexar, Wilson, Karnes and Goliad.

It is hereby found and determined that all of the land included in the District will be benefited by the exercise of the power conferred by this Act. Added, H. B. 83, 57th Legislature.

Section 3. Powers of the District. The District is hereby invested with all of the powers of the State of Texas under Article 16, Section 59, of the Constitution of the State of Texas to effectuate the construction, maintenance and operation of navigable canals or waterways, to effectuate flood control, to effectuate the conservation and use, for all beneficial purposes, of ground, storm, flood and unappropriated flow waters in the District, to effectuate irrigation, to effectuate soil conservation, to effectuate sewage treatment, to effectuate pollution prevention, encourage and develop parks, recreational facilities and to preserve fish, to effectuate forestation and reforestation, and to do all things as are required therefore, subject only to: (i) declarations of policy by the Legislature of the State of Texas as to the use of water; (ii) continuing supervision and control by the

State Board of Water Engineers and any board or agency which may thereafter succeed to its duties; (iii) the provisions of Section 4, page 212, Acts of the Thirty-fifth Legislature, 1917, as subsequently amended describing the priorities of uses for water; and (iv) the rights heretofore or hereafter legally acquired in water by municipalities and other users. Subject to the foregoing, it shall be the duty of the District to exercise for the greatest practicable measure of the conservation and beneficial utilization of all ground, storm, flood and unappropriated flow waters of the District, in the manner and for the particular purposes specified hereinafter in this Section 3 and elsewhere in this Act the following powers, rights, privileges and functions, to wit:

(a) Navigation:

(1) To promote, construct, maintain and operate, and/or to make practicable, promote, aid and encourage, the construction, maintenance and operation of navigable canals or waterways and all navigational systems or facilities auxiliary thereto using the natural bed and banks of the San Antonio River to its junction with the Guadalupe River where practicable and thence traversing such route as may be found by the District to be most feasible and practicable to connect with the Intracoastal Canal and/or with any new canal to be constructed and/or with any harbor at or near San Antonio Bay or the Gulf of Mexico, and also using such new correlated artificial waterways, together with all locks and other works, structures and artificial facilities as may be necessary and convenient for the construction, maintenance and operation of said navigable canals or waterways and all navigational systems or facilities auxiliary thereto. The District is empowered to construct, or cause to be constructed, said system of artificial waterways, canals, locks, works and other facilities so as to connect the watershed area of the San Antonio River, including navigation to or at the point near the City of San Antonio, with the Intracoastal Canal and/or with any new canal to be constructed and/or with any harbor at or near San Antonio Bay or the Gulf of Mexico;

(2) To control, develop, store and use the natural flow and floodwaters of the San Antonio River and its tributaries for the purpose of operating and maintaining said navigable canals or waterways and all navigational systems or facilities auxiliary thereto, provided, however, that such navigational use shall be subordinate to consumptive use of water, and navigation shall be incidental thereto;

(3) In the case of the construction of said navigable canals or waterways and all navigational systems or facilities auxiliary thereto by the Federal Government or otherwise, the District shall have the power to construct, maintain and operate lateral connecting canals and turning basins to serve local needs, and shall also have the power to provide, construct, acquire, purchase, take over, lease from others, lease to others, and to maintain and operate, develop, regulate and/or by franchise control wharves, docks, warehouses, grain elevators, bunkering facilities, belt or terminal railroads,

floating plants, lighterage, towing facilities, and all other facilities incident to or in aid of the efficient operation and development of said canals or waterways and all navigational systems or facilities auxiliary thereto, and any ports incident thereto, whether the same be upon land or upon water;

(4) In the event the construction and/or maintenance and operation of said navigable canals or waterways and all navigational systems or facilities auxiliary thereto is taken over by the Federal Government or any agency of the Federal Government, then and in such event the District shall be fully authorized to make and enter into any such contracts as may be lawfully required by the Federal Government, including such assignments and transfers of property and rights of property and easements and privileges and any and all other lawful things and acts may be necessary and required in order to meet the requirements of the Federal Government or any agency of the Federal Government in taking over the construction and/or maintenance and operation of said navigable canals or waterways and all navigational systems or facilities auxiliary thereto;

(5) The District may grant a franchise or right to any person or body politic or corporate for the use of said navigable canals or waterways and all navigational systems or facilities auxiliary thereto or any facility thereof in aiding navigation and no person or body politic or corporate may provide, maintain or operate any facility of aid of navigation in any way connected with said navigable canals or waterways and all navigational systems or facilities auxiliary thereto and intended for use by the public within the meaning and intent of this Act, except by and under the franchise granted by this District, in the form of an ordinance as provided by this Act, which franchise may be for any term not to exceed fifty (50) years. Such ordinance granting franchise may contain provisions for the payment of reasonable fees, and/or other charges to be paid to the District, and shall contain provisions adequate to regulate the fees, tolls, rates or exactions to be demanded for the use of, or service to be rendered by any means or facility to be provided or operated under any such franchise, to the end that the same will be uniform, reasonable, and without discrimination against any person, both as to charges and the conditions of use or service, and such ordinance shall contain all provisions reasonably required to procure service adequate to serve the public necessity and convenience. The District may grant a franchise for the design, construction, repair, enlargement, alteration, maintenance, operation of, and service from, or use of any facility to be provided for use in aid of navigation on said navigable canals or water ways and all navigational systems or facilities auxiliary thereto, whether upon land, or in or upon water. The right hereby granted shall include the right to require uniform and adequate analytic accounting systems and forms, periodic verified reports based thereon, and the right of audit by the District, and other reasonable regulations designed to protect the public. In order to procure observance of the conditions of the franchise granted

hereunder, and/or compliance with the rules and regulations established by ordinance of the District (to be adopted and promulgated as elsewhere is provided in this Act) hereunder, such ordinance may provide reasonable and commensurate penalties fixed by General Law in Texas, and not to exceed the limit for penalties as fixed elsewhere in this Act. The forfeiture or suspension of a franchise granted under this Act, where not otherwise provided in any such franchise, may be only because of discrimination in rendering service, affording use, or in taking or demanding a toll, rate or charge. Forfeiture or suspension of a franchise granted hereunder, unless otherwise provided therein, shall be upon a decree of a District Court within the County in which this District may maintain its general office. The District may likewise by ordinance establish rules necessary or designed to protect the physical property owned by it, or physical property owned or operated by another under a franchise hereunder granted, and/or to effect the safety or efficient use of the same, and in such ordinance may provide reasonable and commensurate penalties for the violation thereof, which penalties shall be cumulative of other penalties provided by the General Law of Texas, and not to exceed the limit for penalties as fixed elsewhere in this Act;

(b) Flood Control and Flood Plain Management:

To prevent and aid in the prevention of damage to persons and property by the overflow of any and all rivers, streams or tributaries thereof within the District including the study and designation of flood plains and the regulation thereof;

(c) Water Conservation, Storage, Procurement, Distribution and Supply:

(1) To store and conserve to the greatest beneficial use the storm, flood and unappropriated flow waters of any and all rivers, streams or the tributaries thereof within the District, so as to prevent the escape of any water without maximum beneficial use either within or without the District;

(2) For the conservation of water for uses either within or without the District, including providing water supply for cities and towns, and the right to sell water and stand-by service to any person, firm, or corporation, including cities and towns and other public agencies within or without the District; provided that it is the intent of this Act to establish a District that is concerned primarily with the conservation, control, storage, distribution and sale of water in bulk quantities in the public interest and only incidentally with the retail sale of water insofar as it does not compete with municipal water distributors and then only when necessary or convenient as a service to the public;

(3) To acquire water appropriation permits either within or without the District directly from the State Board of Water Engineers or to purchase or

otherwise acquire such permits or certified filings either within or without the District from the owners thereof;

(4) To purchase water, water supply facilities on conservation storage capacity either within or without the District from any person, firm, corporation, State agency or other public agency, or from the United States or its agencies;

(5) To execute water supply contracts with users of water within or without the District. Included in the services for which the District may contract, and for which it may make charges, is that of stand-by service as well as for the actual delivery of water;

(6) To provide water for the development of commercial and industrial enterprises within or without the District;

(7) To bring water into the boundaries of the District;

(8) To construct, acquire, equip, to acquire storage rights at, and operate and maintain dams and reservoirs, either within or without the District, and in carrying out the powers conferred upon the District, or to exercise such powers in conjunction with others;

(9) To construct, operate and maintain or otherwise provide water supply lines, water purification and water pumping systems and facilities either within or without the District;

(10) Power to execute contracts with municipalities and others involving the construction of reservoirs, dams, water supply lines, water purification and pumping facilities, and the furnishing of water supply service substantially in the manner prescribed by Chapter 342, Acts of the Regular Session of the Fifty-first Legislature, for Districts organized and created pursuant to Article 16, Section 59, of the Constitution, extended so as to permit such contracts with individuals, partnerships, and all classes of corporations, and to permit the inclusion of provisions for the operation, maintenance and ownership of such properties, but the powers granted the District in this Subsection are not to be considered a limitation on the powers, rights, privileges and functions otherwise granted herein;

(11) To acquire from the United States Government, through the Secretary of the Army or the Secretary of the Interior or any other of its officials authorized to make such contracts, or from the State of Texas, or any agency thereof, or from any privately financed reservoirs, unsold conservation storage capacity at any dam within or without the District now constructed or to be constructed either by or with the assistance of the United States Government or the State of Texas, or by both. It may acquire additional conservation storage capacity which may be provided at

any such dam;

(d) Irrigation:

To provide water for irrigation of lands within and without the District, and incident thereto, to construct, operate and maintain supply lines and pumping systems and facilities either within or without the District;

(e) Soil Conservation:

For the conservation of soils and other surface resources within the District against destructive erosion, thereby preventing the increased flood menace incident thereto, and for the prevention of sedimentation and siltation of lands, channels and reservoirs, including the right either to act as local sponsoring agent of upstream soil and water conservation and flood prevention projects authorized by State or Federal Agencies in conjunction with Soil Conservation Districts or to aid and supplement the work of such upstream soil and water conservation and flood prevention projects, all in furtherance of the "Master Plan" as defined in Section 4-1. In connection therewith, the District is authorized to make arrangements satisfactory to the Secretary of Agriculture of the United States for defraying costs of operating and maintaining such projects, in accordance with regulations presented by the Secretary of Agriculture; provided, however, that any portion of the total construction cost of any such project which is allocable to flood control and/or soil conservation shall be paid for or financed by funds which have their source in the county in which each particular project is situated and which funds may be of any kind or character, except taxes collected in accordance with the provisions of Sections 15-a and 15-b of this Act;

(f) Sewage Treatment and Solid Waste Disposal:

As a necessary aid to the conservation, control, preservation, purification and distribution of surface and ground waters within the District, the District shall have the power to construct, own, operate, maintain or otherwise provide, within the San Antonio River Basin, sewage gathering, treatment and/or disposal services, including solid waste disposal services, to charge for such services, and to make contracts in reference thereto with counties, municipalities and others. Provided, however, that the District shall not exercise the powers hereinabove granted by this Section 3(f) within the boundaries of Kerr, Real, or Bandera Counties unless the Commissioners Court of such county or counties shall first have consented by a majority vote thereof to the exercise of such power within such county or counties;

(g) Pollution Prevention:

To provide for the study, correcting and control of both artificial and natural pollution including organic, inorganic and thermal, of all ground or surface water within the San Antonio River Basin. In this connection, the District is given the power by ordinance to promulgate rules and regulations with regard to such

pollution, both artificial and natural, with the right of policing by said District to enforce such rules and regulations and of providing reasonable and commensurate penalties for the violation of any rules and regulations, which penalties shall be cumulative of any penalties fixed by General Law in Texas, and not to exceed the limit for penalties as fixed elsewhere in this Act. Provided, however, that no ordinance enacted pursuant to the powers hereinabove given the District by this Section 3(g) shall be promulgated in any county or counties outside the existing boundaries of the District;

(h) Parks, Recreational Facilities and Preservation of Fish:

For the encouragement and development of parks, recreational facilities and the preservation of fish, the District shall have the power to acquire additional land adjoining any permanent work of improvement constructed within the District for the purpose of developing parks, or recreational facilities. The District may negotiate contracts with any county, municipality, municipal corporation, person, firm, corporation, non-profit organization, or State or Federal agency for the operation and/or maintenance of any such park, or recreational facility. The preservation of fish shall be in accordance with rules and regulations, if any, prescribed by the Game and Fish Commission of the State of Texas;

(i) Forestation and Reforestation:

To forest and reforest and to aid in foresting and reforesting of all areas within the District;

(j) Contractual:

To make contracts and to execute instruments necessary or convenient to the exercise of the powers, rights, privileges and functions conferred upon it by this Act, with the United States, its agencies, counties, cities, all municipal corporations, political subdivisions and districts, and with private persons, partnerships, associations and corporations. The District shall make and execute such contracts and instruments in accordance with the following procedures:

(1) Concerning any wholesale contract for the sale, purchase, procurement, distribution and/or supply of water or conservation storage capacity, or for the construction of a navigable canal or waterway, or any contract authorized by Section 1, Chapter 84, Page 140, Acts of the 52nd Legislature, 1951, as subsequently amended, (now codified as Article 6702-1, Vernon's Civil Statutes of Texas), the Manager shall cause a notice describing the general nature of such contract to be published once each week for three (3) consecutive weeks in a newspaper of general circulation in each county in the District within which such contract is to have effect. Such contract may be considered and acted upon at the regular meeting of the Board next following the last date of publication or, without further notice, at any meeting thereafter. The affirmative vote of

at least seven (7) members of the Board shall be required for the approval of confirmation or ratification of any such contract. Of those seven (7) affirmative votes, at least three (3) affirmative votes shall be cast by Board members from Bexar County, at least one (1) affirmative vote shall be cast by a Board member from Wilson County, at least one (1) affirmative vote shall be cast by a Board member from Karnes County, and at least one (1)

affirmative vote shall be cast by a Board member from Goliad County. The District may use any such contract as the sole basis, or as a supplement to the basis, for securing its bonds;

(2) Concerning any construction, maintenance, operation or repair contract, contract for the purchase of material, equipment or supplies or any contract for services other than professional services, if the contract will require an estimated expenditure of more than the maximum amount for which competitive bidding is required by statute for any political subdivision of the state or if the contract is for a term of two (2) years or more, the Board, upon the affirmative vote of a majority of a quorum present at any regular or special meeting, shall award such contract to the lowest and best bidder after publication of a notice to bidders once each week for three (3) consecutive weeks. The Board by bylaw shall promulgate the procedures for the publication of notice to bidders and related procedures and may, within the limitations set forth in this section, from time to time prescribe the amount of estimated expenditures to be subjected to competitive bidding. In the event of an emergency, the Authority may let such contracts as are necessary to protect and preserve the public health and welfare or the properties of the authority, without such bidding procedures. Members of the Board of Directors shall be ineligible to submit such bids. Any provision of this Subsection to the contrary notwithstanding, the District may purchase surplus property from the United States by negotiated contract and without the necessity of advertising for bids.

(k) General:

(1) This District hereby is vested with such title and right of control as the State has, or may have, in, to and concerning the natural bed and banks of the San Antonio River in its entire length, and all of its tributaries as are within the District, as said District is defined in Section 2-a of this Act, and the District hereby is further vested with such title and right of control as the State has, or may have, in, to and concerning the natural bed and banks of any other navigable stream or tributary thereof as may be situated within the District, as said District is defined in Section 2-a of this Act; which investment, however, shall be in trust, and to authorize said District to make such uses, and/or disposition of such lands and rights (and the proceeds, income, revenues, or trading values thereof) as in actual experience may prove to be reasonably required for, or in aid of, the accomplishment of the purposes of this Act;

(2) To make preliminary investigations and surveys in the manner and for the purposes specified in said Chapter 25 (either independently at its own cost, or jointly with others, or to contribute to the cost thereof when done by another), whereby to procure cooperation by the Government of

the United States of America, to the end that any project lawfully within the purposes of this Act may be approved for construction as a Federal project under such contractual terms and conditions as may be demanded by the Federal Congress;

(3) To expend all sums reasonably deemed to be necessary or expedient for seeking cooperation in accomplishing the objects of this Act from the Federal Government, and/or any and all other persons, creatures, or entities, whether natural, or creatures of law or contract;

(4) Subject to the provisions of this Act from time to time to sell or otherwise dispose of any property of any kind, real, personal, or mixed, or any interest therein, which shall not be necessary to the carrying on of the business of the District;

(5) To overflow and inundate any public lands and public property and to require the relocation of roads and highways in manner and to the extent permitted to districts organized under General Laws pursuant to Section 59 of Article 16 of the Constitution of the State of Texas. In the event that the District, 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 railroad, or street railway, all such necessary relocation, raising, rerouting, changing of grade or alteration of construction shall be accomplished at the sole expense of the District;

(6) To construct, extend, improve, maintain and reconstruct, to cause to be constructed, extended, improved, maintained, and reconstructed, and to use and operate, any and all facilities of any kind necessary or convenient to the exercise of such powers, rights, privileges, and functions;

(7) To sue and to be sued in its corporate name;

(8) To adopt, use, and alter a corporate seal;

(9) To adopt and to amend its bylaws for the management of its affairs;

(10) To appoint officers, agents, employees and professional consultants, none of whom shall have any interest, direct or indirect, in any contracts awarded by the District;

(11) To prescribe the duties and fix the compensation of all officers, agents, employees and professional consultants;

(12) To acquire by purchase, lease, gift, or in any other lawful manner and to maintain, use, and operate any and all property of any kind, real,

personal or mixed, or any interest therein, within and without the boundaries of the District, necessary or convenient to the exercise of the powers, rights, privileges and functions conferred upon it by this Act, in the manner provided by general law with respect to condemnation or, at the option of the District, in the manner provided by the statutes relative to condemnation by Districts organized under general law pursuant to Section 59 of Article 16 of the Constitution of the State of Texas;

(13) To condemn lands used or dedicated for cemetery purposes in the manner provided by the General Law of Texas where reasonably necessary to effectuate the powers, rights, privileges and functions of the District, provided, however, that, when such power of condemnation is sought to be exercised with respect to any Perpetual Care cemetery, as defined in Article 912a, Vernon's Civil Statutes of the State of Texas, as to the condemnation of any such Perpetual Care cemetery or portion thereof, jurisdiction is hereby conferred for such purpose on the District Court or Courts of the county in which such cemetery land or any part thereof may be located, and such condemnation action shall likewise involve the issue of the removal of the dedication thereof as such Perpetual Care cemetery and the issue of the necessity for such taking;

(14) To borrow money for its corporate purposes and to execute proper notes or other evidences of indebtedness, and without limitation of the generality of the foregoing, to borrow money and accept grants from the United States of America, and in connection with any such loan or grant, to enter into such agreements as the United States of America or such corporation or agency may require; and to make and issue its negotiable bonds for moneys borrowed in this manner and to the extent provided in Section 16. Nothing in this Act shall authorize the issuance of any bonds, notes, or other evidences of indebtedness of the District, except as specifically provided in this Act, and no issuance of bonds, notes, or other evidences of indebtedness, except as specifically provided in this Act, shall ever be authorized except by an Act of the Legislature;

(15) To obtain loans from and accept grants from the United States and its agencies, and from the State of Texas, and its agencies, and it shall have the right to participate in and be the beneficiary of any plan which may be evolved by the State or Federal Government for guaranteeing or otherwise subsidizing the obligations of the District;

(16) The District shall have the power to adopt and promulgate by ordinance all reasonable rules and regulations for purposes elsewhere provided in this Act and generally to secure and protect any and all of its property and any and all of its works of improvement, and to regulate residence, hunting, fishing, boating and camping, and all recreational and business privileges on any navigable river of the District, or any reservoir

of the District, or upon any land owned by the District. The District may prescribe reasonable and commensurate penalties for the violation of any and all such rules and regulations of the District, which penalties shall be cumulative of any penalties fixed by the General Law in Texas and shall not exceed fines of more than Two Hundred Dollars (\$200), or imprisonment for not more than one hundred eighty (180) days, or may provide for both such fine and imprisonment. No rule or regulation which provides a penalty for the violation thereof shall be in effect, as to enforcement of the penalty, until five (5) days next after the District may have caused a substantive statement of the particular rule or regulation and the penalty for the violation thereof to be published once a week for three (3) consecutive weeks in a newspaper of general circulation in each county in which it is to be effective. The substantive statement so to be published shall be as condensed as is possible to afford an intelligent direction of the mind to the act forbidden by the rule or regulation; one (1) notice may embrace any number of regulations; there must be embraced in the notice advice that breach of the particular regulation, or regulations, will subject the violator to the infliction of a penalty and there also shall be included in the notice advice that the full text of the regulations sought to be enforced is on file in the principal office of the District, where the same may be read by any interested person. Five (5) days after the third publication of the notice hereby required, the advertised regulation shall be in effect, and ignorance of any such regulation shall not constitute a defense to a prosecution for the enforcement of a penalty and, the rules and regulations authorized hereby, after the required publication, shall judicially be known to the courts and shall be considered of a nature like unto that of valid penal ordinance of a city of the State. The District shall be primarily liable for any court costs incurred hereunder, and the cost to maintain any offender committed for imprisonment hereunder. Any fine imposed in any such proceeding and paid in money shall be payable to this District and applied as its Board may direct;

(17) To designate an official newspaper of the District in each county in the District, each of which newspapers shall be a newspaper having general circulation in the county in which it is situated;

(18) To acquire such rights-of-way as are necessary to construct, operate and maintain such roads as are necessary for ingress and egress to any work of improvement or to any park, recreational facility, or fish or wildlife preserve or reserve;

(19) To grant concessions and franchises upon the premises of any works of improvement or any park, recreational facility or fish or wildlife preserve or reserve to any person or corporation;

(20) When germane to the accomplishment and the purposes of this Act, and not otherwise adequately provided by Chapter 25, or provided elsewhere in this Act, the Directors of the District shall have the power to adopt and promulgate ordinances, which may be done by a majority (except as specifically provided elsewhere in this Act) of those Directors present at any meeting held in compliance with the provisions of the bylaws at which there must be present a majority of the Board, constituting a quorum. No notice shall be required before the passage of such ordinance, except such notices of special or regular meetings of the Board as may be provided elsewhere in this Act. After having adopted such ordinances, the Directors shall cause the same to be filed and recorded in the official records of the Authority. The Directors may, if they deem necessary and proper, in addition to filing and recording same in the official records of the Authority, either cause certified copies of same to be forthwith filed of record in the Office of the County Clerk of each county situated in whole or in part within the District within which such ordinance is intended to have application and/or to be published once or more each week for three (3) or more consecutive weeks in a newspaper or newspapers of general circulation in each county within the District within which such ordinance is intended to have application, following either or all of which methods of recording and/or publication the ordinance shall be in full force and effect; and thereafter all courts and persons shall be held to have knowledge thereof, just as though the same had been embraced in the body of this Act and the County Clerk in any county is authorized and directed to file and record all certified copies of such county and to charge therefore the same fees as is provided for recording deeds of conveyance. And the powers of said District to adopt ordinances shall include, among other things as follows: in any case in which said Chapter 25 does not provide a specific power or right germane to, or appropriate, or adequate to accomplish an object of this Act, and such specific power has been, or hereafter may, conferred by law on Counties, Cities, Water Improvement Districts, Water Control and Improvement Districts, Drainage Districts, Navigation Districts, Canal Corporations, Channel or Dock Corporations, Deep Water Corporations, Railway Corporations, Terminal Railway Corporations, Telegraph and Telephone Corporations, or other like creatures of the law, then to the intent required to make adequate hereto the powers and rights of this District, it may by ordinance adopt and have as part of the law for its being so much of the power and right of any of the herein designated creatures of the law as will enable it effectively to accomplish that purpose of this Act. The adoption of a power or mode of procedure hereunder shall not be held to include any incidental limitation which would impede the lawful accomplishment of the purposes of this Act. As to this, there shall be no limit hereof save such as would violate the provisions of the Constitution of the United States of the State of Texas concerning the rights of others;

(21) This District shall have all such powers and rights, and regulations for government and procedure, as are contained in said Chapter 25, which shall be cumulative of those provided by this Act, and those rules for procedures which may be provided by ordinances adopted by the District under other provisions of this Act. Amended and added to, H. B. 83, 57th Legislature; S. B. 704, 61st Legislature, and S. B. 741, 67th Legislature.

Section 4. Repealed, H. B. 83, 57th Legislature.

Section 4-a. Master Plan. It shall be the duty of the District to prepare a master plan for the maximum development of the soil and water resources of the entire District, including plans for the complete utilization, for all economically beneficial purposes, of the water resources of the District. The master plan shall be filed with and approved by the State Board of Water Engineers. The master plan may be amended or supplemented from time to time by the District, provided that a copy of such amendment or supplement to the master plan shall be filed with and approved by the State Board of Water Engineers. The first master plan, as amended or supplemented, shall be effective for a period of ten (10) years, as computed from the date of its approval by the State Board of Water Engineers. Upon the expiration of each ten (10) year period, the District shall revise its master plan and a copy of said revised master plan shall be filed with and approved by the State Board of Water Engineers. Prior to the adoption of the master plan, or any amendment or supplement thereto or revision thereof, the Board of Directors shall give notice to the public that it proposes to adopt such master plan, or any amendment or supplement thereto or revision thereof, by causing a notice describing its general nature to be published once each week for three (3) consecutive weeks in a newspaper of general circulation in each county in the District. In addition to such publication, a copy of such notice shall be transmitted by the Manager of the District, by registered or certified mail, to the County Judge of each county within the District, to the Mayor of each incorporated municipality within the District, to the Manager or presiding Director of every water district within the District which has registered with the State Board of Water Engineers under Chapter 62, p. 237, Act of the 54th Legislature, Regular Session, 1955, as subsequently amended, such notice to be mailed not less than twenty (20) days before the regular meeting at which the master plan, or any amendment or supplement thereto or revision thereof, is to be considered for the first time. Such master plan, or any amendment or supplement thereto or revision thereof, may be considered and approved at the regular meeting of the Board next following the last date of publication or, without further notice, at any regular meeting thereafter. The affirmative vote of at least seven (7) members of the Board shall be required for the approval of said master plan, or any amendment or supplement thereto or revision thereof. Of those seven (7) affirmative votes, at least four (4) affirmative votes shall be cast by Board members from Bexar County, at least one (1) affirmative vote shall be cast by a Board member from Wilson County, at least one (1) affirmative vote shall be cast by a Board member from Karnes County, and at least one (1) affirmative vote shall be cast by a Board member from Goliad County. After the master plan shall have been filed with the State Board of Water Engineers, the plan of any water development proposal within the entire District not now or hereafter exempted by law from the requirement for procuring a permit shall be submitted to the State Board of Water Engineers, and a copy thereof shall be furnished to the District at its principal office by the party proposing the development, who shall notify the

Board of Water Engineers of compliance with this provision. The District shall make its recommendations in reference to the proposed development to the State Board of Water Engineers within sixty days (60) after receipt of a copy of such water development plan. The State Board of Water Engineers shall hold a hearing at which the proponents of the proposed water development plan and the District shall have an opportunity to present their evidence and recommendations to the State Board of Water Engineers. The State Board of Water Engineers shall approve or disapprove such proposed water development plan notwithstanding any provision of the District's master plan in accordance with the provisions of Chapter 1, Title 128, Revised Civil Statutes of Texas, as amended. Said master plan, and all amendments or supplements thereto or revisions thereof, shall be prepared so as to effectuate Chapter 128, Sections 4 and 5, p. 21, Acts of the 42nd Legislature, 1931, and Chapter 11, p. 23, Acts of the 55th Legislature, First Called Session, 1957, and the rules and regulations of the State Board of Water Engineers. Added, H. B. 83, 57th Legislature.

Section 5. Repealed, H. B. 83, 57th Legislature.

Section 6. District Constabulary. In order to accomplish the objects of this Act, this District may constitute and maintain its own independent constabulary under oath and bond, insofar as is applicable, conditioned as is provided for a sheriff of a county, who shall be charged with the duty to police the District's property and its controlled facilities, with power to make arrests to prevent injury to such properties or other such offense or violation of any penal ordinance of the District, and, upon complaint or indictment lawfully had thereon, to make arrests either within or beyond the boundaries of the District.

Section 7. Repealed, H. B. 83, 57th Legislature.

Section 8. Duties of Certain State Officers. The State Board of Water Engineers and the Reclamation Engineer of Texas shall be under duty to cooperate with this District in the making of investigations and plans and the approval of plans for improvements to be provided by this District. Such plans, however, shall be subject to approval by them when appropriate under the General Laws of Texas; provided, only, that where the Federal Government shall have adopted a plan for improvements, the same, as to all matters save the use of water already under permit from the State, shall control.

Section 9. Governing Body of the District; Qualifications of Members of the Board; Vacancies; Term of Office. The government and control of the District shall be vested in a Board of Directors consisting of twelve (12) members, six (6) of whom shall be elected from Bexar County, two (2) of whom shall be elected from Wilson County, two (2) of whom shall be elected from Karnes County, and two (2) of whom shall be elected from Goliad County. Each director shall serve for a term of six (6) years, and shall hold office until his successor has been elected and has qualified by taking the oath of office. Before entering upon the duties of his office, each member of the Board shall take the Constitutional Oath of Office and the same shall be filed in written form with the Secretary of the Board. Vacancies occurring on the Board from any county shall be filled by appointment by the Governor of the State, with the advice and consent of the Senate, for such unexpired term. Any person over the age of twenty-one (21) years, residing within the District and within the county from which he is elected or appointed

and possessing the qualifications of a juror shall be eligible to be elected or appointed and to serve as a director. Amended, H. B. 83, 57th Legislature; and S. B. 741, 67th Legislature.

Sec. 10. Election of Directors. All elections within the District shall be carried out in accordance with rules set forth in the bylaws and the Election Code, and the results of all elections shall be canvassed by the Board of Directors of the District at the regular meeting next following each biennial election. All elections shall be held on the third Saturday in January of each odd-numbered year and at the polling places designated by the Board of Directors of the District. The terms of office of Directors elected at each election after the said first election shall commence on the first day of February following their election. In all elections the following rules shall apply:

- (a) Those persons seeking to have their names placed on the official ballot shall make application to the Secretary of the Board in accordance with rules prescribed by the Board either in the ordinance calling the election or in the bylaws.
- (b) The Secretary of the Board shall make the official ballot for each county from the names of candidates who have filed applications, and the placing of the names of the candidates on the ballots shall be determined by lot. The drawing of lots for the placing of the names of the candidates on the ballots shall be by the Secretary of the Board, and all candidates, or their designated representatives, may be present at such drawing.
- (c) The Directors from Wilson, Karnes and Goliad Counties shall be elected at large from each county. Four (4) Directors from Bexar County shall be elected from single-member districts and two (2) Directors shall be elected at large. The four (4) single-member districts shall be coterminous with and bear the same number as the Bexar County Commissioners Precincts. A candidate for a single-member district position must live in the district the candidate seeks to represent.
- (d) The candidates receiving the greatest number of votes, that is a plurality, shall be declared elected. Should there be a tie in the votes received, the winner of the election shall be determined by the majority of the Board. The two (2) at-large Directors of Bexar County shall be elected simultaneously by plurality, and the two (2) candidates receiving the greatest number of votes shall be declared elected.
- (e) Directors of the District serving from single-member districts at the time new single-member districts are adopted shall serve for the remainder of the terms to which they were elected regardless of the redistricting.

The residency requirements of Subsection (c), Section 10, Chapter 276, Acts of the 45th Legislature, Regular Session, 1937, as amended by this Act, do not apply to persons serving as directors when this Act takes effect or to candidates for District 2 at the 1989 election or to candidates for District 4 at the 1991 election.

The directors for Bexar County elected in 1989, 1991, and 1993 shall be elected as follows:

- (a) Election of directors for District 1 and 2 in January, 1989;
- (b) Election of directors by District 3 and 4 in January, 1991; and
- (c) Election of directors for the two at-large positions in January 1993. Amended, H. B. 83, 57th Legislature; S. B. 704, 61st Legislature; S. B. 741, 67th Legislature; and S.B. 1437, 70th Legislature.

Section 11. Compensation and Expenses of Directors. The Directors of the District shall be entitled to the compensation and allowances established by general law for each day of official service, whether sitting as a Board or serving on a committee of the Board, and in addition thereto shall be entitled to reimbursement for all expenses necessarily incurred by reason of such service. A meeting shall be deemed a day of service, provided that no charge shall be made for more than one meeting held on any one day, and no Director shall be paid per diem in excess of one hundred and fifty (150) days in any one fiscal year, exclusive of reimbursement for expenses, as compensation for service rendered as a Director and as a member of a committee. Amended, H. B. 83, 57th Legislature S. B. 741, 67th Legislature; and S.B. 37, 70th Legislature.

Section 12. Removal of Directors and Officers. Any Director or Officer shall be subject to removal or suspension from office by the affirmative vote of eight (8) Directors for incompetency, official misconduct, official gross negligence, habitual drunkenness or for inattendance at six (6) consecutive regular meetings of the Board; provided, that no Director or Officer shall be removed or suspended from office until charges in writing are filed against him and he is given the opportunity of a fair hearing before the Board of Directors. Amended, H. B. 83, 57th Legislature.

Section 13. Organization and Meetings of the Board; Officers; Quorum. At the first regular meeting of the Board held in the month of February of each odd-numbered year, there shall be appointed by a majority vote of the Board of Directors from its membership a Chairman, a Vice-Chairman, a Secretary and a Treasurer, and, if deemed proper, an Assistant Secretary and an Assistant Treasurer, who need not be members of the Board of Directors and who may be granted limited powers in the bylaws. The officers so appointed shall serve for a term of two (2) years and until their successors have been appointed, except that the Assistant Secretary and the Assistant Treasurer, if such officers are appointed, shall hold office at the pleasure of the Board. A quorum at all meetings of the Board of Directors shall consist of not less than seven (7) members. A quorum at all meetings of the Executive Committee shall consist of not less than three (3) members. Regular and special meetings of the Board of Directors shall be held as provided by the bylaws and notice of such meetings shall be given as required by the bylaws. The Board shall meet periodically with the Texas Water Commission. All meetings of the Board shall be open to the public. Amended, H. B. 83, 57th Legislature and S.B. 1437, 70th Legislature.

Section 14. Powers of the Board and Executive Committee; Bonds Required. The Board of Directors shall be responsible for the management and control of all affairs of the District. In connection therewith, the Board of Directors shall have the power:

- (a) To exercise all the powers, rights, privileges and functions conferred by law upon the District.
- (b) To adopt all such bylaws as are not inconsistent with the law. The bylaws may provide for the designation by the Board of an Executive Committee of five (5) members upon whom the District's Manager may call for policy decisions and advice concerning matters which arise between meetings of the Board and which may authorize, on behalf of the District, the execution of any contract involving the expenditure of an amount no greater than Twenty Thousand Dollars (\$20,000).
- (c) To appoint and fix the salary of a Manager, who shall be the chief executive officer of the District. The Manager shall employ and supervise, subject to policies promulgated by the Board, all employees, agents, accountants, attorneys, engineers and others rendering professional services necessary and required to accomplish the purposes of this Act. The Manager may execute, on behalf of the District, without specific authorization of the Board, any contract not subject to competitive bidding. The Manager may execute on behalf of the District and with specific authorization of the Board, any other contract.

Except as specifically provided elsewhere in this Act, all the powers, rights, privileges and functions of the District may be exercised by a majority of those Directors present at any meeting of the Board (or of the Executive Committee if the sum involved is no greater than Twenty Thousand Dollars [\$20,000]) held in compliance with the provisions of the bylaws at which meeting there must be present a majority of the Board (or of the Executive Committee), constituting a quorum.

Said Board of Directors shall have all such additional powers as may be conferred on this District by the other provisions of this Act and said Chapter 25, and of said Article 16, Section 59, of the Constitution of the State of Texas; provided, however, that members of the Board shall be ineligible to engage in any transaction for gain or profit with the District.

The Directors and all Officers of the District who are not Directors shall, within fifteen (15) days after their election or appointment, file a good and sufficient bond with the Secretary of the Board; the official bond of each Director and Officer shall be in the sum of Five Thousand Dollars (\$5,000), shall be payable to the District, shall be conditioned upon the faithful performance of their duties as such Directors or Officers, and shall be subject to approval by the Secretary of the Board. Amended, H. B. 83, 57th Legislature and H. B. 741, 67th Legislature.

Section 14-a. Audit. A complete system of accounts shall be kept by the District in accordance with generally accepted principles of accounting. The State Auditor shall annually audit the books and accounts of the District in such manner as to enable him to report to the

Legislature as to the manner and purpose of the expenditure of all funds of the District. Such audit shall cover the fiscal year from July the first to June the thirtieth, and a report thereof shall be made before the first day of January each year, a copy of which shall be filed with the Governor of Texas, the Lieutenant Governor of Texas, the Attorney General of Texas, the Speaker of the House of Representatives, the County Judge of each county included in the District and with each State Senator and Member of the House of Representatives of each county within the District. The State Auditor, after completing such report, shall prepare a detailed statement showing the actual cost of such audit and shall certify such statement to the Governor of the State of Texas for his approval; and such statement, when approved by the Governor, shall be delivered to the Manager of the District, and the District shall forthwith deposit such sum of money with the State Treasurer, which sum shall be placed in the General Fund of the State of Texas. Nothing herein shall prohibit the District from employing the professional services of an independent Certified Public Accountant or firm of Certified Public Accountants for any purpose. All books, accounts, contracts, records, papers and archives of the District shall be kept and maintained at the District's general office and shall be open to public inspection at all reasonable times. Amended, H. B. 83, 57th Legislature.

Section 15. Payment of Debts. Any and every indebtedness, liability, or obligation of the District, for the payment of money, however entered into or incurred, and whether arising from express contracts or implied contracts, or otherwise, shall be payable solely out of revenue received by the District in respect of its properties, and from out of any other moneys or income from any source whatsoever coming into possession of said District including proceeds of sale of bonds.

Section 15-a. Taxation. Subject to the limitation as to the maximum rate of tax as prescribed in this Section, the District may levy and collect throughout the territory of the District such ad valorem taxes as are voted at an election or elections called by the Board for that purpose and conducted throughout the territory of the District. The maximum rate of tax which can be levied and collected for any year shall be Two Cents (\$.02) on the One Hundred Dollars (\$100.00) of taxable property based on its assessed valuation, in accordance with the following conditions and procedures:

- (a) The Board of Directors of the District may, by ordinance, call an election to submit to the voters for approval such taxation; provided that a public hearing to discuss the proposed tax issue shall be held in each county in the District, said public hearing to be held not less than ten (10) days nor more than twenty-five (25) days prior to the scheduled date of any such election, and said hearings shall be called by the Board of Directors of the District and notice of the time, day, date, place and purpose of said meeting shall be given by publishing said notice in at least one (1) newspaper of general circulation in each county where the meeting is to be held at least ten (10) days prior to such hearing.
- (b) Only qualified electors, owning taxable property within the boundaries of the District and who have duly rendered their property for taxation shall be entitled to vote in any such election. An elector otherwise qualified must vote in the county of his residence and at the polling place designated for the precinct of his

residence. The ordinance calling the election shall specify the polling place or places in each of the several counties. The notice of election will be sufficient as to any county within the District if it states that the election is to be held throughout the territory comprising the District and if it specifies the polling place or places in such county, but it shall not be necessary to publish such details except in the county to which they are applicable.

- (c) Returns of the election shall be made to the Board, and the Board shall canvass the returns of the election and adopt an ordinance declaring the results thereof. The Board may levy taxes within the maximum rate thus voted if a majority of the votes cast throughout the District are in favor of the levy of the tax and if a majority of the votes cast in any three (3) counties in the District are in favor of the levy of the tax.
- (d) The rate of tax shall be uniform throughout the territory comprising the District, and shall be certified by the Chairman and the Secretary of the Board of Directors of the District to the Tax Assessor and the Tax Collector of each included county.
- (e) After an election has resulted favorably to the levy of a tax, the Board of Directors may borrow money payable therefrom and may evidence such loan by a negotiable note given in the name of the District.
- (f) Any taxes thus collected shall be used for the purpose of general administration, preparation of the Master Plan provided for in Section 4-a, and for other planning and services with respect to any of the purposes, rights, privileges and functions of the District; provided, however, that none of the taxes thus collected shall be used to pay for or finance the construction of any dams, reservoirs, levees, channels, pipelines or other major physical works of the District, or pay for the cost of any right-of-way acquisition, or damages awarded by any Court under Article 1, Section 17, of the Constitution of the State of Texas. It is the intent of this Act that any taxes thus collected will enable the District to develop a Master Plan for the maximum development of the soil and water resources of the District, it being hereby found and determined that the benefits to be realized from such maximum development can be obtained only through area-wide participation and planning. It is the intent of this Act that the construction of any dams, reservoirs, levees, channels, pipelines or other major physical works of the District shall be paid for or financed by revenue bonds of the District to be redeemed either by the sale of services or by taxes to be levied by a county or municipality and paid over to the District as an independent contractor of said county or municipality. It is likewise the intent of this Act that any taxes thus collected may be used to pay for the operation, repair and/or maintenance of any flood control, soil-conservation, watershed protection and/or erosion structures or works of improvement constructed in cooperation with the Federal Government; provided, however, that any such operation, repair and/or maintenance costs shall be paid for out of taxes thus collected in the county in which the particular structure or work of improvement is situated. It is further the intent of this Act that the taxes

authorized by this Section 15-a thus collected shall not be pledged to the redemption of any bonds of the District. Added, H. B. 83, 57th Legislature.

Section 15-b. Rendition, Assessment, Levying and Collection of Taxes. The rendition and assessment of property for taxation and the collection of taxes for the benefit of the District shall be in accordance with the law applicable to counties, insofar as such law is applicable. Renditions shall be to the County Tax Assessor of the county in which the property is taxable for State and County purposes. It shall be the duty of the Assessor and Collector in each county to cause to be placed on the county tax rolls such additional column or columns as are needed to show the tax levied by the District and the amount thereof, based on the value of such property as approved finally for State and County purposes by the Board of Equalization of such county. The fee for assessing and collecting taxes shall be two percent (2%) of the taxes collected, such fee to be paid over and disbursed in each county, as are other fees of office. All of the laws for the enforcement of State and County taxes shall be available to the District. The District has the right to cause the officers of each county to enforce the taxes due to the District in that county, as provided in the law for the enforcement of State and County taxes. Taxes assessed and levied for the benefit of the District 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 fifteen percent (15%) of the taxes collected by such suit, such fee to be paid over and disbursed in each county as are other fees of office. Added, H. B. 83, 57th Legislature.

Section 16. Issuance of Bonds. For the purpose of constructing improvements related to the exercise of any power or powers conferred on it by law, the District shall have the power and is hereby authorized to issue negotiable bonds, either as a single issue or in separate issues, from time to time, to be secured by a pledge of revenues, income and funds of the District without reference to their source and having such priority of liens thereon as may be prescribed in the proceedings authorizing the issuance of such bonds; provided, however, that no ad valorem taxes collected in accordance with the provisions of Sections 15-a and 15-b shall be pledged to any issue or issues of bonds. The District shall have the power to issue the bonds provided for in this section by action of its Board of Directors and without the necessity of an election. Said bonds may either be (1) sold for cash, at public sale, at such price or prices as the Board shall determine, provided that the interest cost of the money received therefore, computed to maturity in accordance with standard bond tables in general use by banks and insurance companies, shall not exceed six percent (6%) per annum, or (2) may be issued on such terms as the Board shall determine in exchange for property of any kind, real, personal, or mixed, or any interest therein which the Board shall deem necessary or convenient for any such corporate purpose, or (3) may be issued in exchange for principal amounts or other obligations of the District, matured or unmatured. The proceeds of sale of such bonds may be deposited in such banks or trust company or trust companies, and may be paid out pursuant to such terms and conditions, as may be agreed upon between the District and the purchasers of such bonds. All such bonds shall be authorized by resolution of the Board concurred in by at least eight (8) of the members thereof, and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates (not exceeding six percent [6%] per annum), payable annually or semi-annually, be in such denominations, be in such form, either coupon or registered, carry such registration privileges as

to principal only or as to both principal and interest, and as to exchange of coupon bonds for registered bonds or vice versa, and exchange of bonds of one denomination for bonds of other denomination, be executed in such manner and be payable at such place or places within or without the State of Texas, as such resolution or resolutions may provide. Any resolution or resolutions authorizing any bonds may contain provisions, which shall be part of the contract between the District and the holders thereof, from time to time: (a) reserving the right to redeem such bonds at such time or times, in such amounts and at such prices, not exceeding one hundred five percent (105%) of the principal amount thereof, plus accrued interest, as may be provided; (b) providing for the setting aside of sinking funds or reserve funds and the regulation and disposition thereof; (c) pledging to secure the payment of the principal of and interest on such bonds and of the sinking fund or reserve fund payments agreed to be made in respect of such bonds, any part or all of the revenue and income of every kind and character from any source whatsoever thereafter received by the District; (d) prescribing the purpose to which such bonds or any bonds thereafter to be issued, or the proceeds thereof, may be applied; (e) agreeing to fix and collect rates, charges, and assessments sufficient to produce net revenues adequate to pay the items specified above in subdivisions (a), (b) and (c) of this Section 16, and prescribing the use and disposition of all revenues; (f) prescribing limitations upon the issuance of additional bonds and upon the agreements which may be made with the purchasers and successive holders thereof; (g) with regard to the construction, extension, improvement, reconstruction, operation, maintenance, and repair of the properties of the District and carrying of insurance upon all or any part of said properties covering loss or damage or loss of use and reconstruction, operation, maintenance and repair of the properties of the District and carrying of insurance upon all or any part of said properties covering loss or damage or loss of use and occupancy resulting from specified risks; (h) fixing the procedure, if any, by which, if the District shall so desire, the terms of any contract with the holders of such bonds may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given; (i) for the execution and delivery by the District to a bank or trust company authorized by law to accept trusts, or to the United States of America or any officer or agency thereof, of indentures and agreements for the benefit of the holders of such bonds, setting forth any or all of the agreements herein authorized to be made with or for the benefit of the holders of such bonds and such other provisions as may be customary in such indentures or agreements; and (j) such other provisions not inconsistent with the provisions of this Act, as the Board may approve.

Any such resolution and any indenture or agreement entered into pursuant thereto may provide that in the event that:

- (a) Default shall be made in the payment of the interest of any or all bonds when and as the same shall become due and payable.
- (b) Default shall be made in the payment of the principal of any or all bonds when and as the same shall become due and payable, whether at the maturity thereof by call for redemption or otherwise.
- (c) Default shall be made in the performance of any agreement made with the purchasers or successive holders of any bonds.

And such default shall have continued such period, if any, as may be prescribed by said resolution in respect thereof, the trustee under the indenture or indentures entered into in respect of the bonds, authorized thereby, or if there shall be no such indenture, a trustee appointed in the manner provided in such resolution or provisions by the holders of twenty-five percent (25%) in aggregate principal amount of the bonds authorized thereby and at the time outstanding, may, and upon the written request of the holders of twenty-five percent (25%) in aggregate principal amount of the bonds authorized by such resolutions at the time outstanding, shall, in his or its own name, but for the equal proportionate benefit of the holders of all such bonds, and with or without having possession thereof:

- (a) By mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the holders of such bonds.
- (b) Bring suit upon such bonds and/or the appurtenant coupons.
- (c) By action or suit in equity, require the District to account as if it were the trustee or an express trust for the bondholders.
- (d) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds
- (e) After such notice to the District as such resolution may provide, declare the principal of all such bonds due and payable, and if all defaults shall have been made good, then with the written consent of the holders of twenty-five percent (25%) in aggregate principal amount of such bonds at the time outstanding annul such declaration and its consequences; provided, however, that the holders of more than a majority in principal amount of the bonds authorized thereby and at the time outstanding shall by instrument or instruments in writing delivered to such trustee have the right to direct and control any and all action taken or to be taken by such trustee under this paragraph. Any such resolution, indenture, or agreement may provide that in any such suit, action, or proceeding any such trustee, whether or not all of such bonds shall have been declared due and payable and with or without possession of any thereof, shall be entitled as of right to the appointment of a receiver who may enter and take possession of all or any part of the properties of the District and operate and maintain the same, and fix, collect and receive rates and charges sufficient to provide revenues adequate to apply the item set forth in subparagraphs (a), (b) and (c) of Section 16 hereof and costs and disbursements of such suit, action or proceeding and to apply such revenues in conformity with the provisions of this Act and the resolution or resolutions authorizing such bonds. In any suit, action, or proceeding by any such trustee, the reasonable fees, counsel fees and expenses of such trustee and of the receiver or receivers, if any, shall constitute taxable disbursements, and all costs and disbursements allowed by the Court shall be a first charge upon any revenues pledged to secure the payment of such bonds. Subject to the provisions of the Constitution of the State of Texas, the Courts of the County of Bexar shall have jurisdiction of any such suit, action, or proceeding by any such trustee on behalf

of the bondholders and of all property involved therein. In addition to the powers hereinabove specifically provided for, each such trustee shall have and possess all powers necessary or appropriate for the exercise of any thereof, or incident to the general representation of the bondholders in the enforcement of their rights.

Before any bonds shall be sold by the District, a certified copy of the proceedings for the issuance thereof, including the form of such bonds, together with any other information which the Attorney General of the State of Texas may require, shall be submitted to the Attorney General, and if he shall find that such bonds have been issued in accordance with law, and if he shall approve such bonds, he shall execute a certificate to that effect which shall be filed in the office of the Comptroller of the State of Texas and be recorded in a record kept for that purpose. In lieu of the approval by the Attorney General, the District may institute proceedings as authorized by Chapter 316, Acts of the Regular Session of the 56th Legislature, 1959. No bonds shall be issued until the same shall have been registered by the Comptroller, who shall so register the same if the Attorney General shall have filed with the Comptroller his certificate approving the bonds and the proceedings for the issuance thereof as hereinabove provided.

All bonds approved by the Attorney General as aforesaid, and registered by the Comptroller as aforesaid, and issued in accordance with the proceedings as approved, shall be valid and binding obligations of the District and shall be incontestable for any cause from and after the time of such registration.

Nothing herein shall prevent the District from making a private sale of its bonds to the Texas Water Development Board under such terms and conditions as District's Board of Directors shall in their discretion deem advisable, and such private sale is specifically authorized by this Act. Amended, H. B. 83, 57th Legislature.

Section 17. Purchase of Bonds by District. The District shall have power out of any funds available therefore to purchase any bonds issued by it at a price not exceeding the redemption price applicable at the time of such purchase, or if such bonds shall not be redeemable, at a price not exceeding the principal amount thereof plus accrued interest. All bonds so purchased shall be cancelled and no bonds shall ever be issued in lieu thereof.

Section 17-a. Bonds Legal for Investment and Security. The bonds of the District shall be and are hereby declared to be legal and authorized investments for banks, savings banks, trust companies, building and loan associations, 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 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, when accompanied by all unmatured coupons appurtenant thereto. Added Acts 1959, 56th Legislature, p. 78, ch. 39, Sec. 1.

Section 18. Property of the District.

(a) Prohibition Against Encumbering Property.

Nothing in this Act shall be construed as authorizing the District, and it shall not be authorized, to mortgage or otherwise encumber any of its property of any kind, real, personal or mixed, or any interest herein, or to acquire any such property or interest subject to the mortgage or conditional sale; provided, however, that this subsection shall not be construed as preventing the pledging of any and all revenues and income of the District of every kind and character and from any source whatever, except ad valorem taxes collected by the District in accordance with Sections 15-a and 15-b of this Act.

(b) Disposition of Property.

Nothing in this Act shall be construed as authorizing the District, or any receiver of its properties, or any court, to sell, lease or otherwise dispose of any of its property of any kind, real, personal or mixed, or any interest therein, unless such sale, lease or other disposition has been generally authorized by this Act; provided, however, that the District may sell or otherwise dispose of any property of any kind or any interest in property that is not necessary to carry on the business of the Authority provided that the Board, by a majority vote of a quorum present at any regular or special meeting, determines that the property is not convenient to the business of the Authority and is surplus. The Board shall cause a notice of such proposed sale to be published once each week for three (3) consecutive weeks in a newspaper of general circulation in the county or counties in which said property or interest therein is situated if the appraised value of said property or interest therein is in excess of Five Thousand Dollars (\$5,000) and if the said property or interest therein is not partial or total consideration in a transaction for the exchange of properties.

(b) Property Exempt from Forced Sale.

All property of the District shall be at all times exempt from forced sale, and nothing in this act shall authorize the sale of any of the property of the District under any judgment rendered in any suit, and such sales are hereby prohibited and forbidden. Amended H. B. 83, 57th Legislature and S. B. 741, 67th Legislature.

Section 19. Bonds, Tax Free. All bonds and the interest thereon issued pursuant to the provisions of this Act shall be exempt from taxation (except inheritance taxes) by the State of Texas or by any municipal corporation, county, or other political subdivision or taxing district of the State.

Section 20. Appeal Bond Not Required. This District shall not be required to give bond on any appeal from judgment in any Court.

Section 21. Full Authority to Issue Bonds. This Act without reference to other Statutes of the State of Texas shall constitute full authority for the authorization and issuance of bonds hereunder and no other Act or law with regard to the authorization or issuance of obligation or the deposit of the proceeds thereof, or in any way impeding or restricting the carrying out of the

acts herein authorized to be done, shall be construed as applying to any proceedings taken hereunder or acts done pursuant hereto.

Section 21-a. Contract with Bexar County. Recognizing the fact that the District has heretofore entered into a contract with the Commissioners' Court of Bexar County, Texas, for the purpose of financing the construction of certain flood control and soil conservation works of improvement in Bexar County, the District is hereby prohibited from spending any income or revenue derived from said contract, and all amendments thereto or reformations thereof, for any purpose other than those which are specifically provided for therein; provided, however, that a reasonable amount of said income or revenue may be allocated by the Board for the payment of the District's overhead, operational costs and the fees of the Directors who reside in Bexar County. Added, H. B. 83, 57th Legislature.

Section 21-b. Pollution Control Districts.

- (a) Authority to establish; purpose. The Authority may establish one or more pollution control district for the purpose of accomplishing any of the powers, purposes, rights, privileges or authority vested in the Authority regarding waste treatment.
- (b) Procedure for establishing districts; resolution; public hearing; election. Pollution control districts may be established by the procedures contained in this Section.

(1) The Board may adopt a resolution calling for the creation of a pollution control district, defining the boundaries thereof, estimating the principal amount of and stating the purpose of bonds proposed to be issued by the Authority on behalf of the proposed pollution control district, declaring that taxes for the payment of the proposed bonded indebtedness shall be levied exclusively on the taxable property within the proposed pollution control district, and fixing a time and place for a public hearing on the matters set out in the resolution.

(2) The Board may adopt a resolution calling for the creation of a pollution control district, defining the boundaries thereof, declaring that taxes for the maintenance of the Authority and its improvements shall be levied on the taxable property within the proposed pollution control district, and fixing a time and place for a public hearing on the matters set out in the resolution.

(A) The resolutions hereby authorized may be adopted simultaneously, and simultaneous hearings on proposed bond and maintenance taxes may be held.

(B) The public hearing may be conducted by a quorum of the Board of Directors, or one or more directors, or one or more employees who may be designated by the Board. If someone other

than a quorum of the Board conducts the hearing, he shall have power to accept evidence and make recommendations upon which the Board may act. The Board may alter, modify or change any provision of the resolution calling for the creation of the proposed pollution control district subsequent to the public hearing; provided, however, that the boundaries of the pollution control district may not be enlarged or expanded without further notice as hereinafter provided.

(C) Notice of the public hearing shall be published in a newspaper of general circulation within the proposed pollution control district once not less than fifteen (15) or more than thirty (30) days prior to the public hearing. To the extent not inconsistent with the provisions hereof, notice of the public hearing shall also comply with Chapter 271, Acts of the 60th Legislature, Regular Session, 1967, as amended (Article 6252-17, Vernon's Texas Civil Statutes).

(D) All public hearings on creation of a pollution control district shall be held within the boundaries of the proposed pollution control district, and may be held concurrently or in connection with any other public hearing, meeting or proceeding conducted by the Board.

(E) Any interested person, including persons residing or owning property within the Authority, may appear at the public hearing and present evidence relevant to the matter set forth in the resolution calling forth the creation of the proposed pollution control district. All persons residing within or owning property within the proposed pollution control district shall have the right to appear at the public hearing and present evidence with regard to whether they will receive benefits from the proposed improvements or taxation. Failure to appear at the public hearing shall constitute a waiver of all objections which the absent party might have had to all matters set forth in the resolution calling for the creation of the proposed pollution control district.

(F) The Board shall review the findings and recommendations resulting from the public hearing, and may adopt a resolution creating the pollution control district, stating the purposes for which the pollution control district has been created, designating the boundaries of the pollution control district, declaring that the indebtedness to be incurred or the cost of services to be rendered by the Authority for the benefit of the pollution control district shall be payable from taxes levied on property within the district, finding that the property within the pollution control district will

benefit from the indebtedness proposed to be incurred or the services proposed to be rendered by the Authority on its behalf, and calling for an election within the pollution control district to authorize said indebtedness and/or said maintenance tax. Said resolution shall further state the date of the election, the proposition or propositions to be voted on, the location of the polling places, and the names of the officers of the election. Said election may be held in conjunction with general election or any special election other than a primary election. The provisions of the Texas Election Code, as amended, shall govern the election unless contrary to any provision of this Act.

(G) The resolution of the Board creating a pollution control district shall be final and conclusive, and shall not be subject to review by any court except on the basis of whether the resolution is supported by substantial evidence. Said resolution shall be filed in the deed records of the county or counties wherein the territory within the pollution control district is situated. Any action or proceeding wherein the validity of the Board's resolution creating a pollution control district or of the proceedings relative thereto is contested, questioned or denied, shall be commenced within thirty (30) days from the effective date of the resolution; otherwise, said resolution and all proceedings relative thereto, including the creation of the pollution control district, shall be held to be valid and in every respect legal and incontestable.

(c) Boundaries; annexation proceedings.

(1) The boundaries of a pollution control district may include any territory within the Authority, whether or not the territory contains noncontiguous parcels of land; and whether or not the territory is located within the boundaries of any incorporated city, town, village, or any other governmental entity or political subdivision of the State of Texas. If any portion of the territory of a proposed pollution control district falls within the boundaries or within the exclusive extraterritorial jurisdiction of an incorporated city, town, or village, the Board shall not create said pollution control district until it has obtained the consent of said city, town, or village. Said consent may contain such conditions as may be mutually agreed on by the Authority and said city, town, or village, and shall be evidenced by a duly enacted ordinance of the governing body of said city, town, or village.

(2) Proceedings for the annexation of territory to an existing pollution control district may be initiated by a resolution of the Board or by a petition signed by the owners of 50 percent or more of the value of the land subject to the proceedings, or by a petition signed by a majority of the

residents of the land to be annexed. The petition shall, insofar as is practicable, set forth substantially those matters set forth in a resolution calling for the creation of a pollution control district, and shall request a public hearing by the Board on the matters set out in the petition. The public hearing shall be held in substantial compliance with the provisions set forth herein for a public hearing on creation of a pollution control district. If the Board determines that the annexation should be accomplished, it may adopt a resolution calling separate elections on the matter of annexation to be held within the existing pollution control district and within the land to be annexed. The annexation shall not become final until approved by a majority of the qualified voters within the existing pollution control district, and until a majority of the qualified voters within the boundaries of the land to be annexed approve said annexation and elect to allow the land to be annexed to be taxed for maintenance purposes and/or to assume its pro rata share of indebtedness theretofore authorized and/or taxes necessary to support the voted but unissued tax or tax-revenue bonds of the Authority which are to be issued on behalf of the existing pollution control district, and authorize the Board to levy a tax on the property therein for payment for such unissued bonds, when issued. Said elections shall conform to the Texas Election Code, as amended, insofar as said Code is not inconsistent with the provisions of this Act. The Board's resolution canvassing the returns of such elections shall redefine the boundaries of the pollution control district and shall be recorded in the deed records of the county within which the annexed territory lies.

(3) Proceedings for the addition of territory to an existing pollution control district on which less than three (3) qualified voters reside may be initiated by a petition signed by the owner or owners thereof praying that the land described therein be added thereto and become a part thereof. The petition shall, insofar as applicable set forth substantially those matters set forth in a resolution calling for the creation of a pollution control district and shall request a public hearing by the Board on the matters set out in the petition. The public hearing shall be held in substantial compliance with provisions set forth herein for a public hearing on creation of a pollution control district. If the Board determines that the addition should be accomplished, it may adopt a resolution adding such land. If taxes or bonds have been authorized within the pollution control district prior to the addition of said land, said resolution adding the land shall be temporary and the addition shall not become final until approved by a majority of the qualified voters with the pollution control district as it exists after said addition. Such election shall be held as soon as practicable after said addition on the proposition of approving said addition, ratifying the unissued tax or tax-revenue bonds of the authority which are to be issued on behalf of the pollution control district, and to authorize the Board to levy a tax on the property within the pollution

control district as enlarged for payment of said unissued bonds when issued and/or for the maintenance of the authority. Such election shall conform to the Texas Election Code, as amended, so far as such Code is not inconsistent with the provisions of this Act. The Board's resolution canvassing the returns of such election or adding the territory shall redefine the boundaries of the pollution control district and shall be recorded in the deed records of the county within which the added territory lies.

(d) Bonds; maintenance tax.

(1) If the qualified voters in the elections called pursuant hereto authorize the Authority to incur indebtedness for the benefit of a pollution control district, the Board shall have authority to issue bonds as provided in this Act; provided, however, that taxes levied for the purpose of making payments of the interest on or principal of said bonds shall be levied only on taxable property within the pollution control district.

(2) Notwithstanding any provision of this Act to the contrary, if the qualified voters in the elections called pursuant hereto authorize the Authority to levy and collect ad valorem taxes for the maintenance of the Authority and its improvements, the Board shall have authority to levy, assess, and collect said maintenance tax; provided, however, that said maintenance tax shall be levied only on taxable property within the pollution control district.

(e) Indebtedness authorized; taxes.

The Board may incur all such indebtedness as may be necessary to provide all improvements, and the maintenance thereof, requisite to the achievement of the purposes for which any pollution control district is organized, and the Authority is authorized to levy and collect all such taxes as may be necessary for the payment of the interest thereon and the creation of a sinking fund for the payment thereof, and such taxes shall be a lien on the property assessed for the payment thereof.

Section 22. Liberal Construction; Conflicts. This Act and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

It is especially provided, however, that in the event any authority or power granted in this Act overlaps or conflicts with any authority or power heretofore vested in the Guadalupe-Blanco River Authority as created by H. B. No. 138, Chapter 410, Act of the Forty-Fourth Legislature at its First Called Session, that the power and authority granted by said Act creating said Guadalupe-Blanco River Authority shall supersede and control over any power or authority granted by this Act, unless said Guadalupe-Blanco River Authority consents to the exercise of such power or authority by the San Antonio River Authority.

It is further especially provided that no provision of this Act shall have the effect of divesting any person, firm or corporation of any vested riparian rights heretofore vested, or any vested rights derived under existing permits for the appropriation and use of public waters heretofore issued by the State Board of Water Engineers, or any vested rights derived under any certified filings heretofore filed with said Board.

It is further especially provided that nothing in this Act shall impair or supersede the authority and supervision granted to the State Board of Water Engineers under the general laws of the State of Texas or under the rules formulated by said State Board in accordance with said general laws, any provision of this Act to the contrary notwithstanding. Amended, H. B. 83, 57th Legislature; S. B. 704, 61st Legislature.

Section 23. Domicile. The general office and place of domicile of this District shall be in the City of San Antonio, Bexar County, Texas.

Section 24. Constitutional Conformity. Nothing in this Act contained shall be construed to violate any provision of the Federal or State Constitutions, and all Acts done under this Act shall be done in such a manner as will conform thereto, whether herein expressly provided or not. Where any procedure hereunder may, by the Board, be deemed to be violative thereof, this District shall have the power by ordinance to provide a procedure conformable therewith. If any provision of this Act shall be invalid, such holding shall not affect the instant creation of this District, or the validity of any other provision of this Act. Acts 1937, 45th Legislature, p. 556, ch. 276; Acts 1939, 46th Legislature, Spec. L., p. 1083, paragraph 1.

Section 25. Severability Clause. The provisions of this Act are severable. If any section, subsection, provision or part whatsoever of this Act should be held to be void as in violation of the Constitution, it shall not affect the validity of the remaining portions thereof, and it is hereby declared to be the legislative intent that this Act would have been passed as to the remaining portions hereof, regardless of the invalidity of any part. Added, H. B. 83, 57th Legislature.