

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Art. 8280-154. (Acts 1953, 53rd Leg., Ch. 243) (Including Amendments through 2009)

Sec. 1. Authority Created. Pursuant to and as expressly authorized by Section 59 of Article XVI of the Constitution of the State 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 by the name of "Canadian River Municipal Water Authority" (hereinafter referred to as the "District"), and which shall be recognized to exercise all of the powers of and be a governmental agency and body politic and corporate essential to the accomplishment of the purposes of said constitutional provision and created to exercise such rights, powers, privileges and functions as hereinafter provided and as may be contemplated and implied by the aforesaid constitutional provision as well as those conferred by the General Laws of the State relating to Water Control and Improvement Districts wherein not in conflict with the provisions of this Act.

Sec. 2. Territory Comprising District. (a) The area of the district is hereby established to comprise all territory contained within the limits of the cities of (a) Amarillo, Potter and Randall Counties; (b) Borger, Hutchinson County; (c) Lamesa, Dawson County; (d) Levelland, Hockley County; (e) Littlefield, Lamb County; (f) Lubbock, Lubbock County; (g) O=Donnell, Lynn and Dawson Counties; (h) Pampa, Gray County; (i) Plainview, Hale County; (j) Slaton, Lubbock County; (k) Brownfield, Terry County; and (l)Tahoka, Lynn County, in the State of Texas, as of the effective date of this Act, and no defect or irregularity in the boundaries of any of such cities or in any of the proceedings relating to the annexation of territory thereto shall ever affect the validity of the District hereby created or any of its rights, powers, privileges or functions, it being affirmatively found and determined that all of the territory comprising and recognized as being within the limits of said cities as of the effective date of this Act, and all other territory hereafter brought into said District pursuant to the provisions hereof relating thereto, shall comprise said District and that all of same will be benefited by the improvements and facilities to be constructed, acquired or otherwise furnished under this Act.

(b) Any territory annexed to any city or town after it shall have become a part of the District herein created shall be automatically included within the boundaries of such District; provided, however, that if tax obligations of any nature have theretofore been incurred by the District, such inclusions shall not become final until an election has been held and a majority of the qualified property taxpaying voters residing in the territory annexed shall have voted therefor pursuant to the provisions for notice and election as set out in sub-paragraphs (f) to (g) inclusive, of Section 6 hereinafter appearing, pertaining to elections for the addition of territory and the assumption of indebtedness and taxes.

Sec. 3. Governing Body of the District. The District's powers shall be exercised through a Board of Directors to be elected by a majority vote of the governing body of each city which shall constitute a part of the District. All constituent cities having a population of 10,000 or more according to the preceding Federal Census shall be entitled to two members on the Board of Directors, to be elected by the governing body of each such city, and those having a population of less than 10,000 according to the preceding Federal Census shall be entitled to one member on the Board of Directors, to be elected by the governing body of each such city. In the case of cities of 10,000 or more population, one of the two Directors shall be designated to serve to and including July 31, 1954, and the other to serve to and including July 31, 1955. In the case of cities of less than 10,000 population, the Director elected shall serve to and including July 31, 1955. At a regular meeting in July, 1954, and in July of each year thereafter, the governing body of each city of 10,000 or more shall elect one Director for the two-year term beginning August 1st of that year; and at a regular meeting in July, 1955 and in July of each odd numbered year thereafter, the governing body of each city of less than 10,000 population shall elect one Director for the two-year term beginning August 1st of that year . The governing body of each constituent city is empowered to fill for the balance of any unexpired term any vacancy which may occur in the office of any Director elected by it. Directors elected as aforesaid shall be certified to the Board of Directors of the District by the Mayor of the city whose governing body has made the election.

Sec. 4. Qualifications of Members of Board. To be qualified for election to the Board of Directors, a person must be a qualified voter and a property owning taxpayer in the city from which he is elected and must

not be a member of the governing body or an employee of such city. Each such director shall subscribe to the constitutional oath of office and shall hold office until his successor has been elected and qualified. Each such Director who shall have been elected President, Vice-President, or Secretary shall give bond for the faithful performance of his duties in the amount of five thousand (\$5,000.00). As amended Acts 1969, 61st Leg., p. 164, ch. 63, par.1, emerg. eff April 3, 1969.

Sec. 5. Board Action-Duties-Quorum-Compensation and Expenses. (a) The Board of Directors shall perform official actions by resolution and a majority of their number shall constitute a quorum for the transaction of any and all business of the District. A majority vote of the quorum present shall be sufficient in all official actions including final passage and enactment of all resolutions, except as herein elsewhere otherwise specifically provided. As amended Acts 1961, 57th Leg., p. 121, ch. 67, par. 1, emerg. eff. April 10, 1961.

(b). The Board of Directors shall hold regular meetings, the date thereof to be established in the District's bylaws or by resolution. The President or any three members may call such special meetings as may be necessary in the administration of the District's business, provided that at least five days prior to the meeting date, the Secretary shall have mailed notice thereof to the address which each member shall file with the Secretary. Notices of special meetings may be waived in writing by any director. The Board of Directors or Board committees may hold meetings by telephone conference call, videoconference call, or through communications over the internet, in accordance with procedures provided by Subchapter F, Chapter 551, Government Code, if determined to be necessary or convenient by the President or any three members. A closed meeting of the Board of Directors that is authorized under Chapter 551, Government Code, may include officers and employees of constituent cities of the District. Each Director shall receive a fee as provided by general law for each day devoted to District business. Each Director is also entitled to reimbursement for actual expenses incurred in carrying out District business, including attending a Board meeting. Payment to a Director for services performed and expenses incurred is subject to the approval of a majority of the Board. As amended Acts 2009, 81st Leg., ch. 24 eff Sept.1, 2009.

(c). The President of the District shall be elected by the Board of Directors from among its members, and shall be the chief executive officer of the District. He shall preside at the meetings of the Board and shall perform all other functions which customarily are incident to his office. A Vice-President shall be elected by the Board from among its members, and shall act as President in case of the inability, absence or failure of the President to so act. A Secretary shall be elected by the Board with the Board having discretion as to whether such officer shall be chosen from among the members of the Board. The Secretary shall be charged with the duty of seeing that all books and records of the District are properly kept.

Sec. 6. Additional Territory May be Added. Other territory may be annexed to the District in the following manner:

(a) A petition praying for such annexation signed by fifty or a majority of the qualified voters of the territory who own taxable property therein, and who have duly rendered the same to the city or town (if situated within a city or town seeking annexation), or county, (if not situated within a city or town), for taxation, shall be filed with the Board of Directors of the District. The petition shall describe the territory by metes and bounds or by other appropriate description, unless such territory is the same as that of a city or town, in which event it shall be sufficient to state that the territory to be annexed is the same as that which is contained within such city or town.

(b) If the Board of Directors finds that the petition is signed by the required number of qualified persons and otherwise complies with the foregoing sub-section, that the annexation would be to the interest of the territory and the District, and that the District will be able to render service to the territory, it shall, provided

two-thirds of all the board members vote in favor thereof, adopt a resolution stating the conditions, if any, under which such territory may be annexed to the District, and declaring its intention to call an election in the territory for the purpose of submitting the proposition of whether or not such territory shall be annexed to the District, and fix a time and place when and where a hearing shall be held on the question of whether the territory will be benefited by the improvements, works and facilities then owned and operated by the District. Railroad right-of-way, transmission lines and other property of telephone and telegraph and electric and gas utilities which are not situated within the defined limits of an incorporated city or town will not be benefited by improvements, works and facilities which the District is authorized to construct; therefore, no railroad right-of-way, or transmission lines, or other property of electric and gas utilities or right-of-way or other property and facilities of telephone and telegraph utilities shall hereafter be annexed to the District except such right-of-way, transmission lines and other property of electric and gas utilities as are contained within the limits of an incorporated city or town then or thereafter annexed to the District.

(c) Notice of the adoption of such resolution stating the time and place of such hearing, addressed to the citizens and owners of property in such territory shall be published one time in a newspaper designated by the Board of Directors and having general circulation in the territory, at least ten days prior to the date of such hearing. The notice shall describe the territory in the same manner as herein above required or permitted for the petition. The Secretary shall also mail notice of such hearing addressed to the Mayor and governing body of each constituent city at least thirty days prior to the hearing.

(d) All interested persons who reside in the District or in the territory seeking annexation may appear at such hearing and offer evidence for or against the intended annexation. Such hearing may proceed in such order, and under such rules as may be prescribed by the Board of Directors, and the hearing may be recessed from time to time. If, at the conclusion of the hearing, the Board of Directors finds that all of the lands in such territory will be benefited by the present or contemplated improvements, works or facilities of the District, it shall adopt a resolution calling an election in the territory to be annexed, stating therein the date of the election, the place or places of holding the same and appointing a presiding judge for each voting place, who shall appoint the necessary assistant judges and clerks to assist in holding the election.

(e) Notice of said election, stating the date thereof, the proposition to be voted upon and the conditions under which the territory may be annexed, or making reference to the resolution of the Board of Directors for that purpose, and the place or places for holding the same, shall be published one time in a newspaper published in the territory to be annexed and designated by the Board of Directors, at least ten days before the day set for the election. If no newspaper is published in the territory to be annexed, it shall be sufficient if notices are posted at three public places therein and published as aforesaid in a newspaper having general circulation in the territory.

(f) Only qualified electors who reside in such territory, who own taxable property therein, and who have duly rendered the same to the city (if situated within a city or town) or to the county in which it is situated (if not situated within a city or town), for taxation, shall be qualified to vote in said election. Returns of said election shall be made to the Board of Directors.

(g) The Board of Directors shall canvass the returns of the election and adopt a resolution declaring the results thereof. If such resolution shows that a majority of the votes cast are in favor of annexation to the District, the annexation shall thereafter be incontestable except in the manner and within the time for contesting elections under the general election laws. A certified copy of said order shall be recorded in the deed records of the county in which the territory is situated. As amended Acts 1987, 70th Leg., ch. 251, par. 1, emerg. eff. May 28, 1987.

(h) In calling an election on the proposition for annexation of territory, the Board of Directors may include as a part of the same proposition the assumption of its part of any tax-supported obligations of the District then outstanding and in force, and, in the case of bonds, those theretofore voted but not yet sold, and for the levy of ad valorem taxes on taxable property in said territory on the same basis as taxes are levied in the remainder of the District for the payment of such tax obligations. If the proposition thus submitted carries by a majority vote, the effect thereof shall be the same as that resulting from the separate assumption election provided for in the next succeeding sub-paragraph.

(i) After territory is added to the District, the Board of Directors of the District may call an election over the entire District for the purpose of determining whether the entire District as enlarged shall assume the taxes and tax-supported obligations then outstanding and in force, and, in the case of bonds, those theretofore voted but not yet sold, and whether ad valorem taxes shall be levied upon all taxable property within the District as enlarged for the payment thereof, unless such proposition is favorably voted along with the annexation election and becomes lawfully binding upon the territory annexed. Notice of the elections provided for in this and the next preceding sub-paragraph (h) shall be given and said election shall be held in the same manner as elections for the issuance of bonds as provided in this Act.

Sec. 7. General Manager-Employees. The Board may employ a General Manager for the District and may accord him full power and authority in the management and operation of the affairs of the District, subject only to the orders of the Board, and may determine his compensation. The Board may also employ and determine the compensation of such other employees as it may deem appropriate to the proper conduct of the District's affairs, including but not limited to engineers, technical experts, attorneys and assistants to its officer, including the General Manager. The Board shall have authority to provide for the removal of all employees. The General Manager shall be the official Treasurer of the District and have charge of its funds; shall see that same are safely kept; and shall account therefor to the Board. He shall give bond in such amount as may be required by the Board but in no event less than Fifty Thousand (\$50,000.00) Dollars.

Sec. 8. Disbursement of Funds. The moneys of the District shall be disbursed only on checks, drafts, orders or other instruments signed by such persons as shall be authorized by the by-laws and resolutions of the Board of Directors.

Sec. 9. Cities and Towns May Give Financial Aid to District. In consideration of the fact that the District may be incurring some obligations and making some expenditures before funds can be available to pay such obligations and expenditures, for the purpose of providing funds needed to procure necessary engineering surveys, the collection and compilation of data relating to general conditions influencing the determination of the character and extent of the improvements, works and facilities essential to the accomplishment of any purpose of the District, it is hereby provided that any city or town situated within the District may expend funds or use its services for such engineering surveys and data. Any city or town situated within the District may appropriate money from its general funds or such other funds as may be legally available for such purpose, and donate and contribute same to the District; and it shall be competent for the District to contract with any such city or town to repay any money advanced as a loan to the District.

Sec. 10. District Office. A regular office shall be established and maintained for the conduct of the District's business, which shall be at a location to be determined by the Board. The Board of Directors shall keep a true and full account of the proceedings of its meetings, and shall maintain its records in a secure manner. As amended Acts 1989, 71st Leg., p. 5043, ch. 243, par. 81.

Sec. 11. Audits. The Board of Directors shall cause to be kept complete and accurate accounts conforming to approved methods of bookkeeping and such accounts and all contracts, documents and records of the District shall be kept at its principal office and shall be open to public inspection at all reasonable times. Once each year, the Board shall cause to be made and completed, an audit of books of account and financial

records of the District for the preceding year, such audit to be made by an independent Certified Public Accountant, or firm of Certified Public Accountants. Copies of the written report of such audit certified to by said accountant or accountants shall be placed and kept on file at the office of the District and shall be open to public inspection at all reasonable times. As amended Acts 1969, 61st Leg., p. 164, ch. 63, par. 3, emerg. eff. April 3, 1969.

Sec. 12. District Depository and Methods of Selecting Same. (a) The Board of Directors shall designate one or more banks within the District to serve as depository for the funds of the District. All funds of the District shall be deposited in such depository bank or banks, except those pledged to pay bonds, which shall be deposited with the trustee bank, or paying agent, named in the bond proceedings and to the extent provided for in such proceedings. To the extent that funds in the depository bank and the trustee bank are not insured by the F.D.I.C. they shall be secured in the manner provided by law for the security of county funds.

(b) Before designating a depository bank or banks, the Board of Directors shall issue a notice stating the time and place when and where the Board will meet for such purpose and inviting the banks in the District to submit applications to be designated depositories. The term of service for depositories shall be prescribed by the Board. Such notice shall be published one time in a newspaper or newspapers published in the District and specified by the Board, and such publication shall be accomplished at least ten days prior to the date of the Board meeting.

(c) At the time mentioned in the notice, the Board shall consider the applications and the management and condition of the banks filing them, and shall designate as depositories the bank or banks which offer the most favorable terms and conditions for the handling of the funds of the District and which the Board finds have proper management and are in condition to warrant handling the District's funds.

(d) If no acceptable applications are received by the time stated in the notice, the Board shall designate some bank or banks within or without the District upon such terms and conditions as it may find advantageous to the District.

Sec. 13. District Powers. In addition to those herein otherwise mentioned, the District shall be and is hereby authorized to exercise the following powers, rights, privileges and functions:

(a) To store, control, conserve, protect, distribute and utilize within or without the District or within or without the state the storm and floodwater and unappropriated flow of the Canadian River and its tributaries, and to prevent the escape of any such waters without first obtaining therefrom a maximum of public benefit, by the construction of a dam or dams across said river and its tributaries, or otherwise, by complying with Chapter 11, Water Code, and in such manner as shall fully recognize and be in harmony with the limitations of use of the waters of said river provided in the "Canadian River Compact" appearing as Chapter 43, Water Code. The District is also empowered to provide by purchase, contract, lease, gift, or in any other lawful manner, and to develop all facilities within or without the District or within or without the state deemed necessary or useful for the purpose of storing, controlling, conserving, protecting, distributing, processing and utilizing such surface water and the transportation thereof to the cities and areas comprising the District for municipal, domestic, industrial and other useful purposes permitted by law. As amended Acts 1987, 70th Leg. ch. 251, par. 2, emerg. eff. May 28, 1987.

(b) To acquire and develop within or without the District or within or without the state any other available source of surface, storm, flood, underground, or other water supply and to construct, acquire and develop all facilities deemed necessary or useful with respect thereto. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(c) To acquire, construct, develop, operate, and maintain any and all property of any kind, real, personal, or mixed, or any interest in property whether within or without the District or within or without the state and to enter into any contracts with any person or legal entity and take all actions necessary or convenient in order to protect and preserve, and to prevent, eliminate, reduce, or minimize the pollution, contamination, or deterioration of the quality of, the water of the Canadian River or any of its tributaries or the water of any other source of water supply to the District in order to facilitate the use of the water for any lawful purpose. Sec. 13c added Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(d) To acquire, construct develop, operate, and maintain any facilities or systems for drilling, pumping, capturing, reducing, intercepting, eliminating, impounding, controlling, using, injecting or otherwise capturing and disposing of brine, brackish water, saltwater, saline water, or other water contaminated by any type of chlorine, sodium, sulfates, or other chemical condition or characteristic detrimental to the quality of the water, whether the source of contaminated water is groundwater or surface water, within or without the District or within or without the state, and whether the facilities or systems are located within or without the District or within or without the state. Sec. 13d added Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(e) To acquire or utilize surface or underground water rights and to develop surface or underground water resources in any manner in furtherance of the purposes described in Subsections (c) and (d) of this section. Sec. 13e added Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(f) To declare any facilities or system acquired or constructed under Subsections (a) through (e) of this section to be a part of the District's water supply system. Sec. 13f added Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(g) To acquire by purchase, construction, 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 or without the boundaries of the District or within or without the state, necessary or convenient to the exercise of the powers, rights, privileges and functions possessed by the District under this Act. As amended Acts 1987, 70th Leg., ch. 251, par. 2 emerg. eff. May 28, 1987.

(h) To acquire by condemnation any and all property of any kind, real, personal, or mixed, or any interest therein, within or without the boundaries of the District, necessary or convenient to the exercise of the powers, rights, privileges and functions possessed by the District, in the manner provided by Chapter 21, Property Code, relating to eminent domain. The amount of and character of the property thus to be acquired shall be determined by the Board of Directors, provided that the District shall not have the right to so condemn any property which may be owned by any other political subdivision, city or town; provided, however, that as against persons, firms, and corporations, or receivers or trustees thereof, who have the power of eminent domain, the fee title may not be condemned, but the District may condemn only an easement. It is specifically provided, however, that the District does not have the authority to condemn underground water rights. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(i) To sell or otherwise dispose of any surplus property of any kind, real, personal, or mixed, or any interest therein, which shall not be necessary to the operation of the District in accordance with general law applicable to a municipality or to a district created under Section 59, Article XVI, Texas Constitution; provided, however, that in all cases in which the Board of Directors considers the value of surplus real property to be in excess of One Thousand Dollars, the property shall be sold only upon advertisement and competitive bids. As amended Acts 2007, 80th Leg., ch. 1339 eff Sept. 1, 2007.

(j) To require the relocation of roads and highways in the manner and to the extent permitted to Districts organized under Section 59 of Article XVI of the Texas Constitution; the cost of relocation of any

roads, highways or railroads or telephone or telegraph properties or facilities made necessary by this Act and any reasonable actual damage incurred in changing and adjusting the lines and grades of railroads or such highways or roads or telephone or telegraph properties or facilities shall be paid by the District. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(k) To make contracts with any person or legal entity, including the United States, the state, any political subdivision or body politic and corporate of the state, any other state, any political subdivision or body politic and corporate within any other state, and any interstate compact commission or similar organization, necessary or convenient to the exercise of the powers, rights, privileges and functions of the District and to take all actions and execute all instruments necessary or convenient to the exercise of the powers, rights, privileges and functions of the District. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(l) To make or cause to be made surveys and engineering investigations for the information of the District, to facilitate the accomplishment of the purposes for which it is created. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(m) To borrow money for its corporate purposes, and without limitation of the generality of the foregoing to borrow money and accept grants, gratuities or other support from the United States of America or the State of Texas, or from any corporation or agency created or designated by the United States of America or the State of Texas, and, in connection with any such loan, grant, or other support, to enter into such arrangement with the United States of America or the State of Texas or such corporation or agency of either as the District may deem advisable. As amended Acts 1987 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(n) To make and issue its negotiable bonds for moneys borrowed in the manner and to the extent provided in this Act and with reference thereto or otherwise to contract in any manner it shall see fit and as may be required by any law pertaining to loans, grants or other support received from the United States of America or the State of Texas or from any corporation or agent of either of them. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(o) To make such contracts in the issuance of bonds as may be considered necessary or convenient to insure the marketability thereof. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(p) To sue or be sued in its corporate name, provided that if the District prevails in a suit against a person or governmental entity entitled to recover attorney's fees, costs for expert witnesses, or any other related costs, the District is entitled to recover those fees and costs according to the same terms that would have governed recovery for the other person or governmental entity if the District had not prevailed. As amended Acts 2007, 80th Leg., ch. 1339, eff Sept. 1. 2007.

(q) To adopt, use and alter a corporate seal. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(r) To make by-laws for the management and regulation of its affairs. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(s) To fix and collect charges and rates for water services furnished by it and to impose penalties for failure to pay such charges and rates when due, provided that such charges, rates and penalties shall be fixed only by unanimous vote of the members of the Board of Directors constituting a quorum and who are present at a regular meeting. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(t) To cooperate and to enter into contracts with cities, persons, firms, corporations and public agencies for the purpose of supplying and selling them surface, storm, flood, underground, and other water for municipal, domestic, industrial, and other useful purposes permitted by law, provided that cities and areas constituting the District shall be accorded priority in the allocation of the District's available surface, storm, flood, underground, and other water, and the Board of Directors shall prescribe rules to effectuate this provision. Any such contract may be upon such terms and for such time as the parties may agree, and it may provide that it shall continue in effect until the District's bonds specified therein and refunding bonds issued in lieu of such bonds are fully paid. The authority of each member or other city to enter into any contract with the District for the sale of water or other services or for any other purpose within the powers, rights, privileges, and functions of the District is vested exclusively in the governing body of each member or other city notwithstanding any provisions of any home rule charter or any local ordinance of such member or other city, or of any other provision of any other law placing any restriction, limitation, or requirement on the authority of the governing body of any member or other city to enter into any such contract. No provision of the home rule charter or of any other ordinance of any member or other city, and no provision of any other law in conflict herewith will invalidate or impair, in whole or in part, the enforceability and validity of any contract entered into by the District with any member or other city pursuant to the powers, rights, and privileges or functions of the District. In the event the District shall have contracted with the United States government or any of its agencies for a source of water supply or for the furnishing of any facilities necessary or useful to the District in carrying out its purposes, any such contract entered into under authority hereof may provide that it shall continue until the District has fully discharged all obligations incurred by it under the terms of its contract with the United States Government or its agencies. The District is also authorized to purchase surface, storm, flood, underground, and other water supply from any person, firm, corporation or public agency, or from the United States Government or any of its agencies. As amended Acts 1995, 74th Leg., ch.220, par. 1, emerg. eff. May 23, 1995.

(u) To operate and maintain with the consent of the governing body of any city or town located within the District, any works, plants or facilities of any such city deemed necessary or convenient to the accomplishment of the purposes for which the District is created. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

(v) To levy, assess and collect ad valorem taxes to provide funds necessary to construct or acquire, maintain and operate improvements, works, plants and facilities deemed essential and beneficial to the District upon a favorable majority vote of the qualified property taxpaying electors voting at an election held for that purpose within the District; and also, when so authorized, to levy, assess and collect taxes to provide funds adequate to defray the cost of the maintenance and operation and administration of the District. Elections for the voting of such taxes shall be ordered by the Board of Directors and shall be held and conducted as provided herein for elections for the issuance of bonds and the levy of taxes in support thereof. When so levied such taxes, as well as taxes hereinafter provided to be levied in support of bond indebtedness, shall constitute a lien on the property against which such taxes are levied and assessed, and limitations shall not bar the collection and enforcement thereof. As Amended Acts 1987, Leg., d . 251, par. 2, emerg. eff. May 28, 1987.

(w) To do any and all acts and things necessary or convenient to the exercise of the powers, rights, privileges or functions conferred upon or permitted the District by any other law. As amended Acts 1987, 70th Leg., ch. 251, par. 2, emerg. eff. May 28, 1987.

Sec. 14. Contracts. The District may negotiate, enter, and modify a contract in accordance with general law applicable to a municipality or to a district created under Section 59, Article XVI, Texas Constitution. Amended Acts 2007, 80th Leg., ch 1339, eff Sept. 1, 2007

Sec. 15. May Issue Bonds. (a) For the purpose of providing a source or sources of water supply for cities and other users for municipal domestic, industrial, and other useful purposes permitted by law, as

authorized by this Act, and for the purpose of carrying out any other power or authority conferred by this Act, including the powers conferred by Section 13 of this Act, the District may issue its negotiable bonds to be payable from net operating income and revenues, or from taxes, or from both such revenues and taxes of the District as are pledged by resolution of The Board of Directors. In addition to the authority to issue bonds for such purposes, the District is further authorized to contract in any other lawful manner and to prescribe the method of payment of any such contract either by the use of net revenues, taxes, or both. As amended Acts 1987, 70th Leg., ch. 251, par. 3, emerg. eff. May 28, 1987.

(b) Bonds shall be authorized by resolution of the Board of Directors, shall bear such date or dates, mature at such time or times and bear interest at such rate or rates as the Board of Directors may determine. They shall be signed by the President and attested by the Secretary and shall have the seal of the District impressed thereon. All bonds may be sold at such price and under such terms as may be determined by the Board of Directors to be the most advantageous and reasonable obtainable. Within the discretion of the Board, bonds may be made callable and subject to redemption prior to their maturity at such times and at such prices as may be prescribed in the authorizing resolution. Interest on all bonds shall be payable annually or semiannually within the discretion of the Board. Bonds may be issued in one or more than one series and from time to time as required in carrying out the purpose of this Act. They shall 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 denominations, and be payable at such place or places within or without the State of Texas as the Board of Directors shall determine and prescribe in the resolution or resolutions authorizing such bonds. As amended Acts 1987, 70th Leg., ch. 251, par. 3, emerg. eff. May 28, 1987.

(c) Bonds may be secured by a pledge of all or any part of the net revenues of the District, or by the net revenues of any one or more contracts theretofore or thereafter made, or other revenues, in such manner as may be specified by resolution of the Board of Directors. Any such pledge may reserve the right, under conditions therein specified, to issue additional bonds which will be on a parity with or subordinate to the bonds then being issued. The term "net revenues" as used in this Act shall mean the gross revenues of the District after deduction of such amounts therefrom as are necessary to pay the cost of maintaining and operating the District and its properties.

(d) Where bonds are issued payable wholly or partially from ad valorem taxes, it shall be the duty of the Board of Directors to levy a tax sufficient to pay the bonds and the interest thereon as such bonds and interest become due, but the rate of the tax for any year may be fixed after giving consideration to the money received from the pledged revenues which may be available for the payment of principal and interest to the extent and in the manner permitted by the resolution authorizing the issuance of the bonds.

(e) Where bonds or other contract payable wholly or partially from revenues are issued or entered into, it shall be the duty of the Board of Directors to fix by contract with all cities, persons, firms, corporations or public agencies which may contract with it for a water supply or water facilities, such rates or compensation for water sold and services rendered by the District as will be sufficient to pay the expenses of operating and maintaining the District and its facilities and to pay, as they mature, all such obligations incurred by it, including such reserve and other funds as may be provided for the bonds or other contracts under the terms thereof, and as may be provided in the Board of Directors' resolution pertaining thereto.

(f) From the proceeds of the sale of bonds, the District may set aside an amount for the payment of interest expected to accrue during construction and a reserve interest and sinking fund, which such provisions shall be made in the resolution authorizing the bonds. Proceeds from the sale of bonds may also be used for the payment of all expenses necessarily incurred in accomplishing the purposes for which this District is created, including expenses of issuing and selling the bonds. Pending the use of bond proceeds for the purpose for which

the bonds were issued, the Board of Directors, in its discretion, may invest same in obligations of the United States of America.

(g) In the event of a default or a threatened default in the payment of principal of or interest on bonds payable wholly or partially from revenues, any court of competent jurisdiction may, upon petition of the holders of twenty-five (25%) percent of the outstanding bonds of the issue thus in default or threatened with default, appoint a receiver with authority to collect and receive all income of the District except taxes, employ and discharge agents and employees of the District, take charge of funds on hand (except funds received from taxes, unless commingled) and manage the proprietary affairs of the District without consent or hindrance by the Directors. Such receiver may also be authorized to sell or make contracts for the sale of water or renew such contracts with the approval of the court appointing him.

(h) All bonds issued by the District pursuant to the provisions of this Act shall constitute negotiable instruments within the meaning of the Negotiable Instruments Law of this State. 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 Texas may require, shall be submitted to the Attorney General, and if he shall find that such bonds have been issued in accordance with the law, he shall approve such bonds and execute a certificate of approval which shall be filed in the office of the Comptroller of Public Accounts of the State of Texas, and be recorded in a record kept for that purpose. No bond shall be issued until the same shall have been registered by the Comptroller of Public Accounts, who shall so register the same if the Attorney General shall have filed with the comptroller of Public Accounts his certificate approving the bonds, and the proceedings for the issuance thereof, as hereinabove provided. when bonds or the proceedings pertaining thereto recite that they are secured by a pledge of the proceeds of a contract theretofore made between the District and any city, district, or other user, a copy of such contract and proceedings of the contracting parties shall be submitted to the Attorney General with the bond record, and if such bonds have been duly authorized and such contracts made in compliance with law, he shall approve the bonds and contracts and the bonds shall then be registered by the Comptroller of Public Accounts. When approved as aforesaid, the bonds and contracts shall be valid and binding and shall be incontestable for any cause. Whenever the District shall have issued bonds, including interim or temporary bonds, or has contracted with the United States or with the State of Texas, or any corporation or agency of either, in connection with the financing of its works or facilities, it may validate such bonds or contracts by suit in the manner and with the same effect as provided by Sections 51.423-51.431, Water Code. As amended Acts 1987, 70th Leg., ch.. 251, par. 3, emerg. eff. May 28, 1987.

(i) Pending the issuance of definitive bonds the District is authorized to issue and deliver interim or temporary bonds. The interim or temporary bonds thus issued may be taken up with the proceeds of the definitive bonds, or the definitive bonds may be issued and delivered in exchange for and in substitution of said interim or temporary bonds. After any such exchange and substitution it shall be the duty of the District to file proper certificates with the Comptroller of Public Accounts of the State of Texas as to such exchange, substitution and cancellation. Such certificates shall be recorded by the Comptroller of Public Accounts of the State of Texas.

(j) The Board of Directors is authorized to issue refunding bonds for the purpose of refunding any outstanding bonds authorized by this Act and interest thereon without the necessity of an election. Such refunding bonds may be issued to refund more than one series of outstanding bonds, and in the case of bonds secured in whole or in part by net revenues, the District may combine the pledges for the outstanding bonds for the security of the refunding bonds, and may secure them by other or additional revenues. The provisions of this Act with reference to the issuance of other bonds and their approval by the Attorney General and the rights and remedies of the holders shall be applicable to refunding bonds. Refunding bonds shall be registered by the Comptroller upon surrender and cancellation of the bonds to be refunded; but in lieu thereof, the resolution

authorizing their issuance may provide that they shall be sold and the proceeds thereof deposited in the bank where the original bonds are payable, in which case the refunding bonds may be issued in an amount sufficient to pay the interest on the original bonds to their option date or maturity date, and the Comptroller shall register them without concurrent surrender and cancellation of the original bonds.

(k) Any bonds (including refunding bonds) authorized by this Act, not payable wholly from ad valorem taxes, may be additionally secured by a trust indenture under which the trustee may be a bank having trust powers situated either within or without the State of Texas. Such trust indenture or mortgage may include provisions for a lien upon all or any part of the physical properties of the District, and franchises, easements, water rights and appropriation permits, leases and contracts and all rights appurtenant to such properties, vesting in the trustee power to sell the properties for payment of the indebtedness thus secured and power to operate such properties and all other powers and authority for the further security of the bonds. Such trust indenture regardless of the existence of the deed of trust lien may contain any provisions prescribed by the Board of Directors for the security of the bonds and the preservation of the trust estate, including provision for amendment or modification thereof and the issuance of bonds to replace lost or mutilated bonds secured thereby. Any purchaser, under a sale under the deed of trust lien where one is given, shall be the owner of the properties, facilities and rights so purchased and shall have the right to maintain and operate the same during the period prescribed by the trust indenture.

(1) No bonds supported in whole or in part by taxes to be levied by the District, except refunding bonds related to the bonds, shall be issued unless authorized by an election at which only the qualified voters who reside in the District, who own taxable property therein and who have duly rendered the same for taxation, shall be qualified to vote, and unless a majority of the votes cast at said District-wide election is in favor of the issuance of the bonds.

Bond elections may be called by the Board of Directors without a petition. The resolution calling the election shall specify the time and places of holding the same, the purpose for which the bonds are to be issued, the maximum amount thereof, the maximum maturity thereof, the maximum interest rate, the form of the ballot and the presiding judge for each voting place. The presiding judge serving at each voting place shall appoint the necessary assistant judges and clerks for holding such elections. Notice of the election shall be given by publishing a substantial copy of the resolution calling the election in a newspaper or newspapers of general circulation in each city contained in the District once a week for two (2) consecutive weeks. The first publication shall be at least twenty-one (21) days prior to the election. The returns of the election shall be made to and canvassed by the Board of Directors of the District. The General Laws relating to elections shall be applicable to elections held under this Section of this Act, except as otherwise provided in this Act. As amended Acts 1987, 70th Leg., ch. 251, par. 3, emerg. eff., 10, May 28, 1987.

(m) Bonds of the District supported by revenues or sources other than taxes to be levied by the District may be issued as otherwise provided by this Act without holding an election to approve the bonds. Sec. 15m added Acts 1987, 70th Leg., ch. 251, par. 4, emerg. eff. May 28, 1987.

(n) The District may issue bond anticipation notes for any purpose for which bonds of the District may be authorized or for the purpose of refunding previously issued bond anticipation notes. The District may covenant with the purchasers of the bond anticipation notes that the District will use the proceeds of sale of any bonds authorized by the District for the purpose of refunding the bond anticipation notes, in which case the District will be required to use the proceeds received from sale of the bonds to pay principal, interest, or redemption price on the bond anticipation notes. To the extent applicable, the terms and conditions of this Act relating to bonds of the District apply to the bond anticipation notes. Sec. 15n added Acts 1987, 70th Leg., ch. 251, par. 4, emerg. eff. May 28, 1987.

(o) In addition to the power to issue bonds as provided by this Act, the District may issue bonds for any purpose and in any manner authorized by general law for water control and improvement districts or may issue bonds in any other manner authorized by law. Section 51.421, Water Code, does not apply to issuance of bonds or to Construction projects funded by bonds. Sec 15o added Acts 1987, 70th Leg., ch. 251, par. 4, emerg. eff. May 28, 1987.

Sec 16. No Exclusion of Lands or other Property Required. The provisions of Section 76, Chapter 25, of the General Laws passed by the 39th Legislature AD 1925 (Article 7880-76) as amended, or other statutes relating to the exclusion of lands or other property shall not be applicable to the District herein created.

(a) The District is authorized to contract with the United States Government and any of its agencies or under the Federal Reclamation Laws for the construction, operation and maintenance of any work or facility by which water may be supplied and distributed to the District under any Act of Congress providing or permitting such contract, and for the accomplishment of all other powers and purposes of the District including those described in Section 13 of this Act, and shall further have all the rights, powers, privileges and authority granted under the General Laws of the State in that respect. Any such contract entered into may provide that upon the repayment of all amounts to become due thereunder title to all facilities constructed pursuant thereto, including any dam or reservoir, shall pass to and be lodged in the District, or such contract may provide that the District shall be vested with absolute control over the release and use of waters stored in such facilities and belonging to the District so long as it shall remain current in the payment of such amounts as are due the United States Government or its agency under such contract. In all events, title to its water rights shall continue to remain in the District. In the event such a contract is proposed to be made whereby the District shall become obligated to make payments wholly or partially from ad valorem taxes to be levied by the District, such contract shall not be entered into unless authorized by an election at which only the qualified voters who reside in the District, who own taxable property therein, and who have duly rendered the same for taxation, shall be qualified to vote, and unless a majority of the votes cast at said election is in favor of the execution of the contract. All methods prescribed in section 15(1) of this Act relating to the voting of bonds shall be fully applicable to the voting of contracts if an election is required under this section. As amended Acts 1987, 70th Leg., ch. 251, par. 5, emerg. eff. May 28, 1987.

(b) In the event the District shall enter into contract with the United States Government or any of its agencies as aforesaid, no subsequent alteration in the organization of such Districts shall be effected and no proceedings for the exclusion of any area of the District shall be undertaken under the provisions of any law unless and until such alterations and exclusions shall have first received the approval of the United States Government or its contracting agency.

Sec. 18. Authority To Acquire and Own Water Permits. The District is authorized to acquire and own water permits upon compliance with the provisions of the General Law pertaining thereto, as contained in Chapter 11, Water Code. As amended Acts 1987, 70th Leg., ch. 251, par. 6, emerg. eff. May 28, 1987.

Sec. 19. Bonds Eligible for Investment and to Secure Deposits. All 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 sinking funds of cities, towns, villages, counties, school districts, or other political subdivisions of the State of Texas and for all public funds of the State or its agencies including the Permanent School Fund. 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.

Sec. 20. Bonds Exempt from Taxation. The accomplishment of the purposes stated in this Act being for the benefit of the people of this state and for the improvement of their properties and industry, the District in carrying out the purpose of this Act will be performing an essential public function under the Constitution and shall not be required to pay any tax or assessment on the project or any part thereof, and the bonds or other obligations issued hereunder and their transfer and the income therefrom, including the profits on the sale thereof shall at all times be free from taxation by the State or by any municipal corporation, county or other political subdivision or taxing district of the State.

Sec. 21. Taxation. Prior to the issuance of district bonds, or the execution of a contract payable wholly or partially from ad valorem taxes, the Board of Directors shall appoint a Tax Assessor and Collector and a Board of Equalization, and shall cause taxes to be assessed, valuations to be equalized and tax rolls to be prepared. The Board of Directors may also appoint deputies to assist the Tax Assessor and Collector in such manner and for such period as it may order. Where applicable and not in conflict herewith, the General Laws relating to Water Control and Improvement Districts with reference to Tax Assessors and Collectors, Boards of Equalization, tax rolls and the levy and collection of taxes and delinquent taxes shall be applicable to this District, except that the Board of Equalization to be appointed each year by the Board of Directors shall consist of one member residing in each city then contained in the District. All taxes to be levied, assessed and collected by the District shall be on an ad valorem basis and all provisions of the General Laws pertaining to the levy, assessment and collection of ad valorem taxes by Water Control and Improvement Districts including the enforcement thereof and the processes for the collection of delinquent taxes therein provided shall be applicable to the District herein created.

Sec. 22. Adoption of Rules and Regulations--Police Powers and Penalties. (a) The Board of Directors of the District shall have the power to adopt and promulgate all reasonable rules and regulations to secure, maintain and preserve the sanitary condition of all water in and to flow into any reservoir owned by the Districts or which by contract or otherwise it may control, to prevent waste of water or the unauthorized use thereof, to regulate residence, hunting, fishing, boating and camping, and all recreational and business privileges, along or around any such reservoir or any body of land, or easement owned or controlled by the District.

Sec. 23. Recreational Facilities. The District is authorized to establish or otherwise provide for public parks and recreation facilities, and to acquire land adjacent to any reservoir in which said District owns water storage rights for such purposes; provided, however, that no money received from taxation or bonds payable wholly or partially from taxation shall be used for such purpose. The District is further authorized to contract for the lease of lands acquired by it for recreation or concession purposes under such terms as its Board of Directors may determine.

Sec. 24. Confirmation of District. It is provided, however, that the District shall not exercise any of the power or authority conferred by this Act unless and until its establishment is confirmed at an election held throughout the District. After the passage of this Act the Board of Directors of the District shall order separate elections to be held in each of the cities contained in the District, at which elections there shall be submitted the question of whether or not the establishment of the District shall be confirmed. Notice of said election shall be published in a newspaper published in each of the cities once each week for two weeks; the first notice shall be so published at least fourteen days prior to the date set for the election. The Board of Directors shall appoint a presiding judge for each of the voting places and each of the presiding judges shall appoint the necessary judges and clerks to assist him in bonding the election. Only qualified voters who reside in the District and who own taxable property therein and who have duly rendered the same for taxation shall be qualified to vote at said election. If a majority of the votes cast at the election held separately in each city is in favor of Confirmation, the Board of Directors shall so declare, and thereafter the District shall have all of the powers and authority conferred by this Act. It is provided, however, that the proposition to be submitted at such election shall specify that the District shall be confirmed to include each city in which the majority vote favors confirmation, and the

District shall be confirmed to contain only those cities in which the majority vote favored confirmation the same as though the other cities had not been included in the Act.

Sec. 25. Voting Places. For the purposes of all District elections to be conducted under the provisions of this Act, the voting places shall conform as nearly as conveniently possible with those customarily designated for election purposes in the various cities or areas comprising the District.

Sec. 26. Territory Detached from any other District or Authority. The District hereby created with its granted powers shall take precedence over and stand in lieu of any other water District heretofore undertaken to be organized over the same territory or organized and created in any manner over the same territory pursuant to any General or Special Law, and the territory thereof at any time existing under the provisions hereof is hereby declared to be detached from any and all other districts or authorities established pursuant to Article XVI, Section 59, of the Texas Constitutions including particularly the Panhandle Water Conservation Authority, established by Chapter 256, Acts of the Regular Session of the 45th Legislature of the State of Texas in 1937, as amended¹. The District shall have the authority, power and right to coordinate its plans with any Conservation, Reclamation or other District heretofore created, with powers provided in Section 59 of Article XVI of the Constitution, and shall have full authority, power and right to enter into joint undertaking for the purposes for which the Districts are created; provided, however, that all such acts must be approved by a majority of the Board of Directors of each District or Authority involved. 1 Article 8280-118.

Sec 27. Bonds of Officers and Employees. All bonds required to be given by officers and employees of the District shall be executed by a surety company authorized to do business in the State of Texas, as surety thereon, and the District Shall be authorized to pay the premiums on such bonds.

Sec 28. General Laws Applicable Where Not in Conflict. All powers conferred by the General Laws of the State of Texas pertaining to Water Control and Improvement Districts as now existing or hereafter amended, shall be applicable to the District created under the provisions of this Act insofar as same are not in conflict with the provisions of this Act.

Sec. 29. Compliance with Canadian River Compact. Nothing herein contained shall be construed in any manner such as might preclude full compliance with the provisions of the Canadian River Compact, entered into and signed by the States of Texas, New Mexico and Oklahoma, and the Federal Government, on December 6, 1950. All actions and rights existing under the authority of this Act shall be controlled to the extent necessary to afford full compliance with the terms of said Compact.

Sec. 30. Bond Not Required. The District shall not be required to give a cost or supersedeas bond, or to pay a cost deposit on any appeal from the judgment of any court of this State.

Sec. 31. District Declared Essential. The Legislature hereby declares that the enactment hereof is in fulfillment of a duty conferred upon it by Section 59 of Article XVI of the Constitution of Texas wherein it is empowered to pass such laws as may be appropriate in the preservation and conservation of the natural resources of the State; that the District herein created is essential to the accomplishment of the purposes of said constitutional provision; and that this Act operates on a subject in which the State at large is interested. All the terms and provisions of this Act are to be liberally construed to effectuate the purposes herein set forth.

Sec. 32. Savings Clause. Nothing in this Act 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 be held by any court to be violative of either of such Constitutions, the District shall have the power by resolution to provide an alternative procedure conformable with such Constitutions. If any provision of this Act shall be invalid, such fact shall not

affect the creation of the District, or the validity of any other provisions of this Act, and the Legislature here declares that it would have created the District and enacted the valid provisions of this Act, notwithstanding the invalidity of any other provision or provisions hereof. Acts 1953, 53rd Leg., p. 616, ch..243.

Historical Note

Section 33 of the Act was an emergency provision.

Section 3 of the amendatory Act of 1955 provided that partial invalidity should not affect the remaining portions of the Act. Section 4 repealed all conflicting laws and parts of laws.

Validating Act--1961. Acts 1961, 57th Leg., p. 121, ch. 67,pars. 5, 7, read as follows:

A Sec. 5. The Canadian River Municipal Water Authority created and existing by virtue of Chapter 243, Acts of the Fifty-third Legislature, Regular Session, 1953, as amended by Chapter 196, Acts of the Fifty-fourth Legislature, Regular Session, 1955, and Chapter 204, Acts of the Fifty-fifth Legislature, Regular Session, 1957, the territory and area of which is now comprised of all the territory and area located within the present corporate limits of the Cities of (a) Amarillo, Potter and Randall Counties; (b) Borger, Hutchinson County; (c) Lamesa, Dawson County; (d) Levelland, Hockley County; (e) Lubbock, Lubbock County; (f) O'Donnell, Lynn and Dawson Counties; (g) Pampa, Gray County; (h) Plainview, Hale County; (i) Slaton, Lubbock County; (j) Brown field, Terry County; and (k) Tahoka, Lynn County, in the State of Texas, is hereby in all respects ratified, confirmed and validated and said Authority, as so constituted, and all proceedings and actions taken in connection with its present creation and organization is and are declared to be in all things valid. All proceedings and actions heretofore had and taken in the establishment and organization of the authority and its Board of Directors as from time to time constituted; all elections heretofore held in the Authority under resolutions or orders of its Board of Directors; all acts and proceedings of said Board of Directors in the authorization and execution of the "Contract between United States Department of the Interior, Bureau of Reclamation, and the Canadian River Municipal Water Authority, Texas," dated November 28, 1960, for the construction of the Canadian River Project and for payment by the Authority of the reimbursable cost of the construction, operation and maintenance of said project, and said contract and the terms and provisions thereof; all acts and proceedings of said Board of Directors in the authorization and establishment of rates for water services to be furnished by the District to its constituent or member cities; all acts and proceedings of said Board of Directors in the authorization and execution of water supply contracts between the authority and its

constituent or member cities for support of the Authority's contract with the United States, as aforementioned, and said water supply contracts and the terms and provisions thereof; each and all are hereby ratified, approved, confirmed, and validated and declared to be valid in all respects as of the respective dates thereof."

"Sec. 7. This Act shall have no application to any litigation pending upon the effective date hereof in which the validity of the matters herein validated may be involved, if such litigation is ultimately determined against the legality thereof.

Validating Act--1957. Acts 1957, 55th Leg., p. 427, ch. 204,pars.2-4 provides as follows:

A Sec. 2. Canadian River Municipal Water Authority, created by Chapter 243,, Acts of the Fifty-third Legislature, Regular Session, 1953, the area of which, by virtue of procedures undertaken and accomplished in that connection subsequent to the original creation of said District, now comprises all territory located within the present Corporate limits of the cities of (a) Borger, Hutchinson County; (b) Brownfield,,Terry County; (c)Lamesa, Dawson County; (d) Levelland, Hockley County; (e) Lubbock, Lubbock County; (f) O'Donnell Lynn and Dawson Counties; (g) Slaton, Lubbock County, and (h) Tahoka, Lynn County, in the State of Texas, is hereby in all respects ratified, confirmed and validated, and said Authority as so constituted is declared to be in all things a valid Municipal Water Authority, a conservation and Reclamation District under and by virtue of ArticleXVI, Section 59 of the Constitution of Texas.

A Sec. 3. All proceedings and acts heretofore had and taken in the establishment and organization of the District and its Board of Directors; all elections heretofore held in the District under resolutions or orders of its Board of Directors; all acts and proceedings of said Board of Directors; the authorization and execution of all water supply contracts between the District and its constituent or member cities; the terms and provisions of such water contracts; and all bonds heretofore voted and all acts and proceedings had and taken in connection therewith; are hereby ratified, approved, confirmed and validated and declared to be valid in all respects; provided, however, that the validation of water supply contracts herein accomplished shall never be construed against supplementation or amendment of such contracts, or the rescission or abrogation thereof by mutual agreement and consent of the governing authority of any contracting city or town and the District's Board of Directors so long as such does not affect adversely the rights of the holders of bonds or other obligations of the District for which the proceeds of such contracts have been pledged.

"Sec. 4. The Legislature hereby declares that the enactment hereof is in aid of the fulfillment of the duty conferred by Section 59, Article XVI of the Constitution of Texas, and is essential to the purposes of said constitutional provision and that this Act operates on a subject in which the State at large is interested and serves a public purpose."