

GUADALUPE-BLANCO RIVER AUTHORITY

ARTICLE 8280-106. Vernon's Civil Statutes, Texas  
Acts 1933, 43rd Legislature, First Called Session, Page 198,  
Chapter 75, as amended by Acts 1935, 44th Legislature  
First Called Session, Page 1615, Chapter 410, as amended by  
Acts 1969, 61st Legislature, Regular Session, Page 1465, Chapter 432  
and as amended by Acts 1975, 64th Legislature, Page 1149, Chapter 433

Section 1. 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 know as "Guadalupe-Blanco River Authority" (hereinafter called the District) and consisting of that part of the State of Texas which is included within the boundaries of the Counties of Hays, Comal, Guadalupe, Caldwell, Gonzales, DeWitt, Victoria, Kendall, Refugio and Calhoun. Such District shall be and is hereby declared to be a governmental agency and body politic and corporate, with such powers of government and with the authority to exercise such rights, privileges, and functions as may be hereinafter specified, and 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 (to the extent hereinafter authorized) the control, storing, preservation and distribution of storm and flood waters, the waters of rivers and streams, including the Guadalupe and Blanco Rivers and their tributaries for irrigation, power, and all other useful purposes, the reclamation and irrigation of arid, semiarid and other lands needing irrigation, the reclamation and drainage of overflowed lands, and other lands needing drainage (but not to reclaim or drain coastal wetlands or inland marshes), the conservation and development of the forests, water and hydro-electric power of the State of Texas and the navigation of inland waters, and the preservation and conservation of all such natural resources of the State are hereby declared public rights and duties of the District.

Nothing in this Act or in any other Act or law contained, however, shall be construed as authorizing the District to levy or collect taxes or assessments, or to create any indebtedness payable out of taxes or assessments, or in any way to pledge the credit of the State.

Section 2. Except as expressly limited by this Act, the District shall have and is hereby authorized to exercise all powers, rights, privileges, and functions conferred by General Law, now in force or hereafter enacted, upon any District or Districts created pursuant to Section 59 of Article 16, of the Constitution of the State of Texas (excluding underground water conservation districts), and the same are adopted by reference. Without limitation of the generality of the foregoing, the District shall have and is hereby authorized to exercise the following powers, rights, privileges, and functions:

(a) to control, store and preserve, within or adjoining the boundaries of the District, the waters of any rivers and streams, including the waters of the Guadalupe and Blanco Rivers and their tributaries, for all useful purposes, and to use, distribute and sell the same, within the boundaries of the District, for any such purposes;

(b) to conserve, preserve and develop underground waters within the boundaries of the District (subject to any applicable regulation by the State or any political subdivision) for all useful purposes, and to use, distribute and sell the same, within the boundaries of the District for any such purposes;

(c) to acquire water, water supply facilities and conservation storage capacity within or without the District from any person, including the State or any of its agencies and subdivisions and the United States of America and any of its agencies and subdivisions;

(d) to use, distribute and sell, without the boundaries of the District, any waters which may be controlled, stored, preserved, conserved, developed or acquired by the District if the Board hereinafter referred to determines that adequate provisions can be made to continue to serve the water requirements within the boundaries of the District, provided the District shall not enter into any agreement which contemplates or results in the removal from the watershed of the Guadalupe and Blanco Rivers and their tributaries of any surface water of the District necessary to supply the reasonably foreseeable future water requirements for municipal uses during the next ensuing fifty-year period within such watershed, except on a temporary, interim basis;

(e) to develop and generate water power and electric energy within the boundaries of the District and to distribute and sell water power and electric energy, within or without the boundaries of the District;

(f) to prevent or aid in the prevention of damage to person or property from the waters of the Guadalupe and Blanco Rivers and their tributaries.

(g) to forest and reforest and to aid in the foresting and reforesting of the watershed area of the Guadalupe and Blanco Rivers and their tributaries and to prevent and to aid in the prevention of soil erosion and floods within said watershed area;

(h) to develop the navigation of inland waters within the boundaries of the District and any facilities in aid thereof;

(i) to develop the reclamation and drainage of overflowed lands and other lands needing drainage within the boundaries of the District and any facilities in aid thereof (but not to reclaim or drain coastal wetlands or inland marshes);

(j) to develop the collection, transportation, treatment, disposal and handling of any waste as such term may be defined by General Law and any facilities in aid thereof (but only with the consent of a city if sanitary sewer facilities for the collection, treatment and disposal of sewage are to be constructed or acquired within its corporate limits);

(k) to conserve and develop waters and lands for recreation purposes and any facilities in aid thereof;

(l) to acquire by purchase, lease, gift or in any other manner (otherwise than by condemnation) 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, necessary or convenient to the exercise of the powers, rights, privileges and functions conferred upon it by this Act;

(m) 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 (other than such property or any interest therein without the boundaries of the District as may at the time be owned by any body politic) 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;

(n) subject to the provisions of this Act from time to time sell, lease, 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 or the sale, lease, or disposition of which, in the judgment of the Board hereinafter referred to, is necessary or convenient to the exercise of the powers, rights, privileges and functions conferred upon the District by this Act or by General Law;

(o) to overflow and inundate any public lands and public property and to require the relocation of roads, pipelines, transmission lines, railroads, cemeteries and highways in the manner and to the extent permitted to Districts organized under General Law pursuant to Section 59, of Article 16, of the Constitution of the State of Texas; provided that if the District requires the relocation, raising, lowering, rerouting, or change in grade or alteration of the construction of any railroad, transmission lines, conduits, poles, properties, or facilities, or pipelines in the exercise of the power of eminent domain or any other power, all of the

relocation, raising, lowering, rerouting or changes in grade or alteration of construction shall be the sole expense of the District. The term "sole expense" means the actual cost of relocation, raising, lowering, rerouting, or change in grade or alteration of construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility;

(p) 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;

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

(r) to adopt, use and later a corporate seal;

(s) to invest and re-invest its funds;

(t) to make by-laws for the management and regulation of its affairs;

(u) to appoint officers, agents, and employees, to prescribe their duties and to fix their compensation;

(v) 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 or General Law for such term and with such provisions as the Board hereinafter referred to may determine to be in the best interest of the District, including, without in any way limiting the generality of the foregoing, contracts with persons, including the State of Texas, the United States of America and any corporation or agency thereof and districts, cities, towns, persons, organizations, associations, firms, corporations, entities or others, as such Board may deem necessary or proper for, or in connection with, any corporate purpose to provide for the construction, acquisition, ownership, financing, operation, maintenance, sale, leasing to or from, or other use or disposition of any facilities authorized to be developed, preserved, conserved, acquired, or constructed under this Act or General Law, including any improvements, structures, facilities, equipment and all other property of any kind in connection therewith and any lands, leaseholds, easements and any interest in any of the foregoing;

(w) to authorize and allow any of such persons, including the State of Texas, the United States of America and any corporation or agency thereof and districts, agencies, cities, towns, persons, organizations, associations, firms, corporations, entities, or others to participate with the District in the joint construction, acquisition, ownership, financing, operation, and maintenance of all of such improvements, structures, facilities, equipment and any other property in

connection therewith, and all such lands, leaseholds, easements and interests therein as the Board hereinafter referred to may determine is necessary or proper for, or in connection with, any corporate purpose, and to allow such persons to receive such portion of the revenues derived therefrom as such Board shall deem just, equitable and proper;

(x) to borrow money for its corporate purposes and, without limitation of the generality of the foregoing, to borrow money and accept grants from persons, including the State of Texas, the United States of America, or from any corporation or agency created or designated by the State of Texas or the United States of America, and, in connection with any such loan or grant, to enter into such agreements as the State of Texas or the United States of America or such corporations or agency may require; and to make and issue its negotiable bonds or notes for moneys borrowed, in the manner and to the extent provided in this Act, and to refund or refinance any outstanding bonds or notes and to make and issue its negotiable bonds or notes thereof in the manner and to the extent provided in this Act. 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 of the District shall ever be authorized except by this Act or General Law;

(y) nothing herein shall be construed as conferring any water rights on the District, or as fixing any priority of rights, but said District shall obtain its water rights by application to and permit from the Texas Water Rights Commission as provided by General Statute; and nothing herein shall be construed as authorizing the District to make any regulation of the withdrawal of underground waters. To the extent the provisions of General Law which are adopted by reference in this Act may be in conflict with the express provisions of this Act, the provisions of this Act shall prevail unless the General Law is made cumulative. The rights, powers, privileges, authority, and functions granted to the District under this Act, and the District itself, are expressly subject to Chapters 5, 6, and 21, Water Code.

Section 3. The powers and duties herein developed upon the said District shall be subject to the continuing rights of supervision by the State, which shall be exercised through the State Board of Water Engineers, and in appropriate instances, by the State Reclamation Engineer, each of which agencies shall be charged with the authority and duty to approve, or to refuse to approve, the adequacy of any plan or plans for flood control or conservation improvement purposes devised by the District for the achievement of the plans and purposes intended in the creation of the District, and which plans contemplate improvements supervised by the respective State authorities under the provisions of the General Law.

Section 4. The powers, rights, privileges and functions of the District shall be exercised by a board of nine (9) directors (herein called the "Board"), which is a

state board of a state agency as contemplated by Section 30a of Article XVI, Constitution of Texas. Each member of the Board shall be a freehold property taxpayer of the State of Texas and shall reside in one of the counties which is included within the boundaries of the District, but only one director shall be appointed from any county. The directors shall be appointed by the Governor from nominations furnished him by the Texas Water Rights Commission and the appointments confirmed by the Senate as in other cases of appointments by the Governor. Of the directors first appointed, three (3) shall hold office for a term expiring February 1, 1937, three (3) for a term expiring February 1, 1939, and three (3) for a term expiring February 1, 1941. Thereafter, directors shall hold office for a term of six (6) years. Each director shall hold office until the expiration of the term for which he was appointed and thereafter, until his successor shall have been appointed and qualified unless sooner removed as in this Act provided. Any director may be removed by the authority which appointed him for inefficiency, neglect of duty or misconduct in office, after at least ten (10) days' written notice of the charge against him and an opportunity to be heard in person by counsel at public hearing. A vacancy resulting from the death, resignation or removal of any director shall be filled by the authority which appointed him for the unexpired term. Each director shall qualify by taking the official oath of office prescribed by General Statute.

(a) Each director shall receive twenty-five dollars (\$25) per day, or such amount as may hereafter be prescribed by general law, for each day spent in attending meetings of the Board, and any other business of the District that the Board thinks necessary, plus actual traveling and other expenses.

(b) Until the adoption of by-laws fixing the time and place of regular meetings and the manner in which special meetings may be called, meetings of the Board shall be held at such times and places as five (5) of the directors may designate in writing. Five (5) directors shall constitute a quorum at any meeting and, except as otherwise provided, in this Act or in the by-laws, all action may be taken by the affirmative vote of a majority of the directors present at any such meeting, except that no contracts which involve any amount greater than Ten Thousand Dollars (\$10,000) or which is to run for a period longer than a year, and no bonds, notes or other evidence of indebtedness and no amendment of the by-laws shall be valid unless authorized or ratified by the affirmative vote of at least five (5) directors.

Section 5. The Board shall select a Secretary who shall keep true and complete records of all proceedings of the Board. Until the appointment of a Secretary, or in the event of his absence or inability to act, a secretary pro-tem shall be selected by the Board. The Board shall also select a General Manager, who shall be the chief executive officer of the District, and a treasurer. All such officers shall have such powers and duties, shall hold office for such term and be subject to removal in such manner as may be provided in the by-laws. The Board shall fix the

compensation of such officers. The Board may appoint such officers, agents and employees, fix their compensation and term of office and the method by which they may be removed, and delegate to them such of its power and duties as it may deem proper.

Section 6. The moneys of the District shall be disbursed only on checks, drafts, orders of other instruments signed by such persons as shall be authorized to sign the same by the by-laws or resolution concurred in by not less than five (5) directors. The General Manager, the Treasurer and all other officers, agents and employees of the District who shall be charged with the collection, custody or payment of any funds of the District shall give bond conditioned on the faithful performance of their duties and an accounting for all funds and property of the District coming into their respective hands, each of which bonds shall be inform and amount and with a surety (which shall be a surety company authorized to do business in the State of Texas), approved by the Board, and the premiums on such bonds shall be paid by the District and charged as an operating expense.

Section 7. The domicile of the District shall be in the City of New Braunfels, County of Comal, where the District shall maintain an office, in charge of its General Manager. The District shall cause to be kept complete and accurate accounts confirming to approved methods of bookkeeping. Said accounts and all contracts, documents and records of the District shall be kept at an official office of the District. Said accounts and contracts shall be open to public inspection at all reasonable times. The Board shall cause to be made and completed within ninety (90) days after the end of each calendar year, an audit of the books of account and financial records of the District for such calendar year, such audit to be made by the State Auditor, an independent Certified Public Accountant or firm of Certified Public Accountants. Copies of a written report of such audit, certified to by said accountant or accountants, shall be placed and kept on file with the Texas Water Rights Commission, with the Treasurer of the State of Texas and at said official office, and shall be open to public inspection at all reasonable times.

Section 8. No director, officer, agent or employee of the District shall be directly or indirectly interested in any contract for the purchase of any property or construction of any work by or for the District, and if any such person shall be or become so interested in any such contract, he shall be guilty of a felony and on conviction thereof shall be subject to a fine in an amount not exceeding Ten Thousand Dollars (\$10,000) or to confinement in the county jail for not less than one (1) year nor more than ten (10) years or both.

Section 9. The Board shall establish and collect rates other charges for the sale or use of water, water connection, power, electric energy or all other services sold, furnished, or supplied by the District which fees and charges shall be reasonable and nondiscriminatory and sufficient to produce revenues adequate:

(a) to pay all expenses necessary to the operation and maintenance and replacements and additions to the properties and facilities of the District;

(b) to pay the interest on, the principal of and the premium, if any, on all bonds issued under this Act when and as the same shall become due and payable;

(c) to pay all sinking fund and/or reserve fund payments agreed to be made in respect of any such bonds, payable out of such revenues, when and as the same shall become due and payable;

(d) to fulfill the terms of any agreements made with the holders of such bonds and/or with any person in their behalf; and

(e) to discharge all other lawful obligations of the District as and when the same shall become due.

(f) Of the revenues which may be received in excess of those required for the purpose specified in subparagraphs (a), (b), (c), and (e) above, the Board may in its discretion establish a reasonable depreciation and emergency fund, or retire (by purchase and cancellation or redemption) bonds issued under this Act, or apply the same to any corporate purpose.

(g) It is the intention of this Act that the rates and charges of the District shall not be in excess of what may be necessary to fulfill the obligations imposed upon it by this Act. Nothing herein shall be construed as depriving the State of Texas of its power to regulate and control fees and/or charges to be collected for the use of water, water connections, power, electric energy, or other services, provided that the State of Texas does hereby pledge to and agree with the purchasers and successive holders of the bonds issued hereunder that the State will not limit or alter the power hereby vested in the District to establish and collect such fees and charges as will produce revenues sufficient to pay the items specified in subparagraphs (a), (b), (c), (d) and (e) of this Section 9, or in any way to impair the rights or remedies of the holders of the bonds, or of any person in their behalf, until the bonds, together with the interest thereon and any premium, with interest on unpaid installments of interest and all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders and all other obligations of the District in connection with such bonds are fully met and discharged.

(h) In the event the District enters into agreements to lease, sell or otherwise dispose of any property or facilities to any person, such person shall be subject to such regulations and control of fees and/or charges by the State of Texas as may be provided by agreement or General Law, but the Board shall fix payments under such leases or other contracts and agreements for the use or sale of any property in order that such payments, together with any other pledged revenues, will be sufficient to pay the interest on, the principal of and any premium on all

bonds to which such payments are pledged when and as the same shall become due and payable; to pay all sinking fund and/or reserve fund payments agreed to be made in respect of any such bonds, and payable out of such payments, when and as the same shall be come due and payable; and to fulfill the terms of any agreement made with the holders of such bonds and/or any person in their behalf and to discharge all other obligations of the District in connection with such bonds as and when the same shall become due.

Section 10. Any and every indebtedness, liability or obligation of the District, for the payment of money, however entered into or incurred, and whether arising from contract, implied contract or otherwise, shall be payable (1) out of the revenues received by the District in respect to its properties, subject to any prior lien thereon conferred by any resolution or resolutions theretofore adopted as in this Act provided, authorizing the issuance of bonds or (2), if the Board shall so determine, out of the proceeds of sale by the District of bonds payable solely from such revenues.

Section 11. The District shall have power and is hereby authorized to issue, from time to time, bonds or notes as herein authorized for any corporate purpose. Such bonds or notes (hereinafter called "bonds") may either be (1) sold for cash, at public or private sale, at such price or prices as the Board shall determine, provided that the interest cost of the money received therefor, computed to maturity, shall not exceed ten (10) percent 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 like principal amounts of other obligations of the District, matured or unmatured. The proceeds of sale of such bonds shall be deposited in such bank or banks or trust company or trust companies, and shall 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 or resolutions of the Board concurred in by at least five (5) of the members thereof, and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates which may be fixed, variable, floating or otherwise (not exceeding ten (10) per centum per annum), payable annually, semiannually or otherwise, 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, as as to exchange of coupon bonds for registered bonds or vice versa, and exchange of bonds of one denomination for bonds of other denominations, 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 or requiring the redemption of such bonds, at such time or times, in such amounts and at such prices, not exceeding one hundred and five per centum (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 all or any part of the gross or net revenues thereafter received by the District in respect of the property, real, personal or mixed, to be acquired and/or constructed with such bonds or the proceeds thereof, or all or any part of the gross or net revenues thereafter, received by the District from whatever source derived;

(d) Prescribing the purposes 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 and charge sufficient to produce revenues adequate to pay the items specified in subdivisions (a), (b), (c), (d), and (e) of Section 9 hereof, and prescribing the use and disposition of all revenues;

(f) Prescribing limitations upon the issuance of additional bonds and subordinate lien 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 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 trust, or to the United States of America or any officer or agency thereof, or 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.

(1) 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 on any or all bonds when and as the same shall become due and payable, or;

(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, or;

(c) default shall be made in the performance of any agreement made with the purchasers or successive holders of any bonds;

(2) 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 resolutions by the holders of twenty-five per centum (25%) in aggregate principal amount of the bonds authorized thereby and at that time outstanding, and upon the written request of the holders of twenty-five per centum (25%) in aggregate principal amount of the bonds authorized by such resolution or resolutions at the time outstanding, shall, in his or its own name, but for the equal and proportionate benefit of the holders of all the 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 of 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, and/or;

(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 per centum (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 be 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 and adequate to pay the items set forth in subparagraphs (a), (b), (c), (d) and (e) of Section 9 hereof and the costs and disbursements of such suit, action or proceedings, 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 Comal shall have jurisdiction of any 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 appropriated for the exercise of any thereof, or incident to the general representation of the bondholders in the enforcement of their rights.

(3) Pending the issuance of definitive bonds, the District is authorized to make and issue interim bonds. The interim bonds so issued will be taken up with the proceeds of the definitive bonds, or the definitive bonds may be issued or delivered in exchange for an in substitution of such interim bonds. After any such exchange and substitution the District shall file proper certificates with the Comptroller of Public Accounts of the State of Texas as to such exchange, substitution and cancellation and such certificates shall be recorded by the Comptroller of Public Accounts in the same manner as the record of proceedings authorizing the issuance of the bonds. The District is also authorized to make and issue temporary bonds for the purpose of interim financing and to make agreements or other provisions to refinance such temporary bonds with bonds to provide permanent financing at such time, in such manner and on such conditions as may be determined by the Board.

(4) 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. 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.

(5) All bonds approved by the Attorney General as aforesaid, and registered by the Comptroller as aforesaid, and issued in accordance with the proceedings so 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.

(6) If any bonds recite that they are secured by a pledge of the proceeds of a contract, lease, sale or other agreement (herein called "contract"), a copy of such contract and the proceedings of the contracting parties will also be submitted to the Attorney General. If such bonds have been authorized and such contracts made in compliance with law, the Attorney General shall approve the bonds and contracts, and the bonds shall then be registered by the Comptroller of Public Accounts. When so approved, such bonds and the contracts shall be valid and binding and shall be incontestable for any cause from and after the time of such registration.

(7) The District is authorized to make and issue bonds or notes (herein called "refunding bonds") for the purpose of refunding or refinancing any outstanding bonds or notes authorized and issued by the District pursuant to this Act or other law (herein called "bonds") and the interest and premium, if any, thereon to maturity or on any earlier redemption date specified in the resolution authorizing the issuance of the refunding bonds. Such refunding bonds may be issued to refund more than one series of outstanding bonds, may combine the pledges of the outstanding bonds for the security of the refunding bonds or may be secured by other or additional revenues. All provisions of this Act with reference to the issuance of bonds, the terms and provisions thereof, their approval by the Attorney General, and the remedies of the bondholders 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 the issuance of refunding bonds may provide that they shall be sold and the proceeds thereof deposited at the places at which the original bonds are payable, in which case the refunding bonds may be issued in an amount sufficient to pay the interest and premium, if any, on the original bonds to their maturity date or specified earlier redemption date, and the Comptroller will register them without concurrence, surrender and cancellation of the original bonds. The District may also refund any outstanding bonds in the manner provided by any applicable General Law.

Section 12. All bonds issued by the District pursuant to the provisions of this Act shall constitute investment securities within the meaning of the Uniform Commercial Code.

Section 13. The District may, but without intending by this provision to limit any powers of the District as granted to it by this Act, enter into and carry out such contracts, or establish or comply with such rules and regulations concerning labor and materials and other related matters in connection with any project or projects as the District may deem desirable or as may be requested by the State of Texas, the United States of America, or any corporation or agency created, designated or established thereby, which may assist in the financing of any such project or projects.

Section 14. The District shall have power out of any funds available therefor 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 canceled and no bonds shall ever be issued in lieu thereof.

Section 15. The District shall not prevent free public use of its surplus lands for recreation purposes and for hunting and fishing except at such point where, in the opinion of the Directors, such use would interfere with the proper conduct of the business.

Section 16. 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. All bonds of the District shall be and are hereby declared to be legal, eligible and authorized investments for banks, 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, 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 face value, when accompanied by all unmatured coupons appurtenant thereto.

Section 17. 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 obligations 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 18. This Act and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

Section 19. There is hereby appropriated for the use of the District out of any funds in the State Treasury not heretofore otherwise appropriated the sum of Five Thousand Dollars (\$5,000) which may be withdrawn from time to time on warrant signed by the General Manager and Treasurer of the District. Provided however, that this money shall be repaid the State of Texas.

Section 20. If any provision of this Act or the application thereof to any person or circumstance shall be held to be invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Section 21. This Act shall not have the effect of repealing the Act passed by the Forty-third Legislature at its First Called Session, being Chapter 75 of said Acts, but the Guadalupe River Authority, a conservation and reclamation district created by virtue thereof, shall continue with all the powers, rights and duties conferred by said Act; provided, however, that said Guadalupe River Authority may, by resolution of its Board of Directors, dissolve and merge with the district hereby created.

Section 22. This Act may be cited as the Guadalupe-Blanco River Authority Act. Acts 1933, 43rd Legislature, 1st C. S., p. 198, ch. 75; Acts 1935; 44th Legislature, 1st C. S., p. 1615, ch. 410; Acts 1969, 61st Legislature, Regular Session, p. 1465, ch. 432; Acts 1975, 64th Legislature, p. 1149, ch. 433.