

1-1 By: Ritter (Senate Sponsor - Williams) H.B. No. 1832
1-2 (In the Senate - Received from the House April 18, 2011;
1-3 April 26, 2011, read first time and referred to Committee on
1-4 Natural Resources; May 4, 2011, reported favorably by the
1-5 following vote: Yeas 10, Nays 0; May 4, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the law governing the Lower Neches Valley Authority;
1-9 providing authority to issue bonds.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Chapter 63, Acts of the 43rd Legislature, 1st
1-12 Called Session, 1933, is amended by amending Sections 1, 4, 5, 6, 7,
1-13 8, 9, 10, 11, 12, 13, 13A, 14, 16, 17, 18, 19, 21, 24, 27, 27-a, 28,
1-14 29, 29-a, and 29-d and adding Sections 13A-1 through 13A-6 to read
1-15 as follows:

1-16 Sec. 1. That there shall be and is hereby created a
1-17 conservation and reclamation district by the name of "Lower Neches
1-18 Valley Authority," which district is created as a governmental
1-19 agency, body politic and corporate, vested with all the authority
1-20 as such under the Constitution and Laws of the State; and which
1-21 shall have and be recognized to exercise all of the powers of such
1-22 governmental agency and body politic and corporate as are expressly
1-23 authorized in the provisions of the Constitution, Section 59 of
1-24 Article 16, for districts created to conserve, store, control,
1-25 preserve, utilize and distribute the storm and flood waters and the
1-26 waters of the rivers and streams of the State, and such powers as
1-27 may be ~~[contemplated and]~~ implied by the purposes of this provision
1-28 of the Constitution, and as may be conferred by General Law, as well
1-29 as by the provisions of this Act, except nothing herein contained
1-30 shall authorize said district to levy any taxes or special
1-31 assessments, or to create any debt payable out of taxation; and said
1-32 district shall have and be recognized to exercise all the rights and
1-33 powers of an independent governmental agency, body politic and
1-34 corporate, to construct, maintain and operate, in the Neches River
1-35 basin and the adjoining Neches-Trinity coastal basin ~~[valleys of~~
1-36 ~~the Neches River and its tributaries]~~, within or without the
1-37 boundaries of such district, any and all works deemed essential to
1-38 the operation of the district and for its administration in the
1-39 control, storing, preservation and distribution to all useful
1-40 purposes of the waters of the Neches River basin and the adjoining
1-41 Neches-Trinity coastal basin ~~[and its tributary streams]~~,
1-42 including the storm and flood waters thereof; and such district
1-43 shall have and be recognized to exercise such authority and power of
1-44 control and regulation over such waters ~~[of the Neches River and its~~
1-45 ~~tributaries]~~ as may be exercised by the State of Texas, subject to
1-46 the provisions of the Constitution and the Acts of the Legislature.

1-47 Sec. 4. ~~[The directors of the district shall organize by~~
1-48 ~~electing one of their members president, one vice-president, one~~
1-49 ~~treasurer, and one secretary.]~~ Five ~~[(5)]~~ directors shall
1-50 constitute a quorum at any meeting and a concurrence of a majority
1-51 of the directors ~~[those]~~ present shall be sufficient in all matters
1-52 pertaining to the business of the district~~[, except the letting of~~
1-53 ~~construction contracts and the authorization of issuance of~~
1-54 ~~warrants paying therefor, which shall require the concurrence of~~
1-55 ~~seven (7) directors. Warrants for the payment of money may be drawn~~
1-56 ~~and signed by two (2) officers or employees designated by standing~~
1-57 ~~order entered on the minutes of the directors when such accounts~~
1-58 ~~have been contracted and ordered paid by the Board of Directors].~~

1-59 ~~[Sec. 5. The directors of the district shall require all~~
1-60 ~~officers and employees who shall be charged with the collection or~~
1-61 ~~paying or handling of any funds of the district under their orders,~~
1-62 ~~to furnish good and sufficient bonds, with a duly authorized surety~~
1-63 ~~company as surety thereon, payable to the district, conditioned~~
1-64 ~~upon the faithful performance of their duties and accounting for~~

~~all funds and property of the district coming into their hands, which bonds shall be in sufficient sums to safeguard the district.~~

~~[Sec. 6. The president shall preside at all meetings of the Board and shall be the chief executive officer of the district. The vice-president shall act as president in case of the absence or disability of the president. The secretary shall act as secretary of the Board of Directors and shall be charged with the duty of seeing that all records and books of the district are properly kept. In case of the absence or inability of the secretary to act, a secretary pro tem shall be selected by the directors. The directors shall hold regular meetings at the office of the district on the first Monday in February, May, August and November of each year at 10 o'clock A. M., and may hold other meetings at such other times as the business of the district may require.]~~

~~Sec. 7. (a) A director is entitled to receive a fee of office for each day of service approved by a vote of the Board of Directors and necessary to discharge the director's duties.~~

~~(b) The Board of Directors shall set the fee described by Subsection (a) in an amount not greater than the amount allowed under general law. [The directors shall receive as fees of office the sum of not to exceed Ten (\$10.00) Dollars per day for each day of service necessary to discharge of their duties, provided such service is authorized by vote of the Board of Directors. They shall file with the secretary a verified statement showing the actual number of days of service each month on the last day of the month, or as soon thereafter as possible and before a warrant shall be issued therefor.]~~

~~[Sec. 8. The directors shall keep a true and full account of all their meetings and proceedings and maintain their records in a secure manner. The same shall be the property of the district and subject to public inspection. A regular office shall be established and maintained for conduct of the district business within the district.]~~

~~[Sec. 9. A complete book of accounts shall be kept. The account books and records of the district and of the depository of the district shall be audited by a Certified Public Accountant annually as soon as practicable after the expiration of each year, such audit to cover the preceding calendar year, and report thereon shall be submitted to the first regular meeting of the Board of Directors thereafter. Said report shall be in quadruplicate, one copy being filed in the office of the district, one with the depository of the district, one in the office of the auditor and one with the State Board of Water Engineers, all of which shall be open to public inspection.]~~

~~[Sec. 10. The directors may employ a general manager for the district and may give him full authority in the management and operation of the district affairs (subject only to the orders of the Board of Directors). The term of office and compensation to be paid such managers and all employees shall be fixed by the Board of Directors and all employees may be removed by the Board.]~~

~~[Sec. 11. All bonds required to be given by directors, officers and employees of the district shall be executed by a surety company authorized to do business in the State, as surety thereon, and the district shall be authorized to pay the premiums on such bonds.]~~

~~[Sec. 12. No director of any such district, engineer or employees thereof shall be, directly or indirectly, interested either for themselves or as agents for any one else in any contract for the purchase or construction of any work by said district, and if any such person shall, directly or indirectly, become interested in any such contract, he shall be guilty of a misdemeanor, and on conviction thereof shall be punished by a fine in any sum not to exceed One Thousand (\$1,000.00) Dollars, or by confinement in the county jail not less than six months nor more than one year, or by both fine and imprisonment.]~~

~~Sec. 13A-1 [13]. In [The said district shall have and be recognized to exercise, in] addition to all the hereinbefore mentioned powers, and for the conservation and beneficial use [utilization] of the [said] waters of the Neches River basin and the~~

3-1 adjoining Neches-Trinity coastal basin, including storm water and
 3-2 floodwater, the district may ~~[, the power of]~~ control and use such
 3-3 waters ~~[employment of such waters of the Neches River and its~~
 3-4 ~~tributaries, including the storm and floodwaters thereof,]~~ in the
 3-5 manner and for the particular purposes described below ~~[hereinafter~~
 3-6 ~~set forth]~~:

3-7 (a) to ~~[To]~~ provide through practical and legal means for
 3-8 the control and coordination of the regulation of such ~~[the]~~
 3-9 waters; ~~[of the Neches River and its tributary streams.]~~

3-10 (b) to ~~[To]~~ provide by adequate organization and
 3-11 administration for the preservation of the equitable rights of the
 3-12 people of the different sections of the watershed area in the
 3-13 beneficial use of such ~~[the]~~ waters; ~~[of the Neches River and its~~
 3-14 ~~tributary streams.]~~

3-15 (c) for ~~[For]~~ storing, controlling and conserving such
 3-16 ~~[the]~~ waters inside or outside the ~~[of the Neches River and its~~
 3-17 ~~tributaries within and/or without such]~~ district, and the
 3-18 prevention of the escape of any of such waters without the maximum
 3-19 of public service; for the prevention of devastation of lands from
 3-20 recurrent overflows, and the protection of life and property in the
 3-21 ~~[such]~~ district from uncontrolled flood waters; ~~[.]~~

3-22 (d) for ~~[For]~~ the conservation of such ~~[the]~~ waters ~~[of the~~
 3-23 ~~Neches River and its tributaries]~~ essential for the domestic and
 3-24 municipal uses of the people of the district; ~~[, including all~~
 3-25 ~~necessary water supplies for cities and towns.]~~

3-26 (e) for ~~[For]~~ the irrigation of all lands in the ~~[said]~~
 3-27 district or outside the ~~[and/or lands without said]~~ district but
 3-28 within the Neches River basin and the adjoining Neches-Trinity
 3-29 coastal basin ~~[said watershed area, where irrigation is required~~
 3-30 ~~for agricultural purposes, or may be deemed helpful to more~~
 3-31 ~~profitable agricultural production];~~ and for the equitable
 3-32 distribution of such ~~[said]~~ waters to the regional potential
 3-33 requirements for all uses ~~[, domestic, manufacturing, and~~
 3-34 ~~irrigation]~~. All plans and all works provided by the ~~[said]~~
 3-35 district, and as well, all works which may be provided under
 3-36 authority of the ~~[said]~~ district, shall have primary regard to the
 3-37 necessary and potential needs for water, by or within the area in
 3-38 the ~~[such]~~ district constituting the Neches River basin and the
 3-39 adjoining Neches-Trinity coastal basin; ~~[water shed of the Neches~~
 3-40 ~~River and its tributary streams.]~~

3-41 (f) to provide for ~~[For]~~ the ~~[better encouragement and~~
 3-42 ~~development of drainage systems and provisions for]~~ drainage of
 3-43 lands in the Neches River basin and the adjoining Neches-Trinity
 3-44 coastal basin; ~~[valleys of the Neches River and its tributary~~
 3-45 ~~streams needing drainage for profitable agricultural production,~~
 3-46 ~~and drainage for other lands in the watershed area of the district~~
 3-47 ~~requiring drainage for the most advantageous use.]~~

3-48 (g) to encourage ~~[For the purpose of encouraging]~~ the
 3-49 conservation of soil and to prevent ~~[all soils against]~~ destructive
 3-50 erosion; ~~[and thereby preventing the increased flood menace~~
 3-51 ~~incident thereto.]~~

3-52 (h) to ~~[To]~~ control such waters and make such waters
 3-53 available for use ~~[employment said waters]~~ in the development of
 3-54 commercial and industrial enterprises in the Neches River basin and
 3-55 the adjoining Neches-Trinity coastal basin or ~~[all sections of the~~
 3-56 ~~watershed area of]~~ the district; ~~[.]~~

3-57 (i) to ~~[For the]~~ control, store, ~~[storing]~~ and use such
 3-58 ~~[employment of said]~~ waters in the development and distribution of
 3-59 hydroelectric power, if that ~~[where such]~~ use is ~~[may be]~~
 3-60 economically coordinated with and subordinate to other ~~[and~~
 3-61 ~~superior uses, and subordinated to the]~~ uses declared by law to be
 3-62 superior; and ~~[.]~~

3-63 (j) ~~[And]~~ for each and every purpose for which flood and
 3-64 storm waters when controlled and conserved may be utilized in the
 3-65 performance of a useful service as ~~[contemplated and]~~ authorized
 3-66 by the provisions of the Constitution and the public policy therein
 3-67 declared.

3-68 (k) Nothing in this section is a limitation on the powers of
 3-69 the district expressed elsewhere in this Act or under other law.

4-1 Sec. 13A-2. The district may ~~[to]~~ purchase or ~~[and/or]~~
 4-2 construct all works necessary or convenient for the exercise of the
 4-3 powers and to accomplish the purposes specified in this Act, and may
 4-4 ~~[to]~~ purchase or otherwise acquire all lands or ~~[and/or]~~ other
 4-5 property necessary or convenient for carrying out any such
 4-6 purposes.

4-7 Sec. 13A-3. ~~[(1)]~~ The right of eminent domain is expressly
 4-8 conferred upon such district to enable it to acquire the fee simple
 4-9 title to, and/or easement or right-of-way over and through, any and
 4-10 all lands, water or lands under water, private or public, within and
 4-11 without such district, necessary or convenient to carry out any of
 4-12 the purposes and powers conferred upon such district by this Act.
 4-13 All such condemnation proceedings shall be under the direction of
 4-14 the direction of the directors and in the name of the district, and
 4-15 the assessment of damages and all procedure with reference to
 4-16 condemnation, appeal and payment shall be in conformity with the
 4-17 statutes of this State as provided in the title of the Revised
 4-18 Statutes relating to "Eminent Domain."

4-19 Sec. 13A-4. (a) ~~[(m)]~~ The Board of Directors of the ~~[said]~~
 4-20 district shall prescribe fees and charges to be collected for the
 4-21 use of water, water connections or other services ~~[service]~~, which
 4-22 fees and charges shall be reasonable and equitable and fully
 4-23 sufficient to produce revenues adequate to pay, and the ~~[said]~~
 4-24 Board of Directors shall cause to be paid therefrom:

4-25 (1) all ~~[All]~~ expenses necessary to the operation and
 4-26 maintenance of the improvements and facilities of the ~~[said]~~
 4-27 district. Such operating and maintenance expenses shall include the
 4-28 cost of the acquisition of properties and materials necessary to
 4-29 maintain the ~~[said]~~ improvements and facilities in good condition
 4-30 and to operate them efficiently, necessary wages and salaries of
 4-31 the district, and such other expenses as may be reasonably
 4-32 necessary to the efficient operation of the ~~[said]~~ improvements and
 4-33 facilities; ~~[-]~~

4-34 (2) the ~~[The annual or semi-annual]~~ interest upon any
 4-35 obligations issued hereunder payable out of the revenues of said
 4-36 improvements and facilities; ~~and [-]~~

4-37 (3) the ~~[The]~~ amount required to be paid ~~[annually]~~
 4-38 ~~into the sinking fund]~~ for the payment of any obligations issued
 4-39 hereunder payable out of the revenues of said improvements and
 4-40 facilities.

4-41 (b) Out ~~[No other charge shall be made upon the revenues]~~
 4-42 ~~derived from said improvements and facilities so long as any~~
 4-43 ~~obligations issued hereunder shall remain outstanding and unpaid as~~
 4-44 ~~to principal or interest, provided, however, that out]~~ of revenues
 4-45 which may be received in excess of those required for the purposes
 4-46 listed in the above Subsections (a)(1) ~~[sub-paragraphs (1)]~~, (2)
 4-47 and (3), the Board of Directors may pay the cost of improvements and
 4-48 replacements not covered by Subsection (a)(1) ~~[said sub-paragraph~~
 4-49 ~~(1)]~~, and may establish a reasonable depreciation and emergency
 4-50 fund.

4-51 (c) It is the intent of this Act that the fees and charges of
 4-52 the ~~[such]~~ district shall not be in excess of what may be reasonably
 4-53 necessary to fulfill the obligations imposed upon the ~~[said]~~
 4-54 district by this Act.

4-55 Sec. 13A-5. ~~The~~ ~~[(n)]~~ ~~Such district through its Board of~~
 4-56 ~~Directors, shall have the right to employ managers, engineers,~~
 4-57 ~~attorneys, and all necessary employees to properly construct,~~
 4-58 ~~operate and maintain said works and carry out the provisions of this~~
 4-59 ~~Act and to pay reasonable compensation fixed by the Board of~~
 4-60 ~~Directors for such services.~~

4-61 ~~[(e)]~~ ~~Such~~ district, in addition to the powers hereinabove
 4-62 set out, shall have general power and authority to make and to enter
 4-63 into all contracts, leases, and agreements necessary or convenient
 4-64 to carry out any of the powers granted in this Act, which contracts,
 4-65 leases, and agreements may be entered into with any person, real or
 4-66 artificial, any corporation, municipal, public or private, or
 4-67 ~~[and/or]~~ any government or governmental agency, including the
 4-68 United States Government and the State of Texas, and may convey or
 4-69 cause to be conveyed any of its properties, rights, lands,

tenements, easements, improvements, reservoirs, dams, canals, plants, laterals, works and facilities to the United States Government or any agency thereof, and may enter into a lease with the United States Government, or any agency thereof, relative thereto, and obligate itself to pay rental therefor out of the income and revenues thereof, with or without the privilege of purchase; provided, however, that nothing herein contained shall authorize the assumption by the [such] district of any obligation requiring payment out of taxes. Any and all such contracts, leases, and agreements herein authorized shall be approved by resolution of the Board of Directors of the [such] district, and shall be executed by the president and attested by the secretary thereof.

Sec. 13A-6. The district may acquire land for recreational facilities and may construct, operate, and maintain recreational facilities as provided by general law, provided [(p) Such district shall have the right to sue and be sued.

~~[(q) Before such district shall establish a diversion point, construct the canals, pumping plants and other works herein provided for, it shall present to the Board of Water Engineers of the State of Texas, or such other agency performing the functions now performed by the Board of Engineers, plans and specifications of the same and obtain the approval of such Board.~~

~~[Sec. 13A. From and after the effective date of this Act, Lower Neches Valley Authority shall have the right and power to acquire and own lands within said district by purchase for the purpose of operating and maintaining same as public parks for public recreation, and said district shall have the power to construct improvements and facilities and to operate same on such lands to accomplish such purpose. Provided,] that no funds derived from taxation shall be expended in purchasing that land [said lands] or constructing and maintaining those [said improvements and] facilities.~~

Sec. 14. The powers and duties herein devolved upon the [said] district, and the adequacy of any plan for flood control or conservation improvement purposes devised by the district, shall be subject to such [the] continuing rights of state supervision and state approvals as are required under [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.

Sec. 16. The [said] district may borrow money for any corporate purpose from [the Federal Emergency Administration of Public Works of the United States, or from any other department or agency of the United States, or from] any [other] source, and in evidence thereof may issue the notes, warrants, bonds, certificates of indebtedness, or other forms of obligations of the [such] district, payable solely out of the revenues to be derived from district [said] improvements and facilities and the operations and services thereof.

~~[Sec. 17. Each issue of obligations authorized hereunder shall constitute a separate series and shall be appropriately designated. Such obligations shall not constitute an indebtedness or pledge of the credit of such district, shall never be paid in whole or in part out of any funds raised or to be raised by taxation, and shall contain a recital to that effect. All obligations issued hereunder shall be in registered or coupon form and if in coupon form may be registerable as to principal only, or as to both principal and interest, shall bear interest at a rate not to exceed six per cent per annum, payable annually or semi-annually, and shall be in such denominations and shall mature serially or at one time not more than fifty years from their date in such manner as may be provided by the Board of Directors. Principal of and interest on such obligations shall be made payable at any place or places within~~

6-1 ~~or without the State of Texas and in the discretion of the Board of~~
6-2 ~~Directors such obligations may be made redeemable at the option of~~
6-3 ~~said Board prior to maturity at such premium or premiums as the~~
6-4 ~~Board shall determine. Such obligations shall be signed by the~~
6-5 ~~president and secretary of the Board of Directors, and the interest~~
6-6 ~~coupons attached thereto may be executed with the facsimile~~
6-7 ~~signatures of such officers. Such obligations shall be sold in such~~
6-8 ~~manner and at such time as the Board of Directors shall determine to~~
6-9 ~~be expedient and necessary to the interests of the district,~~
6-10 ~~provided, that in no event shall such obligations be sold for a~~
6-11 ~~price which will result in an interest yield therefrom of more than~~
6-12 ~~six per cent computed to maturity according to standard bond tables~~
6-13 ~~in general use by banks and insurance companies. In the event any of~~
6-14 ~~the officers whose signatures are on such obligations or coupons~~
6-15 ~~shall cease to be such officers before the delivery of such~~
6-16 ~~obligations to the purchaser, such signature or signatures,~~
6-17 ~~nevertheless, shall be valid and sufficient for all purposes. All~~
6-18 ~~obligations issued hereunder shall constitute negotiable~~
6-19 ~~instruments within the meaning of the Negotiable Instruments Law.~~

6-20 ~~[Sec. 18. Any obligations issued hereunder may be issued~~
6-21 ~~payable from and secured by the pledge of all the revenues derived~~
6-22 ~~from the operation of the improvements and facilities of the~~
6-23 ~~district, exclusive of any revenues derived from taxation or~~
6-24 ~~assessments, or may be payable from and secured by the pledge of~~
6-25 ~~only such revenues as may be derived from the operation of the~~
6-26 ~~improvements and facilities acquired with the proceeds of the sale~~
6-27 ~~of such obligations, or may be payable from and secured by the~~
6-28 ~~pledge of a specified part of the revenues derived from the~~
6-29 ~~operation of the improvements and facilities of the district, all~~
6-30 ~~as may be provided in the proceedings authorizing the issuance of~~
6-31 ~~such obligations. If more than one series of obligations shall be~~
6-32 ~~issued under the provisions of this Act payable from and secured by~~
6-33 ~~identical revenues, priority of lien against such revenues shall~~
6-34 ~~depend on the time of delivery of such obligations, each series~~
6-35 ~~enjoying a lien against such revenues prior and superior to that~~
6-36 ~~enjoyed by any other series of obligations subsequently delivered,~~
6-37 ~~provided, however, that as to any issue or series of obligations~~
6-38 ~~which may be authorized as a unit but delivered from time to time in~~
6-39 ~~blocks, the Board of Directors may in proceedings authoring the~~
6-40 ~~issuance of such obligations provide that all of the obligations of~~
6-41 ~~such series or issue shall be co-equal as to lien regardless of the~~
6-42 ~~time of delivery.~~

6-43 ~~[Sec. 19. Any resolution or order authorizing the issuance~~
6-44 ~~of obligations under the provisions hereof shall provide for the~~
6-45 ~~creation of a sinking fund into which shall be paid from the~~
6-46 ~~revenues pledged to the payment of such obligations from month to~~
6-47 ~~month as said revenues are collected, sums fully sufficient to pay~~
6-48 ~~principal of and interest on such obligations. The money in such~~
6-49 ~~sinking fund shall be applied solely to the payment of interest on~~
6-50 ~~the obligations for the payment of which such fund is created and~~
6-51 ~~for the retirement of said obligations at or prior to maturity in~~
6-52 ~~the manner herein provided. The Board of Directors may at the time~~
6-53 ~~obligations are authorized hereunder provide that all money in such~~
6-54 ~~sinking fund in excess of the amount required for the payment of~~
6-55 ~~interest on and principal of such outstanding obligations for such~~
6-56 ~~period as it may determine shall be expended once each year pursuant~~
6-57 ~~to its order in the purchase of obligations for the account of which~~
6-58 ~~such sinking fund has been accumulated, if any such obligations can~~
6-59 ~~be purchased at a price which shall seem reasonable to the Board,~~
6-60 ~~and may provide that in the event such obligations contain an option~~
6-61 ~~permitting retirement prior to maturity then such excess sums shall~~
6-62 ~~be paid out as aforesaid for the purchase of such obligations, but~~
6-63 ~~that if the Board shall be unable to so purchase sufficient~~
6-64 ~~obligations of said issue to absorb all such surplus it shall call~~
6-65 ~~for redemption a sufficient amount of such obligations to absorb so~~
6-66 ~~far as practicable the entire surplus remaining in said sinking~~
6-67 ~~fund. It may be provided that any excess in the sinking fund which~~
6-68 ~~cannot be applied to the purchase or redemption of obligations~~
6-69 ~~shall remain in said sinking fund to be used for payment of~~

~~principal or interest when due, or for the subsequent call of obligations for purchase or redemption in the manner above provided.~~

~~[Sec. 21. Any resolution or order authorizing the issuance of obligations hereunder shall provide that the revenues from which such obligations are to be paid and which are pledged to the payment of such obligations shall from month to month as the same shall accrue and be received, be set apart and placed in the sinking fund and disbursed in the manner hereinabove provided. In fixing and determining the amount of revenues which shall be so set aside, the Board of Directors shall provide that the amount to be set aside and paid into said fund in any year or years shall be not less than a fixed sum, which sum shall be at least sufficient to provide for the payment of the interest on and principal of all obligations maturing and becoming payable in each such year, together with a surplus or margin of ten per cent in excess thereof.~~

~~[Sec. 24. The proceeds of the sale of any obligations issued hereunder may be deposited in such bank or banks as may be agreed upon between the purchaser at such sale and the Board of Directors, and may be deposited and paid out pursuant to such terms and conditions as may be so agreed upon, it being expressly provided that the statutes of Texas pertaining to the deposit of the district funds in the depository of such district shall not be applicable to the deposit of the proceeds of such sale. Any part of the proceeds of the sale of obligations issued hereunder which may remain unexpended after the project for which the obligations were authorized has been completed may be paid into the sinking fund for the payment of said obligations and be used only for the payment of principal of such obligations, or for the purposes of acquiring such outstanding obligations by purchase in the manner hereinabove provided.~~

~~[Sec. 27. Such district issuing obligations under the provisions hereof may thereafter authorize and issue its refunding obligations on such terms as its Board of Directors may deem advisable for the purpose of providing for the retirement of any such outstanding obligations, either due or to become due, which refunding obligations may be either exchanged for like par amounts of such outstanding obligations or may be sold and the proceeds of the sale so applied. Any refunding obligations authorized and issued pursuant hereto shall be subject to the provisions of this Act pertaining to the issuance of other obligations and shall be secured in all respects to the same extent and be payable from the same revenues as were the obligations refunded thereby.~~

~~[Sec. 27-a. Before any such obligation shall be issued, such district shall submit a certified copy thereof and of the proceedings for their issuance, together with any additional information which may be required, to the Attorney General of Texas for approval, and when so approved, such obligations shall be issued after registration with the Comptroller of the State of Texas.~~

~~[Sec. 28. This Act, without reference to other statutes of the State of Texas, shall constitute full authority for the authorization and issuance of obligations hereunder and for the accomplishment of all things herein authorized to be done, and no proceedings relating to the authorization or issuance of such obligation or the doing of such things shall be necessary except such as are herein required, and neither the Bond and Warrant Law of 1931 or any other provisions of the laws of the State of Texas pertinent to the authorization or issuance of obligations, the operation and maintenance of such improvements and facilities, the granting of franchises or permits, the right to elections or referendum petitions, or in anywise impeding or restricting the carrying out of the acts authorized to be done hereunder, shall be construed as applying to any proceedings and hereunder or acts done pursuant hereto.~~

~~[Sec. 29. Nothing in this Act shall be construed as affecting any existing rights or existing priorities in the rights to water from the source of supply and neither the formation of the district hereunder nor a contract for the purchase of water with~~

~~such district shall ever be held to be an abandonment of waiver of said rights or priorities, or an abandonment of the original point of diversion from the source of supply, but all such rights existing at the time of the formation of such district shall be preserved.~~

~~[Sec. 29-a. That said district or the contractor who employs the labor for the construction of any improvements for said district shall be required to give preference to persons who are on relief rolls or otherwise unemployed, including those required for office or clerical work, but excepting the key workers of such district or such contractor, provided such persons on relief or unemployed are capable of efficiently rendering the proper service in the various classifications of labor under which they are employed, and in the event there are not sufficient persons with the proper qualifications as aforesaid, then the district or the contractor shall give preference to employment of qualified workers who reside in the locality where such improvements are to be constructed; and every contract expressly entered into by the district hereunder shall impose upon the contractor the obligation to give preference in employment to such needy persons upon relief rolls or otherwise as provided herein and shall expressly impose upon such contractor the obligations provided for in this Section, provided nothing in this Section contained shall conflict with the requirements of any Federal agency providing any funds for such District.]~~

~~[Sec. 29-d. There is hereby appropriated and there shall be paid to said District out of the General Fund not otherwise appropriated the sum of Fifteen Thousand Dollars (\$15,000.00), which said sum shall be used for defraying the expenses of making engineering surveys, plans and specifications, for the compilation of other necessary data, for abstracts of title, and for the payment of necessary and proper expenses incidental to the application and negotiations for and securing the aid and assistance of the Federal Emergency Administration of Public Works, or other Governmental bodies of the United States, and in connection with the organization of the District. Provided, however, that none of the amount appropriated herein shall be used to pay any expenses or costs incurred prior to the effective date of this Bill. Provided that none of the funds herein appropriated shall be used to pay for options on lands in said District.]~~

SECTION 2. (a) All governmental acts and proceedings taken by the board of directors of the Lower Neches Valley Authority before the effective date of this Act in reliance on the local law of that district as it existed before that date are validated as of the date they occurred.

(b) This Act does not validate an act or proceeding that on the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the act or proceeding being held invalid by a final court judgment; or

(2) has been held invalid by a final court judgment.

SECTION 3. This Act does not:

(1) limit the powers granted to the Lower Neches Valley Authority by any other law;

(2) impliedly repeal any laws granting powers to the Lower Neches Valley Authority; or

(3) affect the entitlement of a person serving as a member or officer of the board of directors of the Lower Neches Valley Authority immediately before the effective date of this Act to continue to carry out the board's functions for the remainder of the person's term of office.

SECTION 4. The change in law made by this Act to Section 12, Chapter 63, Acts of the 43rd Legislature, 1st Called Session, 1933, does not apply to an offense committed under that section before the effective date of this Act. An offense committed before the effective date of this Act is governed by the law as it existed on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

9-1 SECTION 5. (a) The legal notice of the intention to
 9-2 introduce this Act, setting forth the general substance of this
 9-3 Act, has been published as provided by law, and the notice and a
 9-4 copy of this Act have been furnished to all persons, agencies,
 9-5 officials, or entities to which they are required to be furnished
 9-6 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
 9-7 Government Code.

9-8 (b) The governor, one of the required recipients, has
 9-9 submitted the notice and Act to the Texas Commission on
 9-10 Environmental Quality.

9-11 (c) The Texas Commission on Environmental Quality has filed
 9-12 its recommendations relating to this Act with the governor, the
 9-13 lieutenant governor, and the speaker of the house of
 9-14 representatives within the required time.

9-15 (d) All requirements of the constitution and laws of this
 9-16 state and the rules and procedures of the legislature with respect
 9-17 to the notice, introduction, and passage of this Act are fulfilled
 9-18 and accomplished.

9-19 SECTION 6. This Act takes effect immediately if it receives
 9-20 a vote of two-thirds of all the members elected to each house, as
 9-21 provided by Section 39, Article III, Texas Constitution. If this
 9-22 Act does not receive the vote necessary for immediate effect, this
 9-23 Act takes effect September 1, 2011.

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