

AUXILIARY WATER LAWS  
CHAPTER 1. USE OF STATE WATER

Art. 7621f. SALE OR DISPOSAL OF SALT WATER FOR POLLUTION CONTROL.

Section 1. CONTRACTS FOR POLLUTION CONTROL; TERMS. Any water power control district heretofore organized or hereafter organized is authorized to enter into contracts with any person, firm or corporation or one or more of either, for the sale or disposal of salt water. Provided, no such contract shall be entered into unless it is determined by the Board of Directors of such District that such contract is needed for the purpose of pollution control and unless any such contract in the opinion of such Board of Directors is reasonably calculated to achieve such purpose. If it is determined by the Board of Directors of any such District that in order to effect the sale or disposal of salt water that it is necessary to guarantee a constant flow of water under any such contract, then fresh water may be included, but only to the extent it is necessary in order to achieve pollution control through disposing of salt water. Such contracts may be for a period of time and on such terms as may be deemed necessary by any such Board of Directors.

Sec. 2. REVENUE BONDS; PURPOSES; SALE; FORM, CONDITIONS AND DETAILS. Any water power control district is authorized to issue revenue bonds, without an election, for the purpose of the construction and acquisition of pipe lines, pumps and all facilities necessary for the sale or disposal of salt water for pollution control. Any such bonds shall be authorized by such Board of Directors, from time to time, and in such amounts as it shall consider necessary. All such bonds shall be fully negotiable and may be made redeemable before maturity, at the option of the Board of Directors of any such District, at such price or prices and under such terms and conditions as may be fixed by such Board of Directors prior to the issuance of such bonds. Such Board of Directors may sell such bonds in such manner, either at public or at private sale, and for such price as it may determine to be for the best interest of the District, but no such sale shall be made at a price so low as to

require the payment of interest on the money received therefor at more than six (6%) per cent per annum, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding however, from such computation the amount of any premium to be paid on redemption of any bonds prior to maturity. Subject to the restrictions contained in this Act each such Board of Directors is given complete discretion in fixing the form, conditions and details of such bonds, and such bonds may be refunded or otherwise refinanced whenever said Board of Directors deems such action to be appropriate or necessary.

Any such bonds may be secured by a pledge of the revenues to be received by the District from one or more contracts entered into between the District and any person, firm or corporation, in the manner and to the extent provided in the order of the Board of Directors authorizing such bonds. Any such bonds shall be special obligations of the District issuing same, payable solely from the revenues pledged to their payment. Any such bonds shall contain the following statement:

"The holder hereof shall never have the right to demand payment hereof from funds raised or to be raised by taxation."

Sec. 3. CONTRACTS WITH NON-PROFIT CORPORATIONS; ACCEPTANCE OF WORKS OR FACILITIES. If any water power control district enters into a contract with a non-profit corporation whereby such non-profit corporation obligates itself to provide works or facilities to accomplish pollution control and issues its bonds to secure funds to accomplish same, the District is hereby authorized to accept all such works or facilities from such non-profit corporation at the time and in the manner provided in the contract and in the indenture securing such non-profit corporation's obligations.

Sec. 3-a. BOND ISSUES INVOLVING FEDERAL FUNDS; APPROVAL. Approval must be acquired from the Texas Water Commission pursuant to Article 7880-139, Vernon's Civil Statutes, as amended, when issuing bonds involving Federal funds.

Sec. 4. EXAMINATION, APPROVAL AND REGISTRATION OF BONDS. Prior to delivery thereof, all bonds authorized to be issued hereunder and the record relating to their issuance shall be

submitted to the Attorney General of Texas for examination; and if he finds that they have been issued in accordance with the Constitution and this Act, and that they will be binding special obligations of the District authorizing their issuance, he shall approve them, and thereupon they shall be registered by the Comptroller of Public Accounts of the State of Texas, and after such approval and registration they shall be incontestable.

Acts 1965, 59th Leg., p. 1509, ch. 655, eff. Aug. 30, 1965.