

SECTION 1. There shall be, and there is hereby created a conservation and recreation district by the name of "Sabine River Authority of Texas" which district is created as a governmental agency of the State of Texas, a body politic and corporate, vested with all of the authority as such under the Constitution and laws of the State; and which shall have and be recognized to exercise all of the powers of such governmental agency and body politic and corporate as expressly authorized in the provisions of the Constitution, Section 59 of Article 16, for districts created to conserve, store, control, preserve, utilize, and distribute the storm and flood waters and the waters of the rivers and streams of the State, and such powers as may be contemplated and implied by the purposes of such provision of the Constitution, and as may be conferred by General Law, as well as by the provisions of this Act, except nothing herein contained shall authorize said district to levy any taxes or special assessments, or to create any debt payable out of taxation; and said district shall have and be recognized to exercise all the rights and powers of an independent agency, body politic and corporate, to construct, maintain, and operate within the State of Texas, in the watershed of the Sabine River and its tributaries, within or without the boundaries of such district, any and all works deemed essential to the operation of the district and for its administration in the control, storing, preservation and distribution to all useful purposes of the waters of the Sabine River and its tributary streams, including the storm and flood waters thereof; and such district shall have and be recognized to exercise such authority and power of control and regulation over such waters of the Sabine River and its tributaries as may be exercised by the State of Texas, subject to the provisions of the Constitution and the Act of the Legislature

SECTION 2. The area of the district is hereby established to comprise all of that part of the territory lying within the watershed of the Sabine River and its tributary streams which is situated within the State of Texas as the same is made certain by the State contour maps now on file in the office of the State Board of Water Engineers. Reference is hereby made to said records and maps in aid hereof. Upon the request of the Board of Directors the Board of Water Engineers shall define such boundaries so that the same may be expressed in written calls of the miles and bounds of said watershed; provided, however, that the definition of such boundaries shall not be a condition precedent to the exercise of any power conferred by this Act; provided further that there is excepted from the area covered by the Neches River Conservation District, all the area presently covered by the Lower Neches Valley Authority. It is the intent of the Legislature to preserve the present area and authority of the Lower Neches Valley Authority.

SECTION 3. The management and control of all of the affairs of the district shall be vested in the Board of Directors, consisting of nine (9) members, each of whom must reside within a county situated wholly or partially within the watershed of the Sabine River and shall be a freehold property taxpayer and a legal voter of the State of Texas. Such Board of Directors shall be appointed by the Governor of Texas as soon as practicable after the passage of this Act and confirmed by the Senate; one-third of the members to be appointed for a term of two (2) years, one-third of the members to be appointed for a term of four (4) years, and the remaining members to be appointed for a term of six (6) years. Upon the expiration of the respective terms of said Directors the successors of each and all of them shall be appointed thereafter for a term of six (6) years. The Directors shall hold office after their appointment and qualification until their successors shall be appointed and qualified. Should any vacancy occur in the

Board of Directors the same may be filled in like manner by the Governor of Texas for the unexpired term. The Directors appointed shall within fifteen (15) days after their appointment qualify by taking the official oath and filing a good and sufficient bond with the Secretary of State; the official bond of each Director to be in the sum of One Thousand Dollars (\$1,000), and shall be payable to the District, shall be conditioned upon the faithful performance of official duties of such Director, and shall be subject to approval by the Secretary of State of the State of Texas.

SECTION 4. The Directors of the district shall organize by electing one of their members President, one Vice-President, one Secretary, and a Secretary pro tem. Five (5) Directors shall constitute a quorum at any meeting, and a concurrence of a majority of those present shall be sufficient in all matters pertaining to the business of the district, except the letting of construction contracts and the authorization of issuance of bonds, which shall require the concurrence of five (5) Directors. Warrants for the payment of money may be drawn and signed by two (2) officers or employees designated by resolution entered on the minutes of the Directors, when such accounts have been contracted and ordered paid by the Board of Directors.

SECTION 5. The Directors of the district shall require all officers and employees who shall be charged with the collection or paying or handling of any funds of the district under their orders, to furnish good and sufficient bonds, with a duly authorized surety company as surety thereon, payable to the district, conditioned 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.

SECTION 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 the 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, the Secretary pro tem shall perform his duties. The Directors shall hold regular meetings at times to be fixed by the Board, and may hold special meetings at such other times as the business of the District may require.

SECTION 7. The Directors shall receive as fees of office the sum of not more than Twenty-five dollars (\$25) for each day of service necessary to discharge their duties, plus actual expenses, provided that such compensation and expenses are approved by vote of the Board of Directors. Each Director shall file with the Secretary a statement showing the amount due him each month or as soon thereafter as practicable, and before check shall be issued therefor.

SECTION 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.

SECTION 9. A complete book of accounts shall be kept. The district's fiscal accounts and records shall be audited annually in accordance with Subchapter K, Chapter 50, Water Code.

SECTION 9A. (a) The board of directors of the district shall annually select a depositor or depositories for the district.

(b) Funds of the district shall be deposited in a depository selected under Subsection (a) of this section.

(c) The board of directors may allocate district funds between depositories or accounts maintained in a depository subject only to the duty imposed on the board by statute to invest the funds so as to obtain the highest rate of return consistent with safety.

(d) Subsection (b) of this section does not prohibit the withdrawal of district funds after deposit to invest the funds in fulfillment of the duty imposed on the board of directors by statute to invest the funds so as to obtain the highest rate of return consistent with safety.

SECTION 9B. (a) Funds of the district shall be invested and reinvested in accordance with:

- (1) the Public Funds Investment Act of 1987 (Article 842a-2, Vernon's Texas Civil Statutes), Chapter 726, Acts of the 67th Legislature, Regular Session, 1981 (Article 2529b-1, Vernon's Texas Civil Statutes), and Sections 1 through 7, Chapter 810, Acts of the 66th Legislature, Regular Session, 1979 (Article 4413(34c), Vernon's Texas Civil Statutes), or
- (2) the provisions of the district's bond orders and agreements, as applicable.

(b) The district shall comply with the Public Funds Collateral Act (Article 2529d, Vernon's Texas Civil Statutes), to the extent applicable.

SECTION 10. The Directors may employ a 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). Compensation to be paid such manager and all employees shall be fixed by the Board of Directors and all employees may be removed by the Board.

SECTION 11. (a) 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, as a surety thereon, and the district shall be authorized to pay the premiums on such bonds.

(b) The district may maintain a blanket surety bond to cover the directors of the district. The bond must be in the amount of at least \$1,000 per director. Notwithstanding Section 3 of this Act, if the district maintains a blanket surety bond under this subsection, a director of the district is not required to file a surety bond with the Secretary of State.

SECTION 12. No Director, engineer or employee of the district, either for themselves or as agent for anyone else, shall benefit directly or indirectly by reason of any sale, or purchase, or contract entered into by the Board. If any such person shall directly or indirectly become interested in any such contract, sale, or purchase, he shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine in any sum of not less than six (6) months nor more than one (1) year or by both fine and imprisonment. Provided further, that in the purchase or sale of any realty bought or sold by the district from or to any Director, engineer or employee of the district the value of such property shall be fixed by a Board of three (3) disinterested citizens, residents of the county in which the property lies, such Board to be appointed by the District Judge thereof.

SECTION 13. Any drainage, conservation, reclamation or other district heretofore

created by the State of Texas with powers provided in Section 59 of Article 16, or in Section 52 of Article 3 of the Constitution, shall have the authority, power and right to co-ordinate its plans with the district herein created, and shall have full authority, power and right to enter into joint undertakings 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 involved.

SECTION 14. (a) The district shall have and be recognized to exercise, in addition to all the heretofore mentioned powers, for the conservation and beneficial utilization of said waters, and pursuant to the provisions of Chapters 5, 6, and 50, Texas Water Code, the power of control and employment of such waters of the Sabine River and its tributaries within the State of Texas, including the storm and flood waters thereof, in the manner and for the particular purposes hereinafter set forth.

(b) The district may provide through practical and legal means for the control and co-ordination of the regulation of the waters of the Sabine River and its tributary streams.

(c) The district may provide by adequate organization and administration for the preservation of the equitable rights of the people of the different sections of the watershed area, in the beneficial use of the waters of the Sabine River and its tributary streams.

(d) The district may provide for storing, controlling and conserving the waters of the Sabine River and its tributaries within and without the district, and the prevention of the escape of any of such waters without the maximum of public service and for the prevention of devastation of lands from recurrent overflows, and the protection of life and property in such district from uncontrolled floodwaters.

(e) The district may take any action which is necessary to comply with laws, rules, and regulations of this state and the United States relating to the protection of the environment, and may borrow money, accept grants, and enter into agreements with this state and the United States to carry out these actions. Provided, however, that should there be any conflict with any of the laws, rules, and regulations of this state and the United States, the provisions of this Act shall prevail.

(f) The district may provide for the conservation of the waters of the Sabine River and its tributaries essential for the domestic uses of the people of the district, including all necessary water supplies for cities and towns.

(g) The district may provide for the irrigation of lands within the State of Texas where irrigation is required for agricultural purposes, or may be deemed helpful to more profitable agricultural production, and for the equitable distribution of said waters to the regional potential requirements for all beneficial uses. All plans and all works provided by said district, and as well, all works which may be provided under authority of said district, shall have primary regard to the necessary and potential needs for water. The sale of water by the Authority, and the compensation charged therefor, shall be subject to regulation by the Texas Water Rights Commission, upon its own initiative or upon complaint of any user of such water, but such regulation shall be subject to the requirements of subdivision (c) of this Section 14.

(h) The district may provide for the encouragement and development of drainage systems and provisions for drainage systems and for drainage of lands in the watershed of the Sabine River and its tributary streams needed for profitable agricultural production, and drainage for other lands in the watershed area of the district requiring drainage for the most advantageous use.

(j) The district may provide for the purpose of encouraging the conservation of all soils against destructive erosion and thereby preventing the increased flood menace incident thereto.

(k) The district may control and make available for employment of said waters in the developing of commercial and industrial enterprises in all sections of the district, to improve the Sabine River for navigation, to construct or otherwise acquire and operate navigation facilities and ports, and to make contracts with the United States Government with reference thereto.

(l) The district may provide for the control, storing and employment of said waters in the development and distribution of hydro-electric power, where such use may be economically co-ordinated with other and superior uses, and subordinated to the uses declared by law to be superior.

(i) The district may provide for each and every purpose for which flood and storm waters when controlled and conserved may be utilized in the performance of useful service as contemplated and authorized by the provisions of the Constitution and the public policy therein declared.

(m) The district may purchase and construct all works necessary or convenient for the exercise of the powers, and to accomplish the purposes specified in this Act, and to purchase or otherwise acquire all real and personal property necessary or convenient for carrying out any such purposes.

(n) The right to eminent domain is expressly conferred upon such district to enable it to acquire the fee simple title to, and the easement or right of way over and through, any and all lands, water or lands under water, private or public, within and without such district, which in the judgment of the Board of Directors is necessary or convenient to carry out any of the purposes and powers conferred upon such district by this Act; 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. All such condemnation proceedings shall be under the direction of the Directors and in the name of the district, and the assessment of damages and all procedure with reference to condemnation, appeal and payment shall be in conformity with the Statutes of this State as provided in the title of the Revised Civil Statutes of Texas relating to "Eminent Domain".

(o) The Board of Directors of the district shall prescribe fees and charges to be collected for the use of water, water connections, hydro-electric service, or other service, which fees and charges shall be reasonable and equitable and fully sufficient to produce revenues adequate to pay, and said Board of Directors shall cause to be paid therefrom:

(1) all expenses necessary to the operation and maintenance of the improvements and facilities of said district. Such operating and maintenance expenses shall include the cost of the acquisition of properties and materials necessary to maintain said improvements and facilities in good condition and to operate them efficiently, necessary wages and salaries of the district, and such other expenses as may be reasonably necessary to the efficient operation of said improvements and facilities;

(2) the annual or semi-annual interest as it becomes due upon any bonds issued hereunder payable out of the revenues of said improvements and facilities;

(3) the amount required to be paid annually into the sinking fund for the payment of any bonds issued hereunder, payable out of the revenues of said improvements and

facilities, and to be paid into the reserve and other funds under the resolution authorizing the issuance of the bonds.

(p) Such district through its Board of Directors, shall have the right to employ managers, engineers, attorneys, and all necessary employees properly to construct, operate and maintain said works and carry out the provisions of this Act, and to pay reasonable compensation fixed by the Board of Directors for such services.

(q) Such district, in addition to the powers hereinabove set out, shall have general power and authority to make and to enter into all contracts, leases and agreements necessary or convenient to carry out any of the powers granted in this Act, which contracts, leases and agreements may be entered into with any person, real or artificial, any corporation, municipal, public or private, any government or governmental agency, including the United States Government, the State of Texas, the State of Louisiana, or any public or private corporation or entity created by or under the laws of the State of Louisiana, and may make contract with any such person, corporation or entities for the joint construction or operation, or both, of any facilities authorized to be operated or constructed by the district. Any and all such contracts, leases and agreements herein authorized shall be approved by resolution of the Board of Directors of such district, and shall be executed by the President or Vice-President and attested by the Secretary or Secretary pro tem thereof.

(r) Such district shall have the right to sue and be sued in its own name.

(s) Before such district shall establish a diversion point, construct the canals, pumping plants and other water works, it shall present to the Texas Water Rights Commission, or such other agency performing the functions now performed by the Texas Water Rights Commission, plans and specifications of the same and obtain approval of such Board.

(t) Such District is hereby authorized to enter into agreements with its employees for the purchase of annuities for its employees as authorized in Section 403 (b) of the Internal Revenue Code of 1954, as amended, and is further hereby authorized to effect reductions in salary of participants when authorized in writing and shall apply the amount of the reduction to the purchase of annuity contracts, the exclusive control of which will vest in the participants.

(u) The district may establish a system of retirement benefits or other benefits for its employees, including a pension or other retirement plan as set forth in the Internal Revenue Code of 1986, as amended.

SECTION 15. The powers and duties herein devolved 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, which agency 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, and which plans contemplate improvements supervised by the respective State authorities under the provisions of the General Laws.

SECTION 16. Said district shall have and may exercise such functions, powers, authority, rights and duties as may permit the accomplishment of the purposes for which it is created, including investigating and planning, acquiring, constructing, maintaining and operating of all necessary properties, lands, rights, tenements, easements, improvements, reservoirs, dams, canals, laterals, plants, works and facilities which it may deem necessary or proper for the accomplishment of said purposes,

including the acquisition within and without said district of lands, rights of way, water rights, and all other properties, tenements, easements and all other rights incident, helpful to or in aid of carrying out the purposes of said district as herein defined; and this Act in all of its terms and provisions shall be liberally construed to effectuate each and all of the purposes thereof.

SECTION 17. The Board of Directors of the Authority hereby created is hereby authorized to accept grants and gratuities in any form for the purpose of promoting, establishing and accomplishing the objectives herein set forth. Any and all grants and gratuities shall be strictly accounted for and shall be subject to the same rules, regulations and audits by the Texas State Auditor as are other funds handled or disbursed by the governing Board of the Authority.

Any contract or agreement entered into or any commitment made by and between the Authority or any of its agents or representatives and the Federal government or any of its agents or representatives involving the sovereign rights of the State of Texas in the control, utilization, disposition, storing or sale of the water of the Sabine River or its tributaries, or involving the control, management or utilization of any facilities, projects or improvements constructed thereon, before becoming an obligation upon the district, shall first be submitted to the Attorney General of the State of Texas for approval. Provided, however, that nothing herein contained shall preclude compliance by the district with Federal laws existing on the effective date of this Act or with any Compact made subsequent thereto by and between the State of Texas, the Federal government and the State of Louisiana, but any agreement, contract or commitment based upon or involving any Compact promulgated subsequent to the effective date hereof between the State of Texas, the Federal government and the State of Louisiana, shall likewise be submitted to the Attorney General of the State of Texas for approval.

SECTION 18. (a) In addition to all other powers granted by this Act or by any other provision of law, the district is authorized to undertake and carry out any activities, and to purchase, construct, acquire, own, operate, maintain, repair, improve, or extend, inside and outside its boundaries, any and all works, improvements, facilities, plants, equipment, and appliances, incident, helpful, or necessary to:

(1) provide for the control, storage, preservation, transmission, treatment, and distribution and use of storm water and flood water, the water of rivers and streams, for irrigation, power, both hydro-electric and steam generated and nuclear, and all other beneficial purposes, and to supply water for municipal, domestic, power, both hydro electric and steam generated and nuclear, industrial, irrigation, oil flooding, mining, agricultural and commercial uses and purposes and all other beneficial uses and purposes;

(2) collect, transport, process, treat, dispose of, and control all municipal, domestic, industrial, or communal water and solid waste pollution whether in fluid, solid, or composite state;

(3) reclaim and provide drainage and drainage systems for lands;

(4) provide for the navigation of coastal and inland waters and provide port facilities;

(5) to establish or otherwise provide for public parks and recreation facilities; and it is hereby found and determined by the Legislature that all of the aforesaid purposes are for the conservation and development of the natural resources of the State within the meaning of Article 16, Section 59, of the Texas Constitution.

(b) The district may adopt, enforce, and collect all necessary charges, fees, or

rentals, for providing any district facilities or service, and may require a deposit for any service or facilities furnished and the district may or may not provide that the deposit will bear interest. The district may discontinue a facility or service to prevent an abuse or enforce payment of an unpaid charge, fee, or rental due the district.

(c) The district may adopt and enforce reasonable rules and regulations to:

(1) secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of its sanitary sewer facilities;

(2) preserve the sanitary condition of all water controlled by the district;

(3) prevent waste or the unauthorized use of water controlled by the district; and

(4) regulate privileges on any land or any easement owned or controlled by the district. After the required publication, such rules and regulations adopted by the district shall be recognized by the courts as if they were penal ordinances of a city.

(d) The Board of Directors of the district shall publish once a week for two consecutive weeks a substantive statement of the rules or regulations and the penalty for their violation in one or more newspapers with general circulation in the area in which the violation in one or more newspapers with general circulation in the area in which the violation is to be effective. The substantive statement shall be condensed as far as possible to intelligently explain the purpose to be accomplished or the act forbidden by the rules and regulations. The notice must advise that breach of the rules or regulations will subject the violator to a penalty and that the full text of the rules and regulations are on file in the principals office of the district where they may be read by any interested person. Any number of rules or regulations may be included in one notice. The penalty for violation of a rule or regulation is not effective and enforceable until five (5) days after the last publication of the notice. Five (5) days after the publication, the published rule or regulation shall be in effect, and ignorance of it is not a defense to a prosecution for the enforcement of the penalty. The Board of Directors of the district may set reasonable penalties for the breach of any rule or regulation of the district, which shall not exceed fines of more than Two Hundred Dollars (\$200). Such penalties shall be in addition to any other penalties and remedies provided by the laws of this State and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the district's principal office is located, or in the county in which the violation is alleged to have occurred.

(e) The district shall have the right to sue and be sued in its own name, and may acquire any land, easements, or other property, or any interest therein, within or without the district, for any purpose or function authorized by this Act, by purchase, lease, gift, or condemnation. The district may elect to condemn either the fee simple title or an easement only or other interest only, notwithstanding any other provisions of this Act. The right of eminent domain shall be exercised by the district in the manner provided in Title 52, Revised Civil Statutes of Texas, 1925, as amended. The district is a water improvement district within the meaning of said Title 52. The proceedings shall be instituted under the direction of the Board of Directors of the district and in the name of the district. In the event that the district, in the exercise of the power of eminent domain or power of relocation, or any other power, makes necessary the relocation, raising, rerouting, or changing the grade of, or altering the construction of; any highway, railroad, electric transmission line, telephone or telegraph properties and facilities, or pipeline, all necessary relocations, raising, rerouting, changing of grade, or alteration of construction shall be accomplished at the sole expense of the district.

(f) The district is authorized to contract, upon such terms and conditions as the parties may agree, with all cities, public agencies and other political subdivisions.

including the United States and any of its agencies, and the States of Texas and Louisiana, and any of their agencies, with respect to any power, function or duty of the district.

(g) (1) The district is a 'district' under the Regional Waste Disposal Act (Chapter 25, Vernon's Texas Water Code), and all of the provisions of the Regional Waste Disposal Act are applicable to this district except to the extent of any conflict with this Act, in which case this Act shall prevail over the provisions of the Regional Waste Disposal Act.

(2) All cities, public agencies, and other political subdivisions are authorized to contract with this district in any manner authorized by the Regional Waste Disposal Act (Chapter 25, Vernon's Texas Water Code), provided that any city, public agency, or other political subdivision is further authorized to execute contracts with this district and to determine, agree, and pledge that its payments under such contracts shall be payable from the source or sources described in Section 25.030 (c) of the Regional Waste Disposal Act (Chapter 25, Vernon's Texas Water Code), subject only to the authorization of such contracts, pledges, and payments by a two-thirds vote of the governing board of such city, public agency, or political subdivision.

(3) It is further specifically provided that this district and all cities, public agencies, and other political subdivisions shall have all of the rights, powers, and authority with respect to the control, storage, preservation, transmission, treatment, and disposition of storm water and flood water, and the water of rivers and streams, and with respect to any other power, function, or activity of this district, as are granted, permitted, and authorized to districts and public agencies by the Regional Waste Disposal Act (Chapter 25, Vernon's Texas Water Code), with respect to waste, waste disposal systems, and treatment facilities. Subparagraph (2), above, of this Subsection 18 (g) shall be applicable to contracts made pursuant to this Subparagraph (3).

(4) All cities, public agencies, and other political subdivisions are authorized to fix, charge, and collect fees, rates, charges, rentals, and other amounts for any service or facilities provided pursuant to or in connection with any contract with this district, and to pledge such amounts sufficient to make all payments required under the contract.

(h) (1) For the purpose of providing funds to acquire, purchase, construct, improve, enlarge, and/or equip any property, buildings, structures, or other facilities for any purpose or power authorized by law, including specifically this Section 18, the Board of Directors of the district may issue revenue bonds from time to time and in one or more issues or series pursuant to this Section 18. The bonds may be payable from and secured by liens on and pledges of all or any part of any of the revenues, income, or receipts derived by the district from its ownership and/or operation of any such property, buildings, structures, or facilities, or any other resources of the district, including the proceeds or revenues from contracts with any person, firm, corporation, city, public agency or other political subdivision. The bonds may be issued to mature serially or otherwise within not to exceed fifty (50) years from their date, and provision may be made for the subsequent issuance of additional parity bonds, or subordinate lien bonds, under any terms or conditions that may be set forth in the resolution authorizing the issuance of the bonds. The bonds, and any interest coupons appertaining thereto, are and shall constitute negotiable instruments within the meaning and for all purposes of the Texas Uniform Commercial Code (provided that the bonds may be issued registrable as to principal alone or as to both principal and interest), and shall be executed, and may be made redeemable prior to maturity, and may be issued in

such form, denominations, and manner, and under such terms, conditions, and details, and may be sold in such manner, at such price, and under such terms, and said bonds shall bear interest at such rates, all as shall be determined and provided in the resolution authorizing the issuance of the bonds. If so provided in the bond resolution the proceeds from the sale of the bonds may be used for paying interest on the bonds during the period of the acquisition or construction of any facilities to be provided through the issuance of the bonds, for paying expenses of operation and maintenance of facilities, for creating a reserve fund for the payment of the principal of and interest on the bonds, and for creating any other funds, and such proceeds may be placed on time deposit or invested, until needed, all to the extent, and in the manner provided, in the bond resolution. The district may pledge all or any part of its revenues, income, or receipts from fees, rentals, rates, charges, and/or contract proceeds or payments, or other resources to the payment of the bonds, including the payment of principal, interest, and any other amounts required or permitted in connection with the bonds. The pledged fees, rentals, rates, charges, proceeds, or payments shall be fixed and collected in amounts that will be at least sufficient, together with any other pledged resources, to provide for all payments of principal, interest, and any other amounts required in connection with the bonds, and, to the extent required by the resolution authorizing the issuance of the bonds, to provide for the payment of expenses in connection with the bonds, and operation, maintenance, and other expenses in connection with the aforesaid facilities. The bonds may be additionally secured by mortgages or deeds of trust on any real property owned or to be acquired by the district, and by chattel mortgages or liens on any personal property appurtenant to such real property, and the Board of Directors of the district may authorize the execution of trust indentures, mortgages, deeds of trust, or other forms of encumbrances to evidence same. Also, the district may pledge to the payment of the bonds all or any part of any grant, donation, revenues, or income received or to be received from the United States Government or any other public or private source, whether pursuant to an agreement or otherwise.

(2) Any bonds issued pursuant to this Section may be refunded as provided by this Section or as provided by Section 18, and such bonds may be refunded or otherwise refinanced by the issuance of refunding bonds for such purpose, under such terms, conditions, and details, and with such security and pledges as may be determined by resolution of the Board of Directors of the district. All pertinent and appropriate provisions of this Section shall be applicable to such refunding bonds, and they may be issued in the manner provided herein for other bonds authorized under this Section; provided that such refunding bonds may be sold for cash and delivered in amounts necessary to pay the principal, interest, and redemption premium, if any, of bonds to be refunded, at maturity or on any redemption date. Also, such refunding bonds may be issued to be exchanged for the bonds being refunded thereby. In the latter case, the Comptroller of Public Accounts of the State of Texas shall register the refunding bonds and deliver the same to the holder or holders of the bonds being refunded thereby, in accordance with the provisions of the resolution authorizing the refunding bonds, and any such exchange may be made in one delivery, or in several installment deliveries. Bonds issued at any time by the district also may be refunded in the manner provided by any other applicable law.

(3) All bonds issued pursuant to this Act and the appropriate proceedings authorizing their issuance, shall be submitted to the Attorney General of the State of Texas for

examination. Also, if the bonds recite that they are secured by a pledge of revenues of any contract, a copy of such contract and the proceedings relating thereto shall be submitted to the Attorney General. If he finds that such bonds have been authorized and any such contract has been made in accordance with law, he shall approve the bonds and any such contract, and thereupon the bonds shall be registered by the Comptroller of Public Accounts of the State of Texas; and after such approval and registration such bonds and any such contract shall be incontestable in any court, or other forum, for any reason, and shall be valid and binding obligations in accordance with their terms for all purposes.

(4) All bonds issued pursuant to this Act are legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, trustees, and guardians, and for all interest and sinking funds and other public funds of the State of Texas and all agencies, subdivisions, and instrumentalities thereof, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic. Said bonds also shall be eligible and lawful security for all deposits of public funds of the State of Texas and all agencies, subdivisions, and instrumentalities thereof, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the face value of said bonds, when accompanied by any unmatured interest coupons appurtenant thereto.

(i) This Section shall be wholly sufficient authority within itself for the issuance of the bonds, the execution of contracts, and the performance of the other acts and procedures authorized herein by the district, and all cities, public agencies, and other political subdivisions, regardless of any other provisions of this Act, and without reference to any other provisions of law or any restrictions or limitations contained therein, except as herein specifically provided; and in any case to the extent of any conflict or inconsistency between any provisions of this Section and any other provision of law, this Section shall prevail and control; provided, however, that the district and all cities, public agencies, and other political subdivisions shall have the right to use other provisions of this Act or other laws, not in conflict with the provisions of this Section, to the extent convenient or necessary to carry out any power or authority, express or implied, granted by this Section.

SECTION 19. The district is authorized to issue refunding bonds for the purpose of refunding any outstanding bonds authorized by this Act and interest thereon. Such refunding bonds may be issued to refund more than one series of outstanding bonds and combine the pledges for the outstanding bonds for the security of the refunding bonds, and may be secured by other or additional revenues. The provisions of this Law will reference to the issuance of other bonds and their approval by the Attorney General and the 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.

SECTION 20. Any bonds (including refunding bonds) authorized by this Law may be additionally secured by a deed of trust lien upon physical properties of the district and all 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, power to operate the properties and all other powers and authority for the further security of the bonds. Such deed of trust may contain any provisions prescribed by the Board of Directors for the security of the bonds and the preservation of the trust estate, and may make provision for amendment or modification thereof and the issuance of bonds to replace lost or mutilated bonds. Any purchaser under a sale under such deed of trust shall be the owner of the dam or dams and the other properties and facilities so purchased and shall have the right to maintain and operate the same.

SECTION 21. After any bonds are authorized by the district, such bonds and the record relating to their issuance shall be submitted to the Attorney General for his examination as to the validity thereof. Where such bonds recite that they are secured by a pledge of the proceeds of a contract theretofore made between the district and any city or other governmental agency or district, a copy of such contract and the proceedings of the city or other governmental agency or district authorizing such contract shall also be submitted to the Attorney General. If such bonds have been authorized and if such contracts have been made in accordance with the Constitution and Laws of the State of Texas he shall approve the bonds and such contracts and the bonds then shall be registered by the Comptroller of Public Accounts. Thereafter, the bonds and the contracts, if any, shall be valid and binding and shall be incontestable for any cause.

SECTION 22. (a) The rates and charges for electric power sold and the services rendered by the district shall be reasonable, nondiscriminatory, and just to the customers, and all rates and charges which are unreasonable, discriminatory, or unjust to customers are hereby prohibited and declared to be unlawful.

(b) Said Board of Water Engineers (herein called "State Board") shall have the power to regulate and fix the rates and compensation to be charged by the district for electric energy and other services, and to prescribe rules and regulations under which electric energy is furnished. The State Board shall not prescribe any rate or compensation which will yield less than a fair rate of return upon the fair value of the property used and useful in generating electric energy and rendering other service, but such return in no event shall exceed ten per cent (10%) per annum.

(c) When the district is about to enter into a contract for the sale of electric energy such contract shall be filed with the State Board for examination. Upon the filing of such contract the State Board shall issue a notice to the parties, by registered mail, (unless such notice is waived) informing them of the time and place when and where a hearing thereon shall be had. If, pursuant to such hearing, the State Board finds that such contract is fair and reasonable and not detrimental to the public interest, it shall approve such contract or proposal, but if it finds that the contract or proposal is unfair or unreasonable or detrimental to the public interest it shall disapprove it. The action of the State Board pursuant to such hearing shall be conclusive unless an appeal is taken.

(d) If any party is dissatisfied with the action of the State Board such party may file a petition setting forth the particular objections to such action in a District Court of Travis County against the State Board as defendant. The findings of the State Board as to

the facts, if supported by substantial evidence, shall be conclusive. Appeals may be taken to the Court of Civil Appeals and may be removed to the Supreme Court as in other civil causes.

(e) The State Board is authorized to exercise its powers of regulation and control upon its own initiative or upon complaint of any person aggrieved.

SECTION 23. This district shall have all of the powers conferred by General Laws upon water control and improvement districts. This district is hereby constituted and declared to be a water control and improvement district within the meaning of Chapter 349, Acts of the Forty-ninth Legislature authorizing water supply contracts between cities and water control and improvement districts, and, in addition to the powers conferred by this Act, this district shall have all of the powers conferred by said Chapter 349. In the event of conflict between the provisions of this Act and the General Laws relating to water control and improvement districts, or any other General Law, the provisions of this Act shall prevail.

SECTION 24. 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 for the sinking funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the State of Texas. Such bonds shall be eligible to secure the deposit of any and all public funds of the State of Texas, and any and all public funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the State of Texas; and such bonds shall be lawful and sufficient security for said deposits to the extent of their value, when accompanied by all unmatured coupons appurtenant thereto.

SECTION 25. The accomplishment of the purposes stated in the Act being for the benefit of the people of this State and for the improvement of their properties and industries, the district in carrying out the purposes 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 issued hereunder and their transfer and the income therefrom, including the profits made on the sale thereof, shall at all times be free from taxation within this State.

SECTION 26. (a) The Board of Directors of the district shall have the power to adopt and promulgate all reasonable regulations to secure, maintain and preserve the sanitary condition of all water in and to flow into any reservoir owned by the district, 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 and the Sabine River and its tributaries, or, any body of land, or easement owned or controlled by the district, and shall have the right to make contracts with responsible persons for the construction and operation of toll bridges over the district's water, or for ferry service on or over the district's water (to cover periods of time not to exceed twenty (20) years in the case of a bridge and not to exceed ten (10) years in the case of a ferry), fixing the compensation to be charged for service by any such facility, to the end that the same be reasonable, and requiring adequate bond or bonds from any such contracting persons, association or corporation, payable to the district, to be of such amount and conditioned as the judgement of the Directors of the district may deem to be required; and, such contracts may provide for forfeiture of the particular franchise in case of a failure of the licensee to render

adequate public service.

(b) Such district may prescribe reasonable penalties for the breach of any regulation of the district, which penalties shall not exceed fines of more than Two Hundred Dollars (\$200), or imprisonment for not more than thirty (30) days, or may provide both such fine and such imprisonment. The penalties hereby authorized shall be in addition to any other penalties provided by the laws of Texas and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the violation occurred, provided, however, that no rule or regulation which provides a penalty for the violation thereof shall be in effect, as to enforcement of the penalty, until five (5) days next after the district may have caused a substantive statement of the particular rule or regulation and the penalty for the violation thereof to be published, once a week for two (2) consecutive weeks in the district. The substantive statement so to be published shall be as condensed as is possible to afford an intelligent direction of the mind to the act forbidden by the rule or regulation; one notice may embrace any number of regulations; there must be embraced in the notice advice that breach of the particular regulation, or regulations, will subject the violator to the infliction of a penalty, and there also shall be included in the notice advice that the full text of the regulations sought to be enforced is on file in the principal office of the district, where the same may be read by any interested person. Five (5) days after the second publication of the notice hereby required, the advertised regulation shall be in effect, and ignorance of any such regulation shall not constitute a defense to a prosecution for the enforcement of a penalty; and, the rules and regulations authorized hereby, after the required publication, shall judicially be known to the courts and shall be considered of a nature like unto that of valid penal ordinances of a city of the State.

(c) It further is expressly provided that the district shall have the power to employ and constitute its own peace officers, and any such peace officer or any county peace officer shall have the power to make arrests when necessary to prevent or abate the commission of any offense against the regulations of the district, and against the laws of the State of Texas, when any such offense, or threatened offense, occurs upon any land, water, or easement owned or controlled by the district, or, to make such arrest at any place, in case of an offense involving injury or detriment to any property owned or controlled by such district.

SECTION 27. The district is authorized to establish or otherwise provide for public parks and recreation facilities, and to acquire land for such purposes.

SECTION 28. There is hereby appropriated, and there shall be paid to said district out of the General Fund not otherwise appropriated, the sum of Twenty-five Thousand Dollars (\$25,000), 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 and in connection with the organization of the district, and any and all expenses necessary to the management of the affairs 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 Act. Provided that none of the funds herein appropriated shall be used to pay for options on lands in said district. The district shall repay said amount to the State out of the proceeds of the first bonds issued by the district.

SECTION 29. The territory hereinabove established as Sabine River Authority of Texas is hereby detached from the Sabine-Neches Conservation District which was

established by Chapter 361, Acts of the Forty-fourth Legislature, as amended. The name of said Sabine-Neches Conservation District is hereby changed to "Neches River Conservation District." Hereafter the territory which shall be embraced within the boundaries of said Neches River Conservation District shall be all of that territory which is situated within the watershed of the Neches River and its tributaries as the same is made certain by the State contour maps now on file in the office of the Board of Water Engineers of the State of Texas to which maps reference is hereby made thereof. Upon the request of the Board of Directors of the Neches River Conservation District the Board of Water Engineers shall define such boundaries so that the same may be expressed in written calls of the metes and bounds of said watershed; provided, however, that the definition of such boundaries shall not be a condition precedent to the exercise of any power conferred by the Act creating said Neches River Conservation District.

SECTION 30. Whenever the Board of Water Engineers of the State of Texas is designated in this Act, the same shall include any other Board or Body which succeeds substantially to the powers or duties heretofore conferred upon said State Board of Water Engineers.

SECTION 31. If any provision of this Act or the application thereof to any person or circumstance shall be held invalid, the remainder of the Act, and the application of such provision to other persons or circumstance shall not be affected thereby. Acts 1949, 51st Leg., p. 193, ch. 110, Amended Acts 1955, 54th Leg., p. 373, ch. 93, p. 379, ch. 101, Amended Acts 1973, 63rd Leg., p. 557, ch. 298, Amended Acts 1989, 71st Leg., p. 5043, ch. 1248, Amended Acts 1991, 72nd Leg., p. 665, ch. 100 (Article 8280-133, Vernon's Texas Civil Statutes.)

Vernon's Texas Statutes and Codes Annotated
Constitution of the State of Texas 1876 (Refs & Annos)
Article XVI. General Provisions

Vernon's Ann. Texas Const. Art. 16, § 59

§ 59. Conservation and development of natural resources; conservation and reclamation districts

Effective: September 29, 2003

Currentness

Sec. 59. (a) The conservation and development of all of the natural resources of this State, and development of parks and recreational facilities, including the control, storing, preservation and distribution of its storm and flood waters, the waters of its rivers and streams, for irrigation, power and all other useful purposes, the reclamation and irrigation of its arid, semi-arid and other lands needing irrigation, the reclamation and drainage of its overflowed lands, and other lands needing drainage, the conservation and development of its forests, water and hydro-electric power, the navigation of its inland and coastal waters, and the preservation and conservation of all such natural resources of the State are each and all hereby declared public rights and duties; and the Legislature shall pass all such laws as may be appropriate thereto.

(b) There may be created within the State of Texas, or the State may be divided into, such number of conservation and reclamation districts as may be determined to be essential to the accomplishment of the purposes of this amendment to the constitution, which districts shall be governmental agencies and bodies politic and corporate with such powers of government and with the authority to exercise such rights, privileges and functions concerning the subject matter of this amendment as may be conferred by law.

(c) The Legislature shall authorize all such indebtedness as may be necessary to provide all improvements and the maintenance thereof requisite to the achievement of the purposes of this amendment. All such indebtedness may be evidenced by bonds of such conservation and reclamation districts, to be issued under such regulations as may be prescribed by law. The Legislature shall also authorize the levy and collection within such districts of all such taxes, equitably distributed, as may be necessary for the payment of the interest and the creation of a sinking fund for the payment of such bonds and for the maintenance of such districts and improvements. Such indebtedness shall be a lien upon the property assessed for the payment thereof. The Legislature shall not authorize the issuance of any bonds or provide for any indebtedness against any reclamation district unless such proposition shall first be submitted to the qualified voters of such district and the proposition adopted.

(c-1) In addition and only as provided by this subsection, the Legislature may authorize conservation and reclamation districts to develop and finance with taxes those types and categories of parks and recreational facilities that were not authorized by this section to be developed and financed with taxes before September 13, 2003. For development of such parks and recreational facilities, the Legislature may authorize indebtedness payable from taxes as may be necessary to provide for improvements and maintenance only for a conservation and reclamation district all or part of which is located in Bexar County, Bastrop County, Waller County, Travis County, Williamson County, Harris County, Galveston County, Brazoria County, Fort Bend County, or Montgomery County, or for the Tarrant Regional Water District, a water control and improvement district located in whole or in part in Tarrant County. All the indebtedness may be evidenced by bonds of the conservation and reclamation district, to be issued under regulations as may be prescribed by law. The Legislature may also authorize the levy and collection within such district of all taxes, equitably distributed, as may be necessary for the payment of the interest and the creation of a sinking fund for the payment of the bonds and for maintenance of and improvements to such parks and recreational facilities. The indebtedness shall be a lien on the property assessed for the payment of the bonds. The Legislature may not authorize the

§ 59. Conservation and development of natural resources;..., TX CONST Art. 16, § 59

issuance of bonds or provide for indebtedness under this subsection against a conservation and reclamation district unless a proposition is first submitted to the qualified voters of the district and the proposition is adopted. This subsection expands the authority of the Legislature with respect to certain conservation and reclamation districts and is not a limitation on the authority of the Legislature with respect to conservation and reclamation districts and parks and recreational facilities pursuant to this section as that authority existed before September 13, 2003.

(d) No law creating a conservation and reclamation district shall be passed unless notice of the intention to introduce such a bill setting forth the general substance of the contemplated law shall have been published at least thirty (30) days and not more than ninety (90) days prior to the introduction thereof in a newspaper or newspapers having general circulation in the county or counties in which said district or any part thereof is or will be located and by delivering a copy of such notice and such bill to the Governor who shall submit such notice and bill to the Texas Water Commission,¹ or its successor, which shall file its recommendation as to such bill with the Governor, Lieutenant Governor and Speaker of the House of Representatives within thirty (30) days from date notice was received by the Texas Water Commission. Such notice and copy of bill shall also be given of the introduction of any bill amending a law creating or governing a particular conservation and reclamation district if such bill (1) adds additional land to the district, (2) alters the taxing authority of the district, (3) alters the authority of the district with respect to the issuance of bonds, or (4) alters the qualifications or terms of office of the members of the governing body of the district.

(e) No law creating a conservation and reclamation district shall be passed unless, at the time notice of the intention to introduce a bill is published as provided in Subsection (d) of this section, a copy of the proposed bill is delivered to the commissioners court of each county in which said district or any part thereof is or will be located and to the governing body of each incorporated city or town in whose jurisdiction said district or any part thereof is or will be located. Each such commissioners court and governing body may file its written consent or opposition to the creation of the proposed district with the governor, lieutenant governor, and speaker of the house of representatives. Each special law creating a conservation and reclamation district shall comply with the provisions of the general laws then in effect relating to consent by political subdivisions to the creation of conservation and reclamation districts and to the inclusion of land within the district.

(f) A conservation and reclamation district created under this section to perform any or all of the purposes of this section may engage in fire-fighting activities and may issue bonds or other indebtedness for fire-fighting purposes as provided by law and this constitution.

Credits

Added Aug. 21, 1917, proclamation Oct. 2, 1917. Amended Nov. 3, 1964; Nov. 6, 1973; Nov. 7, 1978; Nov. 2, 1999; Sept. 13, 2003, eff. Sept. 29, 2003.

Notes of Decisions (399)

Footnotes

1 On September 1, 1993, the name of the Texas Water Commission is changed to the Texas Natural Resource Conservation Commission by Acts 1991, 72nd, 1st C.S., ch. 3, § 1.085.

Vernon's Ann. Texas Const. Art. 16, § 59, TX CONST Art. 16, § 59

Current through the end of the 2013 Third Called Session of the 83rd Legislature

STATE OF TEXAS
COUNTY OF DALLAS

§
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§

UNTREATED WATER PURCHASE CONTRACT

WHEREAS, on July 30, 1986, the Sabine River Authority of Texas (hereinafter called "SRA"), Texas Utilities Electric Company, and the City of Dallas (hereinafter called "Dallas") entered into the First Supplement to Water Supply Contract and Conveyance, whereby Dallas granted to Texas Utilities Electric Company an option to purchase up to and including 17,000 acre feet of water per year from the rights of Dallas in Lake Fork (hereinafter called "the Option"); and

WHEREAS, Luminant Generation Company LLC, a Texas limited liability corporation (hereinafter called "Purchaser"), is the lawful successor to Texas Utilities Electric Company in regard to the rights granted under the Option, which option Purchaser now wishes to exercise for the purchase of 12,000 acre-feet of water per year to allow Purchaser to maintain proper water levels in Martin Lake in connection with the Martin Lake Steam Station; and

WHEREAS, Purchaser does not need the remaining 5,000 acre-feet of water per year that is a part of the Option and desires to release said 5,000 acre-feet of water per year to Dallas; and

WHEREAS, Dallas, pursuant to Certificate of Adjudication No. 05-4669, as amended, has existing contractual rights to use the water of Lake Fork and Purchaser, pursuant to Certificate of Adjudication No. 05-4649, as amended, has water rights in Martin Lake; and

WHEREAS, the diversion and use of the water by Purchaser from Lake Fork, on Lake Fork Creek, a tributary of the Sabine River, Sabine River Basin, affects the contractual water rights of Dallas in Lake Fork; and

WHEREAS, the parties desire to enter into this Untreated Water Purchase Contract ("Contract") for a term of 40 years in accordance with the terms of the Option, applicable regulations and procedures established by the Texas Commission on Environmental Quality ("TCEQ") and the Texas Water Development Board ("TWDB"), allowing Purchaser to purchase untreated water (in an amount of 6,000 acre-feet in calendar year 2011 and 12,000 acre-feet per year in calendar years 2012 through 2050) at the Dallas ordinance rate in effect on the date of this Contract, which rate may thereafter be changed from time to time in the manner set out below in this Contract.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions given by each party, Dallas and Purchaser agree as follows:

1. CONTRACT ADMINISTRATION

This Contract shall be administered on behalf of Dallas by its Director of Water Utilities, or the Director's designated representative (hereinafter called "Director"), and on behalf of Purchaser by its authorized official or designated representative.

2. AVAILABILITY

Dallas agrees to sell untreated water to Purchaser for industrial uses related to Purchaser's operation, as outlined below, when available. The sale of untreated water to meet the requirements of Purchaser is subject to and limited by available system supply (as determined by the Director). Sales, however, shall not be unreasonably withheld.

3. MAXIMUM PURCHASE

Purchaser agrees to take not more than 6,000 acre-feet (1,955,106,000 gallons) of untreated water in year 2011 and 12,000 acre-feet (3,910,212,000 gallons) of untreated water per year during the remaining term of this Contract. It is an express condition of this Contract that this Contract may be terminated if Purchaser knowingly takes untreated water in excess of the maximum amount prescribed for the calendar year in question; provided, however, that if Purchaser breaches this Contract by taking more than the maximum amount, Purchaser shall remain liable for the additional amounts taken at the rates as specified in Section 4 below.

4. RELEASE OF WATER BY PURCHASER

A. Purchaser hereby releases and relinquishes all its interest in 5,000 acre-feet of water of the 17,000 acre-feet of water per year under the Option, as described in Article 5 of the First Supplement to Water Supply Contract and Conveyance to the City of Dallas ("Supply Contract"). The Supply Contract provides that Luminant may release back to Dallas its option and right to purchase any or all of the 17,000 acre-feet of water. This release and relinquishment dates from the effective date of this contract and is effective in perpetuity, regardless of the expiration of this Contract.

B. In releasing and relinquishing the 5,000 acre-feet of water per year to Dallas, Purchaser is relieved of any further payment obligation to Dallas with respect to that 5,000 acre-feet of water.

C. Dallas and Purchaser acknowledge that under this Contract, Dallas may divert, use, sell and reuse up to 6,000 acre-feet of water under the Option and this Contract in year 2011 (from January 1, 2011 to June 30, 2011). The 6,000 acre-feet of water represents one-half of that amount of water Purchaser is obligating itself to purchase from Dallas under the Option and this Contract.

5. RATES

Purchaser shall pay Dallas for untreated water taken under this Contract at the current prevailing regular (non-interruptible) rate for untreated water sales as specified by Dallas

ordinance, as same may be amended from time to time, and shall pay all other applicable charges for untreated water sales as may be adopted from time to time by ordinance of the Dallas City Council. Purchaser shall also be solely responsible for all costs, fees, or charges imposed by SRA to implement untreated water deliveries and maintain any necessary delivery facilities under this Contract. Purchaser shall maintain the Water Release Agreement executed on April 1, 2007 ("Water Release Agreement") with SRA in connection with the untreated water deliveries under this Contract, which separate agreement shall govern the terms and conditions under which SRA will release water to Purchaser from Lake Fork pursuant to this Contract. The separate Water Release Agreement between SRA and Purchaser does not modify or amend Dallas' water rights in Lake Fork under the Water Supply Contract and Conveyance, as amended.

6. CURTAILMENT

Purchaser agrees that during periods of water shortages Dallas may, in accordance with its drought contingency plan as approved by TCEQ, reasonably restrict Purchaser's withdrawals of untreated water when such water is needed for Dallas' municipal use. No restrictions will be imposed on Purchaser unless Dallas has imposed restrictions on withdrawals as to all similarly situated users. In the event withdrawals are restricted, untreated water shall be allocated to Purchaser on a pro rata basis. The amount to be paid to Dallas pursuant to Section 7 of this Contract in the event of a curtailment shall be reduced in proportion to the reduction in the maximum number of acre-feet of untreated water to which Purchaser is annually entitled under this Contract.

7. PAYMENTS

A. For all calendar years during the term of this Contract except year 2011, the purchase price due, which price Purchaser hereby agrees to pay, is based on the applicable maximum amount described in Section 3 (12,000 acre-feet of untreated water) times the applicable rate as described in Section 5. Purchaser agrees that payment for untreated water made available under this Contract pursuant to the exercise of Purchaser's Option is due and shall be paid, regardless of whether or not Purchaser actually takes the maximum amount of water during such period. The purchase price due shall be paid monthly by taking the maximum amount described in Section 3 (12,000 acre-feet of untreated water or 3,910,212,000 gallons), dividing it by twelve (12), and multiplying that sum by the applicable rate as described in Section 5 in effect for that month. Dallas agrees to render a statement to Purchaser monthly and Purchaser agrees to pay promptly. Payment is due upon receipt of statement.

B. For calendar year 2011, the purchase price due shall be paid monthly by taking the maximum amount described in Section 3 for year 2011 (6,000 acre-feet of untreated water or 1,955,106,000 gallons), dividing it by six (6), and multiplying that sum by the applicable rate as described in Section 5 in effect for that month.

C. A payment is deemed late if received by Dallas more than 30 days from the statement date. Late payments shall accrue interest at the interest rate provided in Section 2-1.1 of the Dallas City Code, as amended.

8. MEASUREMENT OF CONSUMPTION

A. Consumption shall be based upon daily releases made by SRA on behalf of Purchaser under this Contract.

B. Dallas and Purchaser agree that Purchaser will bear all losses including transportation and evapotranspiration losses (hereinafter collectively referred to as "transmission losses") from Lake Fork downstream to Purchaser's diversion point. For the purpose of this contract, it shall be assumed that none of the water released by SRA on behalf of Purchaser under this contract will be lost in transmission from Lake Fork to Purchaser's diversion point on the Sabine River. If it is later determined that a transmission loss actually occurs, the amount of the transmission loss, expressed in percentage terms, shall be utilized in determining the quantity of water actually used. If an alternate conveyance is used to deliver contract water to Martin Lake, an amendment to this contract and a subsequent analysis shall be required to determine if transmission losses occur due to the use of the alternate conveyance. The Parties agree that the cost of such analysis shall be borne exclusively by Purchaser.

C. For days on which Purchaser pumps water under this Contract, Purchaser shall maintain a daily pumping log to provide a manner for determining the amount of water withdrawn at Purchaser's diversion point on the Sabine River. Monthly reports, in a format satisfactory to the Director of Dallas Water Utilities, showing daily requests (if any) by Purchaser, releases made by SRA on behalf of Purchaser, and daily amount of gallons pumped by Purchaser shall be furnished to the Director of Dallas Water Utilities. Dallas may request modification of any daily pumping report required to be maintained by Purchaser under this Subsection 8.C. if Dallas reasonably believes any such report is inaccurate.

D. Measurement of water provided to Purchaser under this Agreement will be measured at the Point of Release at meter facilities maintained by SRA and/or Purchaser under the Water Release Agreement. Additionally, Purchaser shall furnish, install, operate, and maintain at its Point of Withdrawal on the Sabine River measuring equipment properly equipped with meters and devices of standard types for measuring within generally accepted standards of accuracy as established by the American Water Works Association the quantity of water diverted and used by Purchaser under this Contract. For purposes of this Contract, also, Purchaser shall be responsible for the continued accuracy of the meter(s) at the Point of Release in accordance with the terms and conditions of Section Article IV, Measuring Equipment, of said Water Release Agreement. Should Purchaser exercise any inspection or calibration options under the Water Release Agreement or this Contract, Purchaser will notify the Director before any calibration or inspection of records or metering facilities, so that Dallas may participate, at its election.

E. Purchaser shall maintain weekly and monthly reports of water pumped under this contract in accordance with Texas Commission on Environmental Quality Rules. Purchaser shall provide Dallas the opportunity to inspect such records during regular business hours upon reasonable notice. Purchaser shall submit to the Director of Dallas Water Utilities by March 1st of each year a copy of the annual water use reports provided to the Texas Commission on Environmental Quality and the Texas Water Development Board in accordance with 30 Texas Administrative Code, Section 295.202 and 31 T.A.C. Section 358.5.

9. DIVERSION POINT AND DISCHARGE

A. Pumping equipment for withdrawal of the water and metering facilities may only be located as authorized by TCEQ in a water rights permit issued to Purchaser. Purchaser shall designate the diversion point at which Purchaser wishes to withdraw water, subject to the approval of the Director, SRA, and TCEQ. The designated diversion point shall be reflected in a vicinity map prepared by Purchaser prior to review and approval of the designation by the Director which shall be deemed, when completed and approved by both the Director and SRA, as attached to and made a part of this Contract as Exhibit A.

B. Ownership and maintenance responsibility for the pumps and facilities housing pumps shall remain with Purchaser. Purchaser shall maintain pumps and motors in accordance with good engineering practice.

10. TERM

Even though Purchaser's obligations to purchase water under this Contract do not begin until July 1, 2011, the term of this Contract shall commence on January 1, 2011 and shall remain in effect for a term of forty (40) years until December 31, 2050, subject to the terms of Purchaser's and Dallas' Water Supply Contract and Conveyance with SRA, dated October 1, 1981, as amended. This Contract may be renewed, upon the same terms and conditions (except as to rates), for an additional twenty (20) year period by mutual agreement of Dallas and Purchaser. If Dallas and Purchaser cannot mutually agree to a renewal by the end of the term of this Contract, Purchaser may continue to purchase untreated water under the terms of this Contract at the then prevailing rate for as long as the parties continue to negotiate a renewal in good faith and until negotiations either terminate or result in an approved Contract renewal.

11. INSPECTION AND METER READING

Upon reasonable advance notice to Purchaser, authorized Dallas employees shall have the right of reasonable ingress and egress on Purchaser's property and facilities during business hours to observe pumping operations, to review pumping records and to read meters.

12. DEFAULT - TERMINATION

A. Dallas, acting through the Director, shall have the right to terminate this Contract upon non-payment of the charges set out in this Contract. Dallas, however, shall provide notice of intent to terminate under this Subsection 12.A. at least ten (10) days prior to the proposed effective date of termination, in order for Purchaser to tender payment and thereby cure a default as to non-payment under this Contract.

B. Dallas, acting through the Director, shall have the right to terminate this Contract if it is found that pumping logs are not adequately maintained or that the meter is being bypassed. In addition, if the Contract is terminated under this Subsection 12.B., Dallas shall be entitled to payment for the maximum quantity of water for that calendar year in which the default under this subsection occurs.

C. In addition to the foregoing, Dallas, acting through the Director, may terminate this Contract for noncompliance with any other contractual condition upon thirty (30) days advance written notice to Purchaser of its intent to terminate; provided, however, that if Purchaser cures the condition of contractual noncompliance within the thirty (30) day period, Dallas may, at its sole option, continue this Contract.

D. The remedies set forth in this Section 12 shall not be considered exclusive, and Dallas retains all other rights and remedies available at law and in equity in the event of any breach by Purchaser of any of the terms or provisions of this Contract.

13. **NO REPRESENTATIONS OR WARRANTIES; FORCE MAJEURE**

DALLAS MAKES NO REPRESENTATIONS OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE CHARACTER, QUALITY OR AVAILABILITY OF THE WATER TO BE TAKEN AND PURCHASER AGREES TO ASSUME ALL SUCH RISKS, ACCEPTING SAID WATER, IF AVAILABLE, IN THE SAME STATE AS IT IS PUMPED OR RELEASED FROM THE DESIGNATED DIVERSION POINTS. DALLAS ALSO DOES NOT MAKE ANY REPRESENTATION THAT THE WATER WILL BE SUITABLE FOR THE PURPOSES FOR WHICH PURCHASER DESIRES TO USE IT. DALLAS SHALL NOT BE LIABLE IN ANY EVENT FOR THE INABILITY OF DALLAS TO PERFORM ANY OBLIGATION UNDER THIS CONTRACT FOR REASONS BEYOND ITS CONTROL, INCLUDING BUT NOT LIMITED TO ACTS OF GOD OR NATURAL DISASTER, WAR, DROUGHT, TERRORISM, FIRE, PUBLIC UTILITY POWER OUTAGE, OR THE RULES, REGULATIONS, OR ORDERS OF COURTS OR OF GOVERNMENTAL AGENCIES.

14. **RIGHTS AND TITLE; LIMITED RIGHT TO RESALE**

A. Purchaser agrees that it shall acquire no rights or title to the use of water other than those rights explicitly set forth in this Contract.

B. If Purchaser projects its annual usage under this Contract to be less than 12,000 acre-feet of water in any year and desires to resell the remaining water to other persons, Dallas hereby gives its consent for such short-term water sale. In this Contract, short-term water sale means the sale of untreated water pursuant to a contract, the term of which does not exceed three years. Short-term water sale contracts may be renewed at the option of Purchaser.

C. Purchaser shall ensure that its total maximum amount of water sold or used in any calendar year does not exceed 12,000 acre-feet.

15. **ASSIGNMENT**

Other than to an affiliate or subsidiary of Purchaser, Purchaser shall not sell, assign, transfer or convey its interest in this Contract, in whole or in part, without the prior written consent of the Director. Such consent shall not be unreasonably withheld. If consent of the Director is denied, Purchaser may release back to Dallas its rights to purchase under this Contract and shall thereby be relieved of any further payment obligation to Dallas for untreated water under this Contract.

16. PERMITS AND FEES

Should the acquisition of any permits or the payment of any regulatory or other fees be required in connection with this Contract, including but not limited to permits or regulatory or other fees that may be required by TCEQ, Purchaser shall be responsible for same and shall provide written proof of the permit or regulatory or other fee payment to the Director. Purchaser shall divert water under this Contract only pursuant to such permit or amendment to any existing permit that TCEQ may issue to Purchaser relating to diversion of water from Lake Fork, to applicable regulations of TCEQ and TWDB, and the terms of this Contract.

17. NOTICES

Except as otherwise provided in Section 18, any notice, statement, or demand required or permitted to be given under this Contract by either party to the other may be effected by personal delivery in writing or by mail, postage prepaid. Mailed notices shall be addressed to the parties at the addresses appearing below, but each party may change its address by written notice in accordance with this section. Mailed notices shall be deemed communicated as of three (3) days after mailing.

TO DALLAS:

Director
Dallas Water Utilities
Dallas City Hall
1500 Marilla – Room 4/a/North
Dallas, Texas 75201

TO PURCHASER:

Environmental Generation Director
Luminant Generation Company LLC
500 North Akard Street
Suite 9-095
Dallas, Texas.75201-3411

With a copy to:

General Counsel
500 North Akard Street
14th Floor
Dallas, Texas 75201

18. NOTICE OF CONTRACT CLAIM

This Contract is subject to the provisions of Section 2-86 of the Dallas City Code, as amended, relating to requirements for filing a notice of a breach of contract claim against City. Section 2-86 of the Dallas City Code, as amended, is expressly incorporated by reference and made a part of this Contract as if written word for word in this Contract. Purchaser shall comply with the requirements of this ordinance as a precondition of any claim relating to this Contract, in addition to all other requirements in this Contract related to claims and notice of claims.

19. CONFLICT OF INTEREST

The following section of the Charter of the City of Dallas shall be one of the conditions, and a part of, the consideration of this Contract, to wit:

Luminant Generation Company LLC
Untreated Water Purchase Contract
Page 7 of 10

"CHAPTER XXII. Sec. 11. FINANCIAL INTEREST OF EMPLOYEE OR OFFICER PROHIBITED --

(a) No officer or employee shall have any financial interest, direct or indirect, in any contract with the City or be financially interested, directly or indirectly, in the sale to the City of any land, materials, supplies or services, except on behalf of the City as an officer or employee. Any violation of this section shall constitute malfeasance in office, and any officer or employee guilty thereof shall thereby forfeit the officer's or employee's office or position with the City. Any violation of this section, with knowledge, express or implied, of the person or corporation contracting with the City shall render the contract involved voidable by the City Manager or the City Council.

(b) The alleged violations of this section shall be matters to be determined either by the Trial Board in the case of employees who have the right to appeal to the Trial Board, and by the City Council in the case of other employees.

(c) The prohibitions of this section shall not apply to the participation by City employees in federally-funded housing programs, to the extent permitted by applicable federal or state law."

20. GIFT TO PUBLIC SERVANT

A. Dallas may terminate this Contract immediately if Purchaser has offered, or agreed to confer any benefit upon a Dallas employee or official that the Dallas employee or official is prohibited by law from accepting.

B. For purposes of this section, "benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law.

C. Notwithstanding any other legal remedies, Dallas may require Purchaser to remove any officer or employee of Purchaser from the administration of this Contract or any role in the performance of this Contract who has violated the restrictions of this section or any similar state or federal law, and obtain reimbursement for any expenditures made as a result of the improper offer, agreement to confer, or conferring of a benefit to a Dallas employee or official.

21. VENUE

The parties agree that this Contract shall be enforceable in Dallas County, Texas, and if legal action is necessary to enforce it, exclusive venue shall lie in Dallas County, Texas.

22. GOVERNING LAW

A. This Contract shall be governed by and construed in accordance with the laws and court decisions of the State of Texas, without regard to conflict of law or choice of law principles of Texas or any other state.

B. No presumption will apply in favor of either party in the interpretation of this Contract or in the resolution of any ambiguity of any provisions hereof.

23. LEGAL CONSTRUCTION

A. In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Contract shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Contract.

B. Notwithstanding the foregoing, if any provision of this Contract shall be deemed to be invalid, illegal, or unenforceable, and such provision served as consideration for either Dallas' or Purchaser's agreement to any term or condition of this Contract still remaining in effect, Dallas and Purchaser agree to work together in good faith to provide an alternate means for providing consideration, such that their respective interests are protected and made whole.

24. COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. If this Contract is executed in counterparts, then it shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Contract to be executed.

25. CAPTIONS

The captions to the various clauses of this Contract are for informational purposes only and shall not alter the substance of the terms and conditions of this Contract.

26. APPLICABLE LAWS

This Contract is made subject to, and Purchaser agrees to comply with, all applicable laws of the State of Texas, applicable rules, regulations and orders of TCEQ and TWDB, Federal law (including but not limited to environmental and water quality laws, rules, orders, and regulations), and the Charter and ordinances of the City of Dallas, as same may hereafter be amended. This Contract may be subject to review and approval by TCEQ or TWDB. Purchaser shall comply with all terms, conditions and provisions of the permit to be obtained from the State of Texas as amended, so long as same may remain in effect. In the event of any final judgment finding any violation or violations of the laws, rules, regulations, or orders described above, Purchaser shall be strictly liable for any damages caused to the property of Dallas, including but not limited to Dallas' interest in Lake Fork water, as a result of such violation or violations.

27. SUCCESSORS AND ASSIGNS

This Contract shall be binding upon and inure to the benefit of the parties and their respective successors and, except as otherwise provided in this Contract, their assigns.

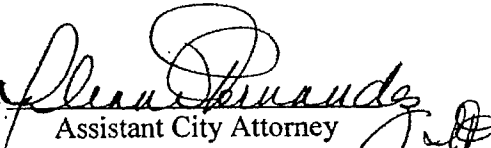
28. ENTIRE AGREEMENT; NO ORAL MODIFICATIONS

This Contract embodies the entire agreement of both parties, superseding all oral or written previous and contemporary agreements between the parties relating to matters set forth in this Contract. Except as otherwise provided elsewhere in this Contract, this Contract cannot be modified without written supplemental agreement executed by both parties.

EXECUTED as of the 10th day of March, 2011, on behalf of Dallas by its City Manager, duly authorized by Resolution No. 11-0579, adopted on February 23, 2011 and approved as to form by its City Attorney; and on behalf of Purchaser by its duly authorized officials.

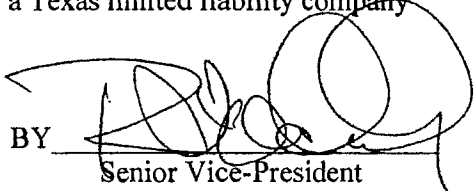
APPROVED AS TO FORM:
THOMAS P. PERKINS, JR.
City Attorney

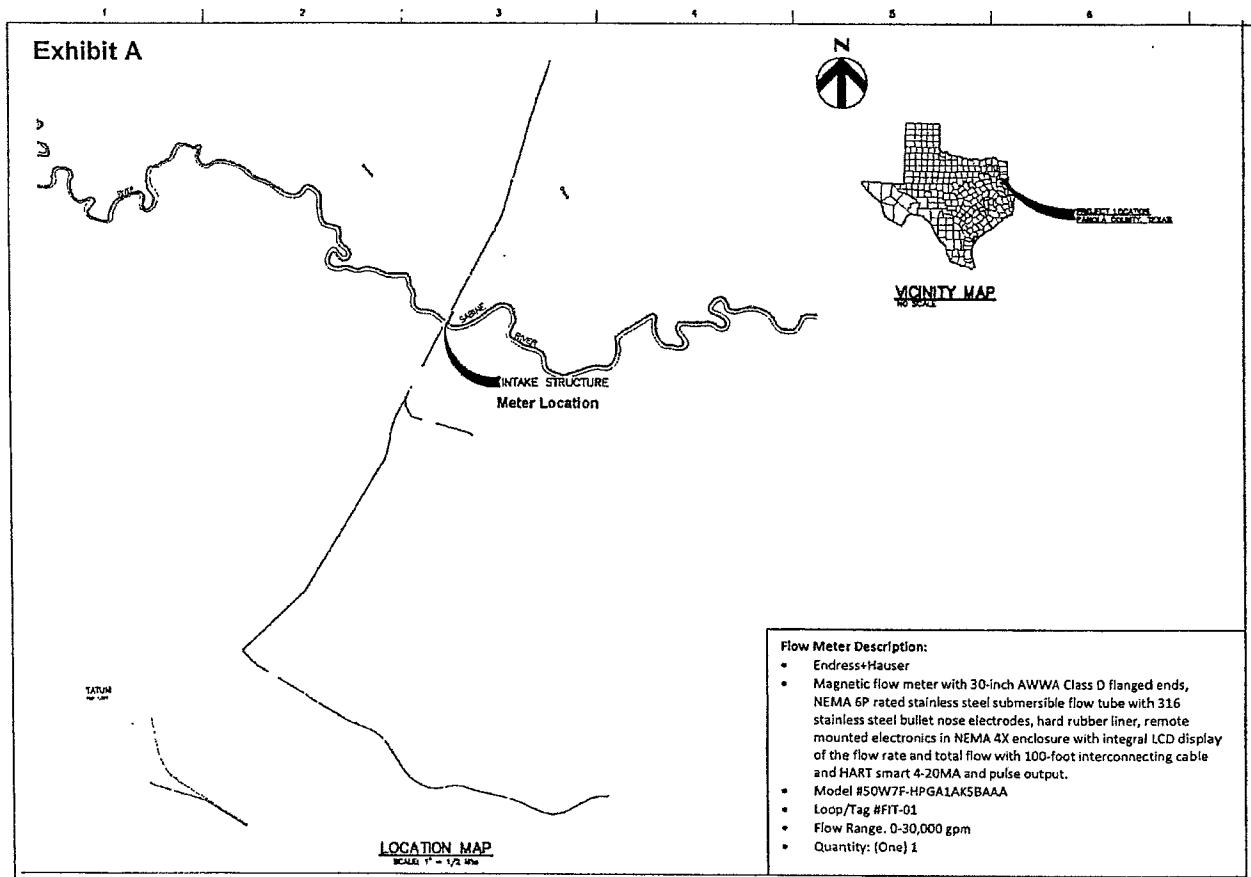
CITY OF DALLAS
MARY K. SUHM
City Manager

BY 
Assistant City Attorney
Submitted to City Attorney

BY 
Assistant City Manager

PURCHASER:
LUMINANT GENERATION COMPANY LLC,
a Texas limited liability company

BY 
Senior Vice-President



February 23, 2011

WHEREAS, on July 8, 1981, pursuant to Resolution No. 81-1936, the Dallas City Council authorized execution of the Water Supply and Conveyance Contract between Dallas and Sabine River Authority (SRA) and Texas Utilities Generating Company (TUGCO) (Power Companies); and

WHEREAS, on July 30, 1986, the City of Dallas entered into the First Supplement to Water Supply Contract and Conveyance agreement between Dallas, SRA and Texas Utilities Electric Company (TUEC) which set a deadline of September 1, 2009 for TUEC to exercise the option to purchase 17,000 acre-feet per year of water from Dallas; and,

WHEREAS, Luminant Generation Company LLC, (formerly Texas Utilities Electric Company) exercised their option on July 24, 2006 to purchase 17,000 acre-feet of water per year and desires to enter into a forty year contract with Dallas for 12,000 acre-feet of water per year; and,

WHEREAS, Luminant will pay Dallas for the water and incur the cost of capital improvements necessary to transport the water to Martin Creek and any operations and maintenance and capital costs imposed by SRA; **Now, Therefore,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That following approval as to form by the City Attorney, the City Manager is hereby authorized to enter into an Untreated Water Contract with Luminant Generation Company LLC for 12,000 acre feet of Dallas' Lake Fork water.

SECTION 2. That the City Controller be and is hereby authorized and directed to deposit receipts for service provided under this contract to the Water Utilities Operation Fund as follows:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>FUNC</u>	<u>REVENUE RESOURCE CODE</u>
0100	DWU	7005	7REV	7849

SECTION 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas and it is accordingly so resolved.

APPROVED BY
CITY COUNCIL

FEB 23 2011


City Secretary

THE STATE OF TEXAS

COUNTY OF DALLAS

This memorandum of agreement made this day by and between SABINE RIVER AUTHORITY OF TEXAS, a governmental agency of the State of Texas, acting by and through its duly authorized president and attested by the secretary, hereinafter referred to as Authority, and the CITY OF DALLAS, Texas, a municipal corporation of the State of Texas, acting by and through its duly authorized City Manager and attested by the City Secretary, hereinafter referred to as Dallas, for the purpose of constructing that certain dam and reservoir known as Iron Bridge, located between Rains and Van Zandt Counties on the Sabine River and embracing lands within Rains, Van Zandt and Hunt Counties, do hereby agree as follows:

WITNESSETH

I.

Dallas shall make possible the financing of the entire dam and reservoir cost either by contract under the terms of which the Authority can issue revenue bonds in the amount necessary for construction of the project and the acquisition of the necessary lands, or by any other method acceptable to Dallas.

II.

The Authority shall construct and own the dam, spillway and outlet works, and shall acquire in its name all lands required for the construction and operation of the project.

III.

Dallas shall construct and own the intake and pump station for withdrawal of its share of the stored water. The Authority shall permit Dallas, by lease or otherwise, permanent use without cost of any lands needed for the construction, operation and maintenance of these facilities. In this connection Dallas will likewise be granted any necessary rights-of-way for pipe lines, power lines, communication lines, and other installations necessary to be made over and across property of the Authority. Dallas shall have the right to determine the location and size of the site, which shall be adequate for purposes intended and reasonable for future expansions, improve it to suit its needs, enclose it for protection, and maintain and operate the same as it may deem necessary. Likewise adequate means of ingress and egress shall be made available to both parties over the entire property.

IV.

In the matter of providing means of financing the cost of this improvement, Dallas shall not be required to pay any part of the cost at any time of intakes and pumping facilities required for the withdrawal of water for other municipalities or water users to which the Authority may assign a portion of its water rights. The outlet works shall be considered a part of the cost of the dam.

V.

Dallas shall have permanent rights to eighty per cent (80%) of all water impounded by the project available for withdrawal and the remaining twenty per cent (20%) of such water shall belong to the Authority for its use or sale to municipalities or other water users. The right of Dallas shall be deemed to be perpetual ownership to the extent of the water above indicated.

VI.

Any liability for the release of water accruing to the reservoir under the terms of the Sabine River Compact between the States of Texas and Louisiana, shall be fulfilled and eighty per cent (80%) of such released water shall be from the stored water granted to Dallas and twenty per cent (20%) from that owned by the Authority.

VII.

All water withdrawn from the reservoir by Dallas and the Authority shall be accurately measured by the withdrawing parties and records of all withdrawals shall be available to both parties.

VIII.

In addition to its twenty per cent (20%) of the water, the Authority shall have the right to use any water granted to Dallas which is surplus to the City's needs; provided, however, that whether or not such water is surplus to the needs of Dallas shall be determined solely by Dallas. All monies received from the sale of any such surplus water shall be paid to Dallas except that the Authority shall first be compensated for any expense incurred by it in the sale of such surplus water. The price and terms for which such surplus water may be sold shall be subject to approval by Dallas. Any withdrawals agreed upon by Dallas from its eighty per cent (80%) of the water should be denominated as an emergency "temporary permission" and only for a specified time during the term of this contract, because Dallas will need its full allotment.

IX.

The project shall be completely owned, operated and maintained by the Authority save and except those properties owned, operated and maintained by Dallas.

X.

The Authority shall make rules and regulations governing the use of the reservoir and adjacent lands owned by the Authority and such rules shall prohibit any use of the water and lands that would result in pollution and contamination of the water to the extent that would render it unsafe for domestic and municipal purposes. The Authority will properly police the reservoir property.

XI.

Dallas shall guarantee the cost of operation and maintenance of the project, provided, however, that all monies received by the Authority from the sale or use of its twenty per cent (20%) of the water and from recreational use of the reservoir shall be applied first to the operation and maintenance expenses of the project until the Authority is paying twenty per cent (20%) of the cost of operation and maintenance. All expenditures for operation and maintenance of works that are paid in whole or in part by Dallas shall be budgeted in advance and said budget shall first be approved by Dallas. Any tax or charge hereafter levied for the impoundment and storage of water shall be deemed to be an operation expense and shared ratably as provided for elsewhere herein.

XII.

Except for payment of twenty per cent (20%) of the cost of the operation and maintenance, all monies received by the Authority from the project, except from the sale of surplus water from Dallas' share, shall belong to the Authority to be used for development of the Sabine River and its tributaries or any other use the Authority may consider in its best interest.

XIII.

It is understood and agreed that after the total cost of the project is completely paid that no other payments will be made by Dallas for the continued use of the water in perpetuity except for the payment of eighty per cent (80%) of the operation and maintenance cost of the project, or for eighty per cent (80%) of items of major reconstruction such as might arise from a disaster. Both parties hereto shall have the right and interest in the dam, reservoir, works and facilities which shall constitute an insurable interest to adequately protect both parties from any loss whatsoever. This paragraph is subject to the provisions of Article Eleven (XI) above.

XIV.

The Authority shall select engineers to design and supervise construction of the project but such engineers shall be acceptable to Dallas and the design of the project shall be subject to approval of Dallas.

XV.

Voluntary payments for land shall be approved by both the Authority and Dallas. Dallas shall have the right to review any proposed condemnation prior to filing, prompt action being assumed by both parties.

XVI.

If the Authority desires to utilize Dallas' facilities, such as intake, raw water pump station and pipe line for delivery of water to other municipalities or users, suitable arrangements and proper compensation shall be made that are mutually acceptable.

XVII.

It is understood and agreed by both parties hereto that a supplemental contract shall be executed, which contract shall stipulate the method of financing the construction, acquisition of the necessary lands and the cost of operation and maintenance of the entire dam and reservoir, such supplemental contract shall constitute a part of this contract as though incorporated herein. Any supplemental agreement may be entered into hereafter as occasion therefor arises.

XVIII.

It is expressly understood by and between the parties hereto that the foregoing memorandum of agreement is subject to all applicable State Laws, Charter provisions of the City of Dallas and laws creating the Sabine River Authority of Texas, together with amendments present or future.

XIX.

It is contemplated that this contract, together with the supplemental agreement, will be approved so as to enable the Sabine River Authority to commence work on this project by January 1, 1958.

This contract is executed in duplicate this 18 day of July, A.D., 1955.

ATTEST:

Marshall Wilson
MARSHALL WILSON, Authority Secretary

ATTEST:

Harold G. Shank
HAROLD G. SHANK, City Secretary

SABINE RIVER AUTHORITY OF TEXAS

By John W. Simmons
JOHN W. SIMMONS, President
CITY OF DALLAS, TEXAS

By Edwin E. Crull
EDWIN E. CRULL, City Manager

Water.
Mrs. Moore

RESOLUTION NO. 25

A RESOLUTION APPROVING A MEMORANDUM OF AGREEMENT BETWEEN THE SABINE RIVER AUTHORITY OF TEXAS AND THE CITY OF DALLAS, TEXAS; AUTHORIZING THE PRESIDENT AND SECRETARY TO EXECUTE SAME; AND DECLARING THE TIME OF EFFECT.

BE IT RESOLVED BY THE SABINE RIVER AUTHORITY OF TEXAS, THAT:

I.

The attached Memorandum of Agreement by and between Sabine River Authority of Texas and the City of Dallas, Texas, a municipal corporation, be and the same is hereby approved, subject to the terms, conditions and qualifications therein contained.

II.

The President of the Sabine River Authority of Texas is hereby authorized and directed to execute the said Memorandum of Agreement, and the Secretary of the Sabine River Authority of Texas shall properly attest the said Memorandum of Agreement.

III.

This Resolution shall take effect from and after the date of its passage, and it is so resolved; provided, the provisions of the said Memorandum of Agreement shall not become binding or obligatory on the Sabine River Authority of Texas until it has been duly approved and executed by the said City of Dallas, Texas.

PASSED AND APPROVED, This 8th day of July, A. D., 1955.

John W. Simmons
President
Sabine River Authority of Texas

ATTEST:

Mary Shuler
Secretary

WHEREAS, heretofore on June 1, 1953, the City Council appointed a committee of citizens to be known as the Dallas Water Survey Committee to study the long-range water problem of the City of Dallas, composed of:

W. G. Vollmer	- Chairman
Austin F. Allen	- Vice Chairman
Frank L. Brinegar	- Member
Roland L. Felt	- Member
W. W. Overton, Jr.	- Member
J. L. Litiner	- Member
John E. Mitchell, Jr.	- Member
Khal F. Hoeftle	- Member

and,

WHEREAS, the City Council likewise employed Forrest & Cotton as Consulting Engineers to make an engineering study of possible sources of water for the City of Dallas from a long-range standpoint and the feasibility of development of such sources, which said Consultants have worked with said Dallas Water Survey Committee, and

WHEREAS, various sites have been studied by said Engineers and Committees and as a possible source of water, the Iron Bridge Site on the Sabine River received considerable study and conferences were had with the Sabine River Authority of Texas which is charged with the responsibility under the State law to develop said water resources, and

WHEREAS, the Consulting Engineers, Forrest & Cotton, have filed an Interim Report addressed to the City Manager of the City of Dallas, dated July 11, 1955, in which they recommended that the City of Dallas give first priority to the possible development of the Iron Bridge Site as a source of water for the City of Dallas and recommended that the City of Dallas enter into some contractual relationship with the Sabine River Authority of Texas with reference to said project; and

WHEREAS, as a result of numerous conferences with the officials and directors of the Sabine River Authority of Texas and the Consulting Engineers and from personal inspections of the Iron Bridge Site, the Dallas Water Survey Committee is now of the opinion, as evidenced by a letter signed by the Committee members, dated July 12, 1955, addressed to Elgin E. Crull, City Manager of the City of Dallas, that the City of Dallas should execute the tendered contract by the Sabine River Authority of Texas; and

WHEREAS, the City Council of the City of Dallas, after studying the proposal and the results of the investigation and studies made by the Dallas Water Survey Committee and the Consulting Engineers, are of the opinion that said proposed contract is satisfactory to the City of Dallas and that it should be accepted and executed by the City of Dallas in the best interest of the future growth of the City of Dallas in order to provide for the water needs in the not too distant future of the City of Dallas; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the proposed contract submitted herewith between the Sabine River Authority of Texas and the City of Dallas for the erection and development of a water reservoir at the Iron Bridge Site, under the terms of which the City of Dallas will have perpetual ownership of eighty (80%) per cent of the water and the Sabine River Authority of Texas will have twenty (20%) per cent of the water at its disposal, the method of financing to be according to a plan agreeable to the City of Dallas, and under which proposed contract the City of Dallas will defray the entire cost of the construction of the dam and the acquisition of necessary lands therefor, and which said proposed contract provides that such necessary supplemental agreements will be executed between the parties as the time and occasion arise therefor, be and the same is hereby approved and the City Manager, Elgin E. Crull, is hereby authorized to execute the same on behalf of the City of Dallas and the City Secretary, Harold G. Shatt, is hereby directed to attest the same under the seal of the City of Dallas.

SECTION 2. That the City Secretary is hereby directed to spread on the Minutes of the City Council the letter of transmittal, dated July 9, 1955, addressed to the Honorable Mayor and the City Council of the City of Dallas, signed by John W. Simmons, President of the Sabine River Authority of Texas, in which said letter the President of the Authority advises the City Council that on July 8, 1955, the Board of Directors officially approved the said proposed agreement between the City of Dallas and the Sabine River Authority of Texas with reference to the construction and erection of a reservoir at the Iron Bridge Site, the contract itself; likewise the official Resolution No. 25 adopted by the Board of Directors of the Sabine River Authority of Texas, approving said proposed contract, and the letter dated July 12, 1955, addressed to Elgin E. Crull, City Manager, giving a report and recommendation of the Dallas Water Survey Committee, of which W. G. Vollmer is Chairman, in which letter they recommend approval by the City of Dallas of the proposed contract, together with the above mentioned documents were transmitted to the City Council.

That these documents above mentioned shall become official records of the City of Dallas and copies of these instruments, together with the minutes shall be preserved as permanent records of the City of Dallas.

That the Interim Report of Forrest & Cotton, Consulting Engineer, dated July 11, 1955, addressed to the City of Dallas, its Water Committee and the City Manager, giving a report of the studies made by said Consulting Engineers and their recommendation that the City of Dallas give No. 1 priority to the construction of the Iron Bridge Site as a source of water for the City of Dallas in the future and its surrounding area, be ordered filed and made an official record of the City of Dallas and securely kept for that purpose.

SECTION 3. That this Resolution shall take effect from and after its passage as in the Charter in such cases is made and provided.

It was moved and seconded that the above resolution be adopted.

ROLL CALL ON MOTION:

Aye - Beauchamp, Kramer, Miller, Richardson, Smith, Terry, Thornton
 Nay -
 Absent - Harris, Vickrey
 Carried - Resolution adopted.

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The Honorable Mayor and
 City Council
 City of Dallas
 Dallas, Texas

July 9, 1955

Gentlemen:

On July 8, 1955, the Board of Directors of the Sabine River Authority of Texas officially approved the Memorandum of Agreement between the Authority and the City of Dallas. Copies of this Agreement properly signed for the Authority and Resolution No. 25 signifying passage and approval were forwarded to Mr. Vollmer on July 9th for due consideration between the Dallas Long Range Water Committee at their meeting on July 12th.

The Sabine River Authority will now await notification from you concerning the next phase in this development program which we feel will be of inestimable value and future benefit to your City and the entire area of Northeast Texas.

The Directors of the Sabine River Authority have asked me to express to you our full respect and admiration of the men serving on the Dallas Long Range Water Committee. We have thoroughly enjoyed working with them and know that too much cannot be said in regards to their ability, thoroughness and untiring public service.

With kindest personal regards, I am

Sincerely yours,
 /s/ John W. Simmons
 John W. Simmons
 President
 SABINE RIVER AUTHORITY OF TEXAS

RESOLUTION NO. 25

A RESOLUTION APPROVING A MEMORANDUM OF AGREEMENT BETWEEN THE SABINE RIVER AUTHORITY OF TEXAS AND THE CITY OF DALLAS, TEXAS; AUTHORIZING THE PRESIDENT AND SECRETARY TO EXECUTE SAME; AND DECLARING THE TIME OF EFFECT.

BE IT RESOLVED BY THE SABINE RIVER AUTHORITY OF TEXAS, THAT:

I.

The attached Memorandum of Agreement by and between Sabine River Authority of Texas and the City of Dallas, Texas, a municipal corporation, be and the same is hereby approved, subject to the terms, conditions and qualifications therein contained.

II.

The President of the Sabine River Authority of Texas is hereby authorized and directed to execute the said Memorandum of Agreement, and the Secretary of the Sabine River Authority of Texas shall properly attest the said Memorandum of Agreement.

III.

This Resolution shall take effect from and after the date of its passage, as it is so resolved; provided, the provisions of the said Memorandum of Agreement shall not become binding or obligatory on the Sabine River Authority of Texas until it has been duly approved and executed by the said City of Dallas, Texas.

PASSED AND APPROVED, This 6th day of July, A. D., 1955.

/s/ John W. Simmons
 President
 Sabine River Authority of Texas

ATTEST:

/s/ Murph Wilson
 Secretary

JULY 18, 1933

(cont'd) 55-3326

THE STATE OF TEXAS

COUNTY OF DALLAS

This memorandum of agreement made this day by and between SABINE RIVER AUTHORITY OF TEXAS, a governmental agency of the State of Texas, acting by and through its duly authorized president and attested by the secretary, hereinafter referred to as Authority, and the CITY OF DALLAS, Texas, a municipal corporation of the State of Texas, acting by and through its duly authorized City Manager and attested by the City Secretary, hereinafter referred to as Dallas, for the purpose of constructing that certain dam and reservoir known as Iron Bridge, located between Rains and Van Zandt Counties on the Sabine River and adjoining lands within Rains, Van Zandt and Hunt Counties, do hereby agree as follows:

WITNESSETH

I.

Dallas shall make possible the financing of the entire dam and reservoir cost either by contract under the terms of which the Authority can issue revenue bonds in the amount necessary for construction of the project and the acquisition of the necessary lands, or by any other method acceptable to Dallas.

II.

The Authority shall construct and own the dam, spillway and outlet works, and shall acquire in its name all lands required for the construction and operation of the project.

III.

Dallas shall construct and own the intake and pump station for withdrawal of its share of the stored water. The Authority shall permit Dallas, by lease or otherwise, permanent use without cost of any lands needed for the construction, operation and maintenance of these facilities. In this connection Dallas will likewise be granted any necessary rights-of-way for pipe lines, power lines, communication lines, and other installations necessary to be made over and across property of the Authority. Dallas shall have the right to determine the location and size of the site, which shall be adequate for purposes intended and reasonable for future expansions, improve it to suit its needs, enclose it for protection, and maintain and operate the same as it may deem necessary. Likewise adequate means of ingress and egress shall be made available to both parties over the entire property.

IV.

In the matter of providing means of financing the cost of this improvement, Dallas shall not be required to pay any part of the cost at any time of intakes and pumping facilities required for the withdrawal of water for other municipalities or water users to which the Authority may assign a portion of its water rights. The outlet works shall be considered a part of the cost of the dam.

V.

Dallas shall have permanent rights to eighty per cent (80%) of all water impounded by the project available for withdrawal and the remaining twenty per cent (20%) of such water shall belong to the Authority for its use or sale to municipalities or other water users. The right of Dallas shall be deemed to be perpetual ownership to the extent of the water above indicated.

VI.

Any liability for the release of water accruing to the reservoir under the terms of the Sabine River Compact between the State of Texas and Louisiana, shall be fulfilled and eighty per cent (80%) of such released water shall be from the stored water granted to Dallas and twenty per cent (20%) from that owned by the Authority.

VII.

All water withdrawn from the reservoir by Dallas and the Authority shall be accurately measured by the withdrawing parties and records of all withdrawals shall be available to both parties.

VIII.

In addition to its twenty per cent (20%) of the water, the Authority shall have the right to use any water granted to Dallas which is surplus to the City's needs; provided, however, that whether or not such water is surplus to the needs of Dallas shall be determined solely by Dallas. All monies received from the sale of any such surplus water shall be paid to Dallas except that the Authority shall first be compensated for any expense incurred by it in the sale of such surplus water. The price and terms for which such surplus water may be sold shall be subject to approval by Dallas. Any withdrawals agreed upon by Dallas from its eighty per cent (80%) of the water should be denominated as an emergency "temporary permission" and only for a specified time during the terms of this contract, because Dallas will need its full allotment.

IX.

The project shall be completely owned, operated and maintained by the Authority save and except those properties owned, operated and maintained by Dallas.

JULY 18, 1955

55-9326 (cont'd)

I.

The Authority shall make rules and regulations governing the use of the reservoir and adjacent lands owned by the Authority and such rules shall prohibit any use of the water and lands that would result in pollution and contamination of the water to the extent that would render it unsafe for domestic and municipal purposes. The Authority will properly police the reservoir property.

II.

Dallas shall guarantee the cost of operation and maintenance of the project, provided, however, that all monies received by the Authority from the sale or use of its twenty per cent (20%) of the water and from recreational use of the reservoir shall be applied first to the operation and maintenance expenses of the project until the Authority is paying twenty per cent (20%) of the cost of operation and maintenance. All expenditures for operation and maintenance of works that are paid in whole or in part by Dallas shall be budgeted in advance and said budget shall first be approved by Dallas. Any tax or charge hereafter levied for the impoundment and storage of water shall be deemed to be an operation expense and shared ratably as provided for elsewhere herein.

III.

Except for payment of twenty per cent (20%) of the cost of the operation and maintenance, all monies received by the Authority from the project except from the sale of surplus water from Dallas' share, shall belong to the Authority to be used for development of the Sabine River and its tributaries or any other use the Authority may consider in its best interest.

XIII.

It is understood and agreed that after the total cost of the project is completely paid that no other payments will be made by Dallas for the continued use of the water in perpetuity except for the payment of eighty per cent (80%) of the operation and maintenance cost of the project, or for eighty per cent (80%) of items of major reconstruction such as might arise from a disaster. Both parties hereto shall have the right and interest in the dam, reservoir, works and facilities which shall constitute an insurable interest to adequately protect both parties from any loss whatsoever. This paragraph is subject to the provisions of Article Eleven (XI) above.

XIV.

The Authority shall select engineers to design and supervise construction of the project but such engineers shall be acceptable to Dallas and the design of the project shall be subject to approval of Dallas.

XV.

Voluntary payments for land shall be approved by both the Authority and Dallas. Dallas shall have the right to review any proposed condemnation prior to filing, prompt action being assumed by both parties.

XVI.

If the Authority desires to utilize Dallas' facilities, such as intake, raw water pump station and pipe line for delivery of water to other municipalities or users, suitable arrangements and proper compensation shall be made that are mutually acceptable.

XVII.

It is understood and agreed by both parties hereto that a supplemental contract shall be executed, which contract shall stipulate the method of financing the construction, acquisition of the necessary lands and the cost of operation and maintenance of the entire dam and reservoir, such supplemental contract shall constitute a part of this contract as though incorporated herein. Any supplemental agreement may be entered into hereafter as occasion therefor arises.

XVIII.

It is expressly understood by and between the parties hereto that the foregoing memorandum of agreement is subject to all applicable State Laws, Charter provisions of the City of Dallas and laws creating the Sabine River Authority of Texas, together with amendments present or future.

XIX.

It is contemplated that this contract, together with the supplemental agreement, will be approved so as to enable the Sabine River Authority to commence work of this project by January 1, 1958.

This contract is executed in duplicate this 18 day of July, A.D., 1955.

ATTEST:

/s/ Murch Wilson
MURCH WILSON, Authority Secretary

ATTEST:

/s/ Harold E. Shank
HAROLD E. SHANK, City Secretary

SABINE RIVER AUTHORITY OF TEXAS

By /s/ John W. Simmons
JOHN W. SIMMONS, President

CITY OF DALLAS, TEXAS

By /s/ Edwin E. Crull
EDWIN E. CRULL, City Manager

JULY 18, 1955

(cont'd)

55-3326

INTERIM SUMMARY REPORT
to the
CITY OF DALLAS, TEXAS
on the
IRON BRIDGE DAM SITE
ON THE SABINE RIVER

Dallas Water Survey Committee and
Mr. Elgin Crull, City Manager
City of Dallas
Dallas, Texas

Gentlemen:

The timing of events which are occurring during studies in connection with the development of additional water supplies for the City of Dallas, Texas, has made it desirable that an Interim Report be submitted on one of the reservoir covered by the study.

Previous progress reports have indicated that the studies have encompassed the Roanoke site on Denton Creek, the Aubrey site on Elm Fork of the Trinity River, the Iron Bridge site on the Sabine River, and the Blackburn Crossing site on the Kaches River. In addition, favorable information has been developed on the East Fork of the Trinity River which lead to the conclusion that this stream should be investigated in lieu of the Sulphur River. These investigations are under way but a final site selection has not been made and therefore we must, of necessity, refer to the East Fork in general at the present time.

While these studies have determined that the Blackburn Crossing site is favorable from the standpoint of developing a water supply, it is handicapped by reason of its distance from Dallas. If it took the yield from the Blackburn Crossing site to meet the target demands, this handicap would of course have to be accepted. Since this is not the case, the study of this site will be concluded and it will be a part of the record but it will not be considered in the plan which anticipates the demand that will be required in the year 2000.

In summarizing this, reference is made to the report prepared by the Bureau of Business Research of the University of Texas. While this report may well prove to be conservative, it is nevertheless a good basis to accept for project planning 45 years ahead and, therefore, is adopted for the purpose of these studies. In one sentence the report indicates that the demand for water in the year 2000 will be 455 million gallons average daily and with a maximum daily demand of 670 MGD.

Possible yields from the reservoir sites on the different streams that would prevail through a repetition of the 1908-1913 critical drought period have been determined. They are approximately as follows:

Yield of Reservoir to Dallas County Including
Park Cities Expressed in MGD

Grapevine Site, Denton Creek (Existing)	42
Grass-Little Elm, Elm Fork (Existing)	107
Roanoke Site, Denton Creek (Proposed)	30
Aubrey Site, Elm Fork (Proposed)	106
East Fork of Trinity River (Proposed)	92
Iron Bridge, Sabine River (Proposed)	160
Total	537

It will thus be seen that the above total of 537 MGD will be sufficient to meet the target demand in the year 2000 even with some possible losses in reservoir yields that may be influenced by the small dam construction program currently being undertaken by the U. S. Department of Agriculture.

If the above described reservoir sites are adopted as the over-all plan, then the next logical question would be the sequence in which these projects should be developed. The impact of financing this program is profound and one would quickly incline to the idea of selecting the most economical source for the first development. Thinking in terms of the present locations of treatment plants at Richman and Carrollton, it would logically follow that the Aubrey site on the Elm Fork of the Trinity River would win out as the first selection.

However, there is another influence which as a bearing, other than water supply sources, and that influence is a new water treatment plant. In the adoption of this plan it is obvious that a substantial volume of the over-all total would come from the east. In fact, 252 MGD would be derived from the East Fork Reservoir and the Iron Bridge Reservoir on the Sabine River. While it is recognized that the cost of operating three plants is more than would be the case if all of the treatment could be secured in one single plant, it also follows that the cost of distributing water from one plant would perhaps be greater than would be the case from three plants.

Therefore, the idea of a third plant is somewhat firmly entrenched in the over-all plan. Fortunately the location of the third plant will introduce economies in the distribution system which is in dire need of expansion. The southeast quadrant of the area better known as Pleasant Mound and the Pleasant Grove area and the south part of Oak Cliff are inadequately served at the present time. By including this plant in the initial stage better operation would prevail and the idea of trying to adequately serve the area for an interim period from the Carrollton Plant or the Bachman Plant could be eliminated and the plan for the distribution of water from the third plant could be fitted in accordingly.

Another matter of timing which has entered the picture concerns itself with a mandate from the legislature to the Sabine River Authority to initiate construction on the Iron Bridge site on the Sabine River prior to January, 1958, or permit this site to become a "free agent." Therefore, the Sabine River Authority is anxious to preserve the assets of this site for the good it may do in the general area of Dallas and the area covered by the Authority in the upper reaches of the river. Discussions have been had between the Long Range Water Committee, appointed by the City Council of the City of Dallas, and the Board of Directors of the Sabine River Authority. The terms that have been mutually agreed upon are considered quite fair to both parties. The amount of water which the City of Dallas can secure from this site, i.e., 160 MGD, is such a substantial part of the total which will be required in the year 2000 that the City is justified in giving this project a first priority. This conclusion is not reached without some reluctance because it imposes a serious financing problem and one which must be thoroughly analyzed.

However, the correlation between the need for the new treatment plant, with resulting diminishment in distribution costs, with the Iron Bridge Reservoir is a fortunate one because of their geographical relationships. Then too, there is a further correlation between the treatment plant and the utilization of the Iron Bridge Reservoir waters in connection with the utilization of waters from the proposed East Fork Reservoir. While the 2000 average daily demand is 485 MGD, it also must be recognized that the maximum demand at that time will be 870 MGD. The plan which has heretofore been discussed informally calls for the delivery of 160 MGD or the full average daily potential of the Iron Bridge Reservoir through a conduit and utilizing the resources of the East Fork Reservoir for the peak period in the year. This method of operation will result in a tremendous difference in cost of pipe line facilities, if the Iron Bridge Reservoir had to be utilized in meeting its proportional share of the peak load.

The combination of these events of timing, plus the operational relationship which has been conceived between the Iron Bridge Reservoir, the East Fork Reservoir, the new treating plant, and the revised distribution system, brings us to a decision that the first priority should be given to the Iron Bridge Reservoir as a water supply source and we have, therefore, somewhat hurriedly assembled a brief summary report on this site dated July 11th, 1955, to which reference is hereby made and a copy of which is handed you at the same time.

In conclusion it is therefore recommended that the City of Dallas enter into a contractual relationship with the Sabine River Authority on the development and utilization of water from the Iron Bridge Reservoir site on the Sabine River.

Respectfully submitted,
FOREST AND COTTON
Consulting Engineers

/s/ T. C. Forrest, Jr.
T. Carr Forrest, Jr.

INTERIM SUMMARY REPORT
to the
CITY OF DALLAS, TEXAS
on the
IRON BRIDGE DAM SITE ON THE SABINE RIVER

-- Prepared By --

FOREST AND COTTON
Consulting Engineers
Dallas, Texas
July 11, 1955

-- IRON BRIDGE DAM SITE --
on the
SABINE RIVER

As a part of the investigation for a future water supply for Dallas County and the City of Dallas, one of the rivers to be investigated was the Sabine River. As a part of the investigation of that river, a complete hydrological report was prepared and this will constitute an interim summarized report of the project.

It has been shown in a previous report to the City of Dallas that the population and water requirement of Dallas County and the City of Dallas will be such as to require water at the following rates of daily requirements:

YEAR	AV	AVERAGE DAY	MAXIMUM DAY
1954		102 MGD	213 MGD
1960		127 MGD	286 MGD
1975		223 MGD	335 MGD
2000		485 MGD	670 MGD

The present supply of water available from the Garza-Little Elm and Grapevine Reservoirs will be sufficient to provide for the needs of the County and City until about the year 1977. There does not exist at the present time, however, sufficient water treatment facilities or sufficient distribution capacity to treat and move this amount of water to the south and east sides of the City. In fact, the peak supply problem in the south and east sides of the City is a matter of concern right now.

Ultimately the City will need, and can properly use in the north and west side, all of the water available from the Elm Fork. It is, therefore, apparent that planning should begin now for a southeast side water treatment plant utilizing sources of water supply outside the Elm Fork basin.

The Sabine River of Texas is within the territory of the Sabine River Authority of Texas and is under the control of that Authority. Investigations made by the Authority have shown there is more than sufficient water available to meet all foreseeable requirements of the Sabine River basin. The Authority is, therefore, ready to proceed with a program of development and is agreeable to making some of the excess water available to the City of Dallas.

Because the Authority is now willing and able to make such water available and, furthermore, has been mandated by the State Legislature to start work on such project by January, 1958, and because of the above-mentioned need of a new City water supply on the southeast side of the City, it is apparent that the time is opportune for the City of Dallas to negotiate an agreement and proceed with the construction of a project on the Sabine River.

LOCATION

The Iron Bridge dam site constitutes one of the best locations for an economical storage reservoir on the Sabine River. It has long been under study and these investigations have shown that it is justified consideration; however, prior to final selection of the Iron Bridge site, studies were made of possible sites both above and below the Iron Bridge site.

The site of the proposed dam is near the Sabine River crossing of the Farm to Market Road No. 47 leading from Wills Point to Point, Texas. The old river crossing consisted of an iron bridge from which the project has drawn its name. The site is about 26 airline miles in a southeasterly direction from Greenville. It is approximately 49 airline miles from Dallas and can best be reached by driving out U. S. Highway No. 60 to Wills Point and then north on Farm to Market Road No. 47.

The reservoir which will be formed by the dam extends up the valley of the Sabine River; the valley of the South Fork of the Sabine River and also Caddo Creek valley.

The dam will be located both in Van Zandt and in Rains Counties, since at this point the Sabine River forms the boundary between the two Counties. Water will be backed up into Hunt County, as well as Rains and Van Zandt Counties. Roughly speaking about 12-sixteenths of the lake will be in Hunt County, 3-sixteenths in Rains County and one-sixteenth in Van Zandt County.

SIZE OF THE PROJECT

The size of the project was determined by a consideration both of the amount of water which would be yielded from various levels of water in the reservoir and also a study of the nature of the topography and the ease with which a dam could be constructed. Likewise, the cost of the various features such as the amount of land required, the cost of necessary relocations and other features, has entered into the studies as to the size of dam required. These studies have indicated that the spillway crest of the dam should be established at approximately Elevation 437.5. The top of the dam would be at Elevation 456.0 and the dam would be approximately 90 feet high at the point of maximum height. The dam would be about 6 miles in length. The spillway would be located on the southwest side. Plate No. 2, attached, shows the general topography of the dam and reservoir. Plate No. 3, attached, gives a more detailed picture of the dam and the profile of the dam. The following table gives detailed information with regard to the dam and reservoir.

		Capacity Acre-Feet
Top of Dam	El. 456.0	
Maximum Design Water Surface (Flood Crest)	El. 447.0	
Spillway Crest	El. 437.5	926,000
Top of Silt Pool	El. 392.0	28,600
Area required to top of dam: 66,000 acres		
Area below to maximum design high water: 30,000 acres		
Area below to spillway crest: 38,000 acres		
Minimum yield of the reservoir: 224,000 acre-feet per year or 200 MGD		

As a part of the investigation, preliminary test holes have been drilled in order to determine the geological formation and possible foundation conditions. While such test hole information can only be considered in a preliminary sense, the results have not indicated any unanticipated weakness or fault and insofar as can be determined therefrom the Iron Bridge site should present a very satisfactory location for a dam. The information obtained from the test drilling is plotted on Plate No. 3.

The results of the hydrological studies indicated that a maximum flood of 210,000 cubic feet per second should be anticipated and that in the future some probable flood of 429,000 cubic feet per second might be expected. In order to insure the safety of the dam, special consideration was given to the spillway design and location.

Consideration was given to the use of a gated structure and also an ungated structure. It was apparent that a gated structure might present some possibility of saving in costs, particularly with regard to the amount of land required. There are, however, several intangible factors which must be given great consideration. The first, of which, is the safety of the structure. It is possible to cause a flooding and overtopping of the dam by improper operation of a gated structure due to failure to open the gates soon enough or to open enough gates. Similarly, if the gates are open too soon, it may be that a flood is created downstream for which damages might be caused by people living along the river below the dam. A second feature is the fact that a dam with a gated structure does not present as much flood storage and thereby does not decrease the damage due to floods in the area below the dam. While this structure is not primarily a flood control structure, it would seem wise to secure as much benefit from such flood control as possible.

It appears evident that the Sabine River Authority will not develop a hydrological reporting system for the river such as has been implemented by the Corps of Engineers on various projects, which system is utilized in advance warning of a flood and thereby allows proper operation of a gated structure. For these reasons the spillway to be used has been predicated upon an ungated type.

A spillway site just east of the river was first investigated but it was found from the test borings that the firm rock required for a foundation was some 35 or 40 feet underground. This would necessitate a very large concrete section as well as extensive bulkheads along each side. The investigation was pursued further on the southwest abutment and a satisfactory site for a spillway has been established there.

A bridge will be provided to carry the Farm to Market Road over the river and to provide access to all parts of the dam. It will be noted that provision is made in the center of the spillway for an outlet structure. This outlet structure will serve as a diversion conduit during construction and for the release of water downstream, as required, after the reservoir is put in operation. It is also planned to omit parts of the monoliths in the spillway to permit the diversion of water during the final construction at the closure of the embankment.

Plate No. 4 shows sections of the embankment. It was anticipated that the gumbo soil, which covers the area immediately adjacent to the river on both sides, would present some difficulty in the construction of an earthen dam. This material presents a water tight formation but it is very difficult to work and its bearing capacity when wet is not as satisfactory as may be desired. For this reason the section of the dam between Stations 123+00 and 149+00, has been widened to provide a less difficult foundation pressure. For the remainder of the dam a section with less width will be used.

There is every indication that the Wills Point clay, which abounds particularly on the west abutment, will provide a very satisfactory material for constructing a tight earth embankment. Materials for the rock riprap and for the concrete structure will, of necessity, have to be hauled in because there are no local deposits of satisfactory material.

The location of the proposed pump station from which the Dallas City Water Works will divert its share of the water is shown on Plate No. 2. Very considerable study with cost estimates have been made to determine whether it would be preferable for the City to withdraw water from the dam at a location and outlet through the dam, thus placing the pump station below the dam. It was found, however, that a good location for a pump station existed on the South Fork of the Sabine River and that such location would present economies in construction and in pump operation over future years. Test drilling at this location revealed a satisfactory rock formation to serve as a foundation for the pump station. Particularly, in view of the foundation condition which exists in the valley section where such an outlet through the dam would be constructed, it is quite evident that the location selected farther up in the reservoir is preferable.

As a part of the cost of building this reservoir and dam it will be necessary to provide for continuity in the present road system which exists through this area. The reservoir is favorable for the few relocations which will be needed since there are no pipe lines or railroad crossings. However, it will be necessary to relocate Farm to Market Road FAS-47 which crosses at the dam site, and also a provision is made for the relocation of FAS-35 which crosses approximately halfway up the reservoir. This Highway FAS-35 is not at the present time improved at the river crossing but within the next year or two it is expected to be improved by the Highway Department. It presents a very difficult crossing of almost two miles in length and it is preferable to relocate this highway by improving the roads farther north and thereby providing a suitable route of only moderately increased mileage.

It will also be necessary to make minor relocations such as family cemeteries, several RMA-owned lines and it will be necessary to close a few county roads. It is felt that the cooperation of the local government units will be available on these matters.

COST OF CONSTRUCTION

The total cost of constructing the Iron Bridge Dam and Reservoir including purchase of land, the necessary relocations of existing facilities, the cost of the dam, spillway, and outlet works as presently estimated to be \$20,000,000.00

WHEREAS, heretofore on June 1, 1953, by resolution of the City Council, a committee of citizens known as the Dallas Water Survey Committee was appointed to study the future water needs of the City of Dallas, said Committee being composed of:

W. G. Vollmer	= Chairman
Austin F. Allen	= Vice Chairman
Frank I. Brinegar	= Member
Roland L. Pelt	= Member
W. W. Overton, Jr.	= Member
J. L. Latimer	= Member
John E. Mitchell, Jr.	= Member
Karl F. Hoeftle	= Member

and,

WHEREAS, the City of Dallas has also employed Forrest & Cotton as Consulting Engineers to study the possible water sources for the City of Dallas and the feasibility of developing these sources, and,

WHEREAS, said Dallas Water Survey Committee has diligently, tirelessly and unselfishly given of their time in studying the matter, holding numerous meetings, conferences with the Consulting Engineer, made inspection trips and arranged for meetings and held meetings with the officials and directors of the Sabine River Authority of Texas which is charged by State law with the development of the water resources of the Sabine River, and,

WHEREAS, as a result of said studies, the Dallas Water Survey Committee has recommended to the City of Dallas that it enter into contractual relationship with the Sabine River Authority of Texas for the purpose of developing a water reservoir and water facilities at the Iron Bridge Site, under the terms of which the City will have perpetual ownership of eighty (80%) per cent of the yield of approximately 900,000 acre feet of water, and,

WHEREAS the work done by said Committee is of tremendous importance to the future of Dallas, and the City Council desires to express its appreciation for such work, to the work of which the members of the Committee have freely given of their time and their own means without any cost to the City of Dallas whatsoever, NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Council in their official meeting of that body for the purpose of transacting official business of the City of Dallas, does hereby express its deepest thanks and appreciation to Mr. W. G. Vollmer, Chairman of said Committee, and the other individual members of said Committee: Austin F. Allen, Frank I. Brinegar, Roland L. Pelt, W. W. Overton, Jr., J. L. Latimer, John E. Mitchell, Jr., and Karl F. Hoeftle for the work they have done in behalf of the City of Dallas and particularly does the City Council appreciate their work because it has aided them and guided them in making a decision with reference to taking steps so that the City of Dallas and Dallas County may be adequately provided with water for its domestic, municipal, and other uses in the development of Dallas and its neighboring communities.

SECTION 2. That the City Secretary is hereby requested to make copies of this resolution and mail a copy to each of the members of said Committee.

SECTION 3. That this resolution shall take effect from and after its passage as in the Charter in such cases is made and provided.

-- RESOLUTION UNANIMOUSLY ADOPTED --

--THE CITY COUNCIL ADJOURNED--

APPROVED _____
Mayor

ATTEST:

City Secretary _____

Notice of ratification; certified copies of act

Sec. 4. It shall be the duty of the Governor of Texas to notify the Governors of New Mexico and Oklahoma and the President of the United States of the ratification by the State of Texas of the Canadian River Compact; and, on request of the Governor, the Secretary of State shall furnish to the Governors of New Mexico and Oklahoma and to the President of the United States a certified copy of this Act. Acts 1951, 52nd Leg., p. 260, ch. 153.

Historical Note

Complementary Laws:

U.S.—Act April 29, 1950, c. 135, 64 Stat. 93, 43 U.S.C.A. § 600c note.

N.Mex.—Laws 1951, ch. 4.

Okl.—Laws 1951, p. 327, 82 Okl.St. Ann. §§ 526.1-526.3.

Title of Act:

An Act approving and adopting the Canadian River Compact; appointing the State Board of Water Engineers to administer the provisions of the Compact; and declaring an emergency. Acts 1951, 52nd Leg., p. 260, ch. 153.

Cross References

Canadian river municipal water authority, see art. 8280—154.

Now Section 44.010 of Water Code - Supp. 438-449
Art. 7466i. Sabine River Compact *V.C.T.A. Vol. 1.*

Compact ratified; text of compact

Section 1. The Sabine River Compact entered into and signed at Logansport, Louisiana, on January 26, 1953, by Roy T. Sessums, Representative for the State of Louisiana, and Henry L. Woodworth and John W. Simmons, Representatives for the State of Texas, and approved by Louis W. Prentiss, representing the United States of America, an original counterpart of which has been deposited in the office of the Secretary of State for the State of Texas, is hereby, in all respects, ratified and confirmed, said Compact being as follows:

SABINE RIVER COMPACT

Entered Into by the States of

LOUISIANA

and

TEXAS

Logansport, Louisiana
January 26, 1953

SABINE RIVER COMPACT

The State of Texas and the State of Louisiana, parties signatory to this Compact (hereinafter referred to as "Texas" and "Louisiana", respectively, or individually as a "State", or collectively as the "States"), having resolved to conclude a compact with respect to the

waters of the Sabine River, and having appointed representatives as follows:

For Texas:	Henry L. Woodworth, Interstate Compact Commissioner for Texas; and John W. Simmons, President of the Sabine River Authority of Texas;
For Louisiana:	Roy T. Sessums, Director of the Department of Public Works of the State of Louisiana;

and consent to negotiate and enter into the said Compact having been granted by Act of the Congress of the United States approved November 1, 1951 (Public Law No. 252; 82nd Congress, First Session), and pursuant thereto the President having designated Louis W. Prentiss as the representative of the United States, the said representatives for Texas and Louisiana, after negotiations participated in by the representative of the United States, have for such Compact agreed upon Articles as hereinafter set forth. ~~The major purposes of this Compact are to provide for an equitable apportionment between the States of Louisiana and Texas of the waters of the Sabine River and its tributaries, thereby removing the causes of present and future controversy between the States over the conservation and utilization of said waters; to encourage the development, conservation and utilization of the water resources of the Sabine River and its tributaries; and to establish a basis for cooperative planning and action by the States for the construction, operation and maintenance of projects for water conservation and utilization purposes on that reach of the Sabine River touching both States, and for apportionment of the benefits therefrom.~~

~~It is recognized that pollution abatement and salt water intrusion are problems which are of concern to the States of Louisiana and Texas, but inasmuch as this Compact is limited to the equitable apportionment of the waters of the Sabine River and its tributaries between the States of Louisiana and Texas, this Compact does not undertake the solution of those problems.~~

ARTICLE I.

As used in this Compact:

(a) ~~The word "Stateline" means the point on the Sabine River where its waters in downstream flow first touch the States of both Louisiana and Texas.~~

(b) The term "waters of the Sabine River" means the waters either originating in the natural drainage basin of the Sabine River, or appearing as streamflow in said River and its tributaries, from its headwater source down to the mouth of the River where it enters into Sabine Lake.

(c) The term "Stateline flow" means the flow of waters of the Sabine River as determined by the Logansport gauge located on the U. S. Highway 84, approximately four (4) river miles downstream from the Stateline. This flow, or the flow as determined by such substitute gauging station as may be established by the Administration, as hereinafter defined, pursuant to the provisions of Article VII of this Compact, shall be deemed the actual Stateline flow.

(d) The term "Stateline reach" means that portion of the Sabine River lying between the Stateline and Sabine Lake.

(e) The term "the Administration" means the Sabine River Compact Administration established under Article VII.

(f) The term "Domestic use" means the use of water by an individual, or by a family unit or household for drinking, cooking, laundering, sanitation and other personal comforts and necessities; and for the irrigation of an area not to exceed one acre, obtained directly from the Sabine River or its tributaries by an individual or family unit, not supplied by a water company, water district or municipality.

(g) The term "stock water use" means the use of water for any and all livestock and poultry.

(h) The term "consumptive use" means use of water resulting in its permanent removal from the stream.

(i) The terms "domestic" and "stock water" reservoir mean any reservoir for either or both of such uses having a storage capacity of fifty (50) acre feet or less.

(j) "Stored water" means water stored in reservoirs (exclusive of domestic or stock water reservoirs) or water withdrawn or released from reservoirs for specific uses and the identifiable return flow from such uses.

(k) The term "free water" means all waters other than "stored waters" in the Stateline reach including, but not limited to, that appearing as natural stream flow and not withdrawn or released from a reservoir for specific uses. Waters released from reservoirs for the purpose of maintaining stream flows as provided in Article V, shall be "free water". All reservoir spills or releases of stored waters made in anticipation of spills, shall be free water.

(l) Where the name of the State or the term "State" is used in this Compact, it shall be construed to include any person or entity of any nature whatsoever of the States of Louisiana or Texas using, claiming, or in any manner asserting any right to the use of the waters of the Sabine River under the authority of that State.

(m) Wherever any State or Federal official or agency is referred to in this Compact, such reference shall apply equally to the comparable official or agency succeeding to their duties and functions.

ARTICLE II.

Subject to the provisions of Article X, nothing in this Compact shall be construed as applying to, or interfering with, the right or power of either signatory State to regulate within its boundaries the appropriation, use and control of water, not inconsistent with its obligation under this Compact.

ARTICLE III.

Subject to the provisions of Article X, all rights to any of the waters of the Sabine River which have been obtained in accordance with the laws of the States are hereby recognized and affirmed; provided, however, that withdrawals, from time to time, for the satisfaction of such rights, shall be subject to the availability of supply in accordance with the apportionment of water provided under the terms of this Compact.

ARTICLE IV.

Texas shall have free and unrestricted use of all waters of the Sabine River and its tributaries above the Stateline subject, however, to the provisions of Articles V and X.

ARTICLE V.

Texas and Louisiana hereby agree upon the following apportionment of the waters of the Sabine River:

(a) All free water in the Stateline reach shall be divided equally between the two States, this division to be made without reference to the origin.

(b) The necessity of maintaining a minimum flow at the Stateline for the benefit of water users below the Stateline in both States is recognized, and to this end it is hereby agreed that:

(1) Reservoirs and permits above the Stateline existing as of January 1, 1953 shall not be liable for maintenance of the flow at the Stateline.

(2) After January 1, 1953, neither State shall permit or authorize any additional uses which would have the effect of reducing the flow at the Stateline to less than 36 cubic feet per second.

(3) Reservoirs on which construction is commenced after January 1, 1953, above the Stateline shall be liable for their share of water necessary to provide a minimum flow at the Stateline of 36 cubic feet per second; provided, that no reservoir shall be liable for a greater percentage of this minimum flow than the percentage of the drainage area above the Stateline contributing to that reservoir, exclusive of the watershed of any reservoir on which construction was started prior to January 1, 1953. Water released from Texas' reser-

~~reservoirs to establish the minimum flow of 36 cubic feet per second, shall be classed as free water at the Stateline and divided equally between the two States.~~

(c) The right of each State to construct impoundment reservoirs and other works of improvement on the Sabine River or its tributaries located wholly within its boundaries is hereby recognized.

(d) In the event that either State constructs reservoir storage on the tributaries below Stateline after January 1, 1953, there shall be deducted from that State's share of the flow in the Sabine River all reductions in flow resulting from the operation of the tributary storage and conversely such State shall be entitled to the increased flow resulting from the regulation provided by such storage.

(e) Each State shall have the right to use the main channel of the Sabine River to convey water stored on the Sabine River or its tributaries located wholly within its boundaries, downstream to a desired point of removal without loss of ownership of such stored waters. In the event that such water is released by a State through the natural channel of a tributary and the channel of the Sabine River to a downstream point of removal, a reduction shall be made in the amount of water which can be withdrawn at the point of removal equal to the transmission losses.

(f) Each State shall have the right to withdraw its share of the water from the channel of the Sabine River in the Stateline reach in accordance with Article VII. Neither State shall withdraw at any point more than its share of the flow at that point except, that pursuant to findings and determination of the Administration as provided under Article VII of this Compact, either State may withdraw more or less of its share of the water at any point providing that its aggregate withdrawal shall not exceed its total share. Withdrawals made pursuant to this paragraph shall not prejudice or impair the existing rights of users of Sabine River waters.

(g) Waters stored in reservoirs constructed by the States in the Stateline reach shall be shared by each State in proportion to its contribution to the cost of storage. Neither State shall have the right to construct a dam on the Stateline reach without the consent of the other State.

(h) Each State may vary the rate and manner of withdrawal of its share of such jointly stored waters on the Stateline reach, subject to meeting the obligations for amortization of the cost of the joint storage. In any event, neither State shall withdraw more than its pro-rata share in any one year (a year meaning a water year, October 1st to September 30th) except by authority of the Administration. All jointly stored water remaining at the end of a water year shall be reapportioned between the States in the same proportion as their contribution to the cost of the storage.

(i) Except for jointly stored water, as provided in (h) above, ~~each State must use its apportionment of the natural stream flows as they occur and there shall be no allowance of accumulation of credits or debits for or against either State.~~ The failure of either State to use the stream flow or any part thereof, the use of which is apportioned to it under the terms of this Compact, shall not constitute a relinquishment of the right to such use in the future; conversely, the failure of either State to use the water at the time it is available does not give it the right to the flow in excess of its share of the flow at any other time.

(j) From the apportionment of waters of the Sabine River as defined in this Article, there shall be excluded from such apportionment all waters consumed in either State for domestic and stock water uses. Domestic and stock water reservoirs shall be so excluded.

(k) Each State may use its share of the water apportioned to it in any manner that may be deemed beneficial by that State.

ARTICLE VI.

(a) The States through their respective appropriate agencies or subdivisions may construct jointly, or cooperate with any agency or instrumentality of the United States in the construction of works on the Stateline reach for the development, conservation and utilization for all beneficial purposes of the waters of the Sabine River.

(b) All monetary revenues growing out of any joint State ownership, title and interest in works constructed under Section (a) above, and accruing to the States in respect thereof, shall be divided between the States in proportion to their respective contributions to the cost of construction; provided however, that each State shall retain undivided all its revenues from recreational facilities within its boundaries incidental to the use of the waters of the Sabine River, and from its severally State-owned recreational facilities constructed appurtenant thereto.

(c) All operation and maintenance costs chargeable against any State ownership, title and interest in works constructed under Section (a) above, shall be assessed in proportion to the contribution of each State to the original cost of construction.

ARTICLE VII.

(a) There is hereby created an interstate administrative agency to be designated as the "Sabine River Compact Administration" herein referred to as "the Administration".

(b) The Administration shall consist of two members from each State and of one member as representative of the United States, chosen by the President of the United States, who is hereby requested to appoint such a representative. The United States member

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shall be ex-officio chairman of the Administration without vote and shall not be a domiciliary of or reside in either State. The appointed members for Texas and Louisiana shall be designated within thirty days after the effective date of this Compact.

(c) The Texas members shall be appointed by the Governor for a term of two years; provided, however, that one of the original Texas members shall be appointed for a term to establish a half-term interval between the expiration dates of the terms of such members, and thereafter one such member shall be appointed annually for the regular term. One of the Louisiana members shall be ex-officio the Director of the Louisiana Department of Public Works; the other Louisiana member shall be a resident of the Sabine Watershed and shall be appointed by the Governor of Louisiana for a term of four years; provided, that the first member so appointed shall serve until June 30, 1958. Each State member shall hold office subject to the laws of his State or until his successor has been duly appointed and qualified.

(d) Interim vacancy, for whatever cause, in the office of any member of the Administration shall be filled for the unexpired term in the same manner as hereinabove provided for regular appointment.

(e) Within sixty days after the effective date of this Compact, the Administration shall meet and organize. A quorum for any meeting shall consist of three voting members of the Administration. Each State member shall have one vote, and every decision, authorization, determination, order or other action shall require the concurring votes of at least three members.

(f) The Administration shall have power to:

(1) Adopt, amend and revoke by-laws, rules and regulations, and prescribe procedures for administration of and consistent with the provisions of this Compact;

(2) Fix and determine from time to time the location of the Administration's principal office;

(3) Employ such engineering, legal, clerical and other personnel, without regard to the civil service laws of either State, as the Administration may determine necessary or proper to supplement State-furnished assistance as hereinafter provided, for the performance of its functions under this Compact; provided, that such employees shall be paid by and be responsible to the Administration and shall not be considered to be employees of either State;

(4) Procure such equipment, supplies and technical assistance as the Administration may determine to be necessary or proper to supplement State-furnished assistance as hereinafter provided, for the performance of its functions under this Compact;

(5) Adopt a seal which shall be judicially recognized.

(g) In cooperation with the chief official administering water rights in each State and with appropriate Federal agencies, the Administration shall have and perform powers and duties as follows:

(1) To collect, analyze, correlate, compile and report on data as to water supplies, stream flows, storage, diversions, salvage and use of the waters of the Sabine River and its tributaries, and as to all factual data necessary or proper for the administration of this Compact;

(2) To designate as official stations for the administration of this Compact such existing water gauging stations (and to operate, maintain, repair and abandon the same), and to locate, establish, construct, operate, maintain, repair and abandon additional such stations, as the Administration may from time to time find and determine necessary or appropriate;

(3) To make findings as to the deliveries of water at Stateline as hereinabove provided, from the stream-flow records of the Stateline gauge which shall be operated and maintained by the Administration or in cooperation with the appropriate Federal agency, for determination of the actual Stateline flow unless the Administration shall find and determine that, because of changed physical conditions or for any other reason, reliable records are not obtainable thereat; in which case such existing Stateline station may with the approval of the Administration be abandoned and, with such approval, a substitute Stateline station established in lieu thereof;

(4) To make findings as to the quantities of reservoir storage (including joint storage) and releases therefrom, diversions, transmission losses and as to incident stream-flow changes, and as to the share of such quantities chargeable against or allocable to the respective States;

(5) To record and approve all points of diversion at which water is to be removed from the Sabine River or its tributaries below the Stateline; provided that, in any case, the State agency charged with the administration of the water laws for the State in which such point of diversion is located shall first have approved such point for removal or diversion; provided further, that any such point of removal or diversion once jointly approved by the appropriate State agency and the Administration, shall not thereafter be changed without the joint amendatory approval of such State agency and the Administration;

(6) To require water users at their expense to install and maintain measuring devices of approved type in any ditch, pumping station or other water diversion works on the Sabine River or its tributaries below the Stateline, as the Administration may determine necessary or proper for the purposes of this Compact; provided that the chief official of each State charged with the administration of water rights therein shall supervise the execution and enforcement of the Administration's requirements for such measuring devices;

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(7) To investigate any violation of this Compact and to report findings and recommendations thereon to the chief official of the affected State charged with the administration of water rights, or to the Governor of such State as the Administration may deem proper;

(8) To acquire, hold, occupy and utilize such personal and real property as may be necessary or proper for the performance of its duties and functions under this Compact;

(9) To perform all functions required of the Administration by this Compact, and to do all things necessary, proper or convenient in the performance of its duties hereunder.

(h) Each State shall provide such available facilities, supplies, equipment, technical information and other assistance as the Administration may require to carry out its duties and function, and the execution and enforcement of the Administration's orders shall be the responsibility of the agents and officials of the respective States charged with the administration of water rights therein. State officials shall furnish pertinent factual and technical data to the Administration upon its request.

(i) Findings of fact made by the Administration shall not be conclusive in any court or before any agency or tribunal but shall constitute prima facie evidence of such facts.

(j) In the case of a tie vote on any of the Administration's determinations, orders or other actions subject to arbitration, then arbitration shall be a condition precedent to any right of legal action. Either side of a tie vote may, upon request, submit the question to arbitration. If there shall be arbitration, there shall be three arbitrators: one named in writing by each side, and the third chosen by the two arbitrators so elected. If the arbitrators fail to select a third within ten days, then he shall be chosen by the Representative of the United States.

(k) The salaries, if any, and the personal expenses of each member of the Administration, shall be paid by the Government which he represents. All other expenses incident to the administration of this Compact and which are not paid by the United States shall be borne equally by the States. Ninety days prior to the Regular Session of the Legislature of either State, the Administration shall adopt and transmit to the Governor of such State for his approval, its budget covering anticipated expenses for the forthcoming biennium and the amount thereof payable by such State. Upon approval by its Governor, each State shall appropriate and pay the amount due by it to the Administration. The Administration shall keep accurate accounts of all receipts and disbursements and shall include a statement thereof, together with a certificate of audit by a certified public accountant, in its annual report. Each State shall have the right to make an examination and audit of the accounts of the Administration at any time.

(l) The Administration shall, whenever requested, provide access to its records by the Governor of either State or by the chief official of either State charged therein with the administration of water rights. The Administration shall annually on or before January 15th of each year make and transmit to the Governors of the signatory States, and to the President of the United States, a report of the Administration's activities and deliberations for the preceding year.

ARTICLE VIII

(a) This Compact shall become effective when ratified by the Legislature and approved by the Governors of both States and when approved by the Congress of the United States.

(b) The provisions of this Compact shall remain in full force and effect until modified, altered or amended, or in the same manner as hereinabove required for ratification thereof. The right so to modify, alter or amend this Compact is expressly reserved. This Compact may be terminated at any time by mutual consent of the signatory States. In the event this Compact is terminated as herein provided, all rights then vested hereunder shall continue unimpaired.

(c) Should a court of competent jurisdiction hold any part of this Compact to be contrary to the constitution of any signatory State or of the United States of America, all other severable provisions of this Compact shall continue in full force and effect.

ARTICLE IX

This Compact is made and entered into for the sole purpose of effecting an equitable apportionment and providing beneficial uses of the waters of the Sabine River, its tributaries and its watershed, without regard to the boundary between Louisiana and Texas, and nothing herein contained shall be construed as an admission on the part of either State or any agency, commission, department or subdivision thereof, respecting the location of said boundary; and neither this Compact nor any data compiled for the preparation or administration thereof shall be offered, admitted or considered in evidence, in any dispute, controversy, or litigation bearing upon the matter of the location of said boundary.

The term "Stateline" as defined in this Compact shall not be construed to define the actual boundary between the State of Texas and the State of Louisiana.

ARTICLE X

Nothing in this Compact shall be construed as affecting, in any manner, any present or future rights or powers of the United States, its agencies, or instrumentalities in, to and over the waters of the Sabine River Basin.

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IN WITNESS WHEREOF, the Representatives have executed this Compact in three counterparts hereof, each of which shall be and constitute an original, one of which shall be forwarded to the Administrator, General Services Administration of the United States of America and one of which shall be forwarded to the Governor of each State.

DONE in the City of Logansport, in the State of Louisiana, this 26th day of January, 1953.

(SIGNED—Henry L. Woodworth)

HENRY L. WOODWORTH, Representative for the State of Texas

(SIGNED—John W. Simmons)

JOHN W. SIMMONS, Representative for the State of Texas

(SIGNED—Roy T. Sessums)

ROY T. SESSUMS, Representative for the State of Louisiana

APPROVED:

(SIGNED—Louis W. Prentiss)

LOUIS W. PRENTISS, Representative of the United States.

Texas members of commission

Sec. 2. The Governor shall, with the advice and consent of the Senate, appoint two (2) Commissioners, who shall represent the State of Texas on the Commission provided for by Article VII of the Sabine River Compact, and who shall have the powers and discharge the duties prescribed by the terms of said Compact. Each Commissioner shall serve for a term of two (2) years from and after the date of his appointment and until his successor, who shall serve for a like term, is appointed and qualified; provided, however, that one (1) of the original Texas members shall be appointed for a term to establish a half-term interval between the expiration dates of the terms of such members, and thereafter one (1) such member shall be appointed annually for the regular term. Such Commissioners, so appointed, shall take oath of office as prescribed by the Constitution and, in addition thereto, they shall take oath to perform faithfully the duties incumbent upon them as such Commissioners. The Commissioners shall receive as fees of office the sum of Fifteen (\$15.00) Dollars for each day of service necessary to discharge their duties under said Compact, plus actual expenses in the discharge of their duties under said Compact. The Commissioners shall have authority to meet and confer with the Louisiana members of the Commission at such points within the States of Texas and Louisiana, and elsewhere, as the Commission may see fit. They may make such investigations and appoint such engineering, legal and clerical aid as may be necessary to protect the interest of the State of Texas and to carry out and enforce the terms

of said Compact. They may incur necessary office expenses and other expenses incident to the proper performance of their duties and the proper administration of the provisions of the Sabine River Compact.

State Board of Water Engineers; duties

Sec. 3. The State Board of Water Engineers shall furnish the Commissioners appointed hereunder such factual data and information as it may have available and cooperate with the Commissioners in the performance of their duties.

Compact not binding until ratification and approval

Sec. 4. The provisions of the Sabine River Compact shall not become binding and obligatory until they shall have been duly ratified and approved by the Legislature of the State of Louisiana and by the Congress of the United States of America.

Notification as to ratification; certified copies of act

Sec. 5. It shall be the duty of the Governor of Texas to notify the Governor of Louisiana and the President of the United States of the ratification by the State of Texas of the Sabine River Compact; on request of the Governor, the Secretary of State shall furnish to the Governor of Louisiana and to the President of the United States a certified copy of this Act. Acts 1953, 53rd Leg., p. 89, ch. 63.

Historical Note

Complementary Laws:

La.—R.S. 38:2321 relating to Sabine River Authority.

Title of Act:

An Act approving and adopting the Sabine River Compact; authorizing the Governor to appoint two Commissioners to administer the provisions of the Compact;

providing for the fees and necessary expenses of the Commissioners; providing cooperation by the State Board of Water Engineers; providing this Compact not binding until ratified by Louisiana and the Congress; providing for certain notification by the Governor; and declaring an emergency. Acts 1953, 53rd Leg., p. 89, ch. 63.

2. BOARD OF WATER ENGINEERS

Art. 7467. Property of the State

The waters of the ordinary flow and underflow and tides of every flowing river or natural stream, of all lakes, bays or arms of the Gulf of Mexico, and the storm, flood or rain waters of every river or natural stream, canyon, ravine, depression or watershed, within the State of Texas, are hereby declared to be the property of the State, and the right to the use thereof may be acquired by appropriation in the manner and for the uses and purposes hereinafter provided, and may be taken or diverted from its natural channel for any of the purposes expressed in this chapter. When an application is made for appropriation of such water for mining purposes, the owner of the land through

*as per letter
7/16/56
Signed
Contract attached*

July 16, 1956

WHEREAS heretofore on January 31, 1956, at an election duly held by the City of Dallas, the qualified voters authorized the City of Dallas to enter into a contract with the Sabine River Authority of Texas for the purpose of financing, erecting, building, maintaining and operating a water reservoir as a source of water supply for the City of Dallas, the dam to be located at the Iron Bridge Site, partly in Hunt, Rains and Van Zandt Counties, and the reservoir to be known as the Iron Bridge Reservoir, said reservoir to cost approximately \$20,000,000.00, and

WHEREAS a contract mutually agreeable to both parties has been prepared and submitted to the City Council for their consideration, and

WHEREAS the Sabine River Authority of Texas has selected Forrest & Cotton, a firm of engineers, to prepare the plans, specifications and design of the dam and structure and perform the engineering services in connection with the Project, and the contract for same has been submitted to the City Council for consideration, and

WHEREAS the Sabine River Authority of Texas has selected Byron R. Tinsley as attorney to perform the legal work and to serve as general counsel for the Authority insofar as this Project is concerned, and said contract has been submitted to the City Council for consideration, and

WHEREAS the three above-mentioned contracts have been approved and executed by the Sabine River Authority of Texas and submitted to the City Council of the City of Dallas for consideration, and

WHEREAS the City Council is of the opinion that the general contract, the engineering contract and the contract for legal services should be approved,
NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the attached contract between the City of Dallas and the Sabine River Authority of Texas with reference to the financing, building, erecting, constructing, maintaining and operating of the Iron Bridge Reservoir, said reservoir to cost approximately \$20,000,000.00 and from which the City of Dallas will be entitled to perpetually receive 80 per cent of the water yielded for use by the City of Dallas, be and is hereby approved and the City Manager, Elgin E. Crull, is hereby authorized to execute the 8 attached copies on behalf of the City of Dallas, and the City Secretary, Harold G. Shank, to attest the same under the seal of the City of Dallas.

SECTION 2. That the attached contract between the Sabine River Authority of Texas and Forrest and Cotton, dated May 6, 1956, whereby the Engineers undertake to do the engineering necessary in connection with the preparation of plans, specifications, and other duties insofar as the above-mentioned Project is concerned, be and is hereby confirmed and ratified and the City Manager, Elgin E. Crull is hereby authorized to execute the 3 attached copies on behalf of the City of Dallas, and the City Secretary, Harold G. Shank, to attest the same under the seal of the City of Dallas.

SECTION 3. That the attached contract between the Sabine River Authority of Texas and Byron R. Tinsley, whereby said Byron R. Tinsley will perform the legal work in connection with the above Project, said contract being dated July 14, 1956, effective August 1, 1956, be and is hereby authorized to execute the 3 attached copies on behalf of the City of Dallas, and the City Secretary, Harold G. Shank, to attest the same under the seal of the City of Dallas.

SECTION 4. That this resolution shall take effect from and after its passage as in the Charter in such cases is made and provided.

APPROVED BY
CITY COUNCIL

JUL 16 1956

Harold G. Shank
City Secretary