

MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
THE FRANKLIN COUNTY WATER DISTRICT
HELD MARCH 4, 1966

THE STATE OF TEXAS

COUNTY OF FRANKLIN

ON THIS, the 4th day of March, 1966, the Board of Directors of the FRANKLIN COUNTY WATER DISTRICT convened in a called session at the regular meeting place thereof, the Courthouse at Mount Vernon, Texas, with the following members present, to wit:

W. C. NEWSOME	PRESIDENT
LANDON RAMSAY	VICE PRESIDENT
HORRIS MORRIS	SECRETARY
A. J. LAWS	DIRECTOR

and D. O. ALDRIDGE, Director, being absent:

The President of the Board, Mr. W. C. Newsome, called the meeting to order, declared a quorum present, and that the meeting was duly convened and ready to transact business.

Thereupon, the President submitted to the Board for its consideration the following resolution:

RESOLUTION TO NEGOTIATE CONTRACT WITH
THE MOUNT VERNON INDEPENDENT SCHOOL DISTRICT
PURSUANT TO ARTICLE 1066-b V.A.T.C.S.

WHEREAS, the Board of Directors of the Franklin County Water District finds that it is to the best interest of the District to enter into a contract with the Mount Vernon Independent School District pursuant to Article 1066-b V.A.T.C.S. to assess and collect taxes for the Franklin County Water District and to act as the Board of Equalization for the said District;

THEREFORE, BE IT RESOLVED by the Board of Directors of the Franklin County Water District that the Franklin County Water District negotiate and execute a contract with the Mount Vernon Independent School District, pursuant to Article 1066-b V.A.T.C.S. TO ASSESS AND COLLECT TAXES for the Franklin County Water District and to act as the Board of Equalization for the

said District, such contract to include the following terms, but such terms are not deemed exclusive:

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1. Joint tax notices shall be sent where taxable property is located within both the school and water districts; single notices shall be sent where taxable property is outside the Mount Vernon Independent School district, but within the Franklin County Water District.

2. Joint appraisal shall be made where property to be assessed is included within both the school and water districts; single appraisal shall be made where taxable property is outside the Mount Vernon Independent School District, but within the Franklin County Water District.

3. Payment to the Mount Vernon Independent School District for these services shall be the additional costs to the Mount Vernon Independent School District for such equalization and collection of taxes for the Franklin County Water District, with the provision that the first year's fee to the Mount Vernon Independent School District shall not exceed 10% of the total taxes collected for the credit of Franklin County Water District. Fees for the collecting and assessment of subsequent years' taxes shall be subject to re-negotiation.

4. The term of the contract shall be five (5) years.

Mr. Newsome having read the resolution in full, Landon Ramsay moved the passage of said resolution, which motion was duly seconded by Horris Morris. Upon the question being called, the said resolution was passed and adopted by the following vote:

AYES: Messrs. Newsome, Ramsay, Morris and Laws.

NOES: None.

A. J. Laws made a motion to appoint Carl Newsome, Landon Ramsay and Horris Morris as a committee to meet with the Mount Vernon Independent School District to negotiate and execute a contract on the basis of the foregoing resolution. Landon Ramsay seconded the motion, and upon the question being called, it carried unanimously.

Landon Ramsay made a motion to allow the District's engineer, Walter Hicks, to talk to three firms and to engage one of them to make an aerial survey of the lake site, the cost of which will be approximately \$2,000. The motion was

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duly seconded by A. J. Laws, and upon the question being called, it carried unanimously.

Mr. Newsome presented to the Board the following application which he executed and which is to be submitted to the Texas Water Development Board pursuant to a resolution passed February 8, 1966:

APPLICATION FOR STATE PARTICIPATION

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

TO THE HONORABLE TEXAS WATER DEVELOPMENT BOARD:

Franklin County Water District presents herewith its application requesting the Honorable Texas Water Development Board, on behalf of the State of Texas and as its agent, to purchase from the District for the sum of not to exceed \$1,700,000 a right to use an undivided one-half interest in the conservation storage space to be afforded by District Construction of a dam and reservoir on Big Cypress Creek in Franklin County, Texas, and in such regard respectfully represents as follows:

1. Applicant Franklin County Water District is a conservation and reclamation district organized under the provisions of Section 59, Article XVI of the Texas Constitution, and created and operating under the statutory authority contained in Article 8280-341, V.A.T.C.S.

2. Mr. W. C. Newsome, President of the Board of Directors of Applicant District, whose address is Route 2, Mount Vernon, Texas, is the District's representative officially designated for the filing of this application and to supply information and receive correspondence pertaining thereto.

3. The names and titles of all District officials are as follows:

W. C. NEWSOME	PRESIDENT
LANDON RAMSAY	VICE PRESIDENT
HORRIS MORRIS	SECRETARY
A. J. LAWS	DIRECTOR
D. O. ALDRIDGE	DIRECTOR

4. The District's project engineer is WISENBAKER FIX & ASSOCIATES, whose address is 226 Martha Street, Euless, Texas, 76039.

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5. The District's bond counsel is DUMAS, HUGUENIN AND

BOOTHMAN, whose address is 1212 Kirby Building, Dallas, Texas, 75201.

6. Attached hereto as Supplement No. 1 is additional engineering information which, when combined with that appearing in "Preliminary Report On construction Of A Lake On Big Cypress Creek", previously filed with this Board, should afford it all engineering information pertinent to the Board's consideration of this application and its determination of Applicant's qualifications for the State financial assistance herein applied for.

7. Under the aforementioned legislation creating Applicant District, no election for its confirmation is required. An election authorizing the issuance of bonds for the project was held and carried on the 7th day of September, 1965, with the result that the District thereby became authorized to issue and sell \$1,700,000 of ad valorem tax-supported bonds of said District, of which \$100,000 have heretofore been issued and sold. The aforementioned election for the authorization of \$1,700,00 ad valorem tax-supported bonds constitutes all steps heretofore taken by the District for the purpose of financing the above project. It having been determined upon competent financial advice that the aforementioned amount of bonds is all the obligations which could reasonable be marketed in view of the tax burden thereby imposed upon the area of the District, it was made apparent that the balance of the construction funds would need be derived from other sources. It is estimated that the State may recover its investment in the project within a period of fifty years through the sale of water impounded in the space which it will have the right to use or from the sale or lease of said space to others for water conservation purposes.

8. Attached hereto as Supplement No. 2 is a report of the District's financial consultant, Postel Securities Company of Austin, Texas, presenting reasons (a) why it is reasonable to expect the State to recover its investment and (b) further reasons why the cost of the storage facilities which Applicant desires the Board to acquire exceeds the current financing abilities of the District and therefore such facilities cannot be financed without State participation.

9. Applicant has on file with the Texas Water Rights Commission its application for permit to appropriate public water by means of the facilities hereinabove referred to, being Application No. 2423, now set for public hearing before said Texas Water Rights Commission April 14, 1966.

10. Applicant stands ready to negotiate for and enter into a Master Agreement containing the points prescribed by Rule 210.8(a) of this Board's Rules and Regulations.

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11. Applicant has determined to sell the bonds which have been voted as

aforementioned in commercial channels to provide that part of the financing required over and above State participation and will therefore not apply for Board purchase of any of its bond obligations.

12. A certified copy of the District Board's resolution authorizing the filing of this application is on file with the Texas Water Development Board in connection with the notice of intention to request State participation heretofore given.

As authorized by resolution of the Board of Directors of the Franklin County Water District passed February 6, 1966, I have hereunto set my and officially this the 2 day of March, 1966.

FRANKLIN COUNTY WATER DISTRICT
By W. C. Newsome
President

THE STATE OF TEXAS

COUNTY OF FRANKLIN

BEFORE ME, the undersigned authority, on this date personally appeared W. C. NEWSOME, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same, declaring that the statements and representations therein contained are true and correct to the best of his knowledge and belief.

SUBSCRIBED AND SWORN TO before me, this the 2 day of March, 1966.

Judy Birdsong
Notary Public in and for
Franklin County, Texas

SUPPLEMENT NO. 1

The reservoir will impound 66,800 acre feet of conservation storage, 27,000 acre feet of flood storage and 6,000 acre feet of sediment storage. The only known use for the water at this time is the City of Mount Vernon, which would require 1,000 acre feet per year for municipal use and which would be a trans-basin diversion.

The project will serve as a water supply reservoir. Recreation will be a side benefit of the project. It is proposed that the Water District share equally in the cost of the reservoir with the Texas Water Development Board.

We estimate the cost of operation and maintenance of the reservoir will be \$15,000.00 per year.

Water analysis is attached.

Project will follow the Development Board plan for reservoirs in the Cypress Creek Basin for the year 2020.

SOUTHWESTERN LABORATORIES
Fort Worth Dallas Houston Midland Beaumont Texarkana

Consulting, Analytical Chemists
and Testing Engineers

Fort Worth, Texas 1/12/66 File No. C-458-W

Report on tests on Water

To Wisenbaker, Fix & Assoc. Date Rec'd. 1/10/66

	<u>Milligrams</u> <u>Per Liter</u>	<u>Grams Per</u> <u>Gallon</u>
Silica-----	17.2	1.00
Iron & Aluminum Oxides -----	0.4	0.002
Ions of :		
Calcium-----	14.1	0.82
Magnesium-----	5.9	0.34
Sodium (calc)-----	3.0	0.18
Bicarbonate-----	14.6	0.85
Sulfate -----	22.3	1.30
Chloride-----	21.8	1.27
Total -----	99.3	5.78
Hypothetically Combined as:		
Calcium Bicarbonate -----	19.4	1.13
Calcium Sulfate -----	31.6	1.85
Magnesium Chloride -----	23.1	1.35
Sodium Chloride -----	7.6	0.44

PH ---- (23 degrees C) -----6.65

SOUTHWESTERN LABORATORIES

Lab. No. 16475

STATEMENT TO SUPPORT THE POSITION THAT IT IS REASONABLE TO EXPECT THE STATE TO RECOVER ITS INVESTMENT IN THE FRANKLIN COUNTY RESERVOIR

The sale of water over the next 50 years will provide for the recovery of the State's investment. While inter-basin

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demand may be met from this reservoir, trans-basin diversion will provide most of the income.

The water available in the Cypress Basin exceeds the anticipated 50 year demand within the basin, so full development can be economically achieved only by selling water outside the basin. The market for this water lies principally westward in areas of lesser rainfall. Any proposal by the State for the orderly development of the Cypress Basin and the trans-basin diversion of Cypress Creek water will be well served by the development of the Franklin County reservoir by reason of its most western position and greater elevation. Because of these facts the water in this reservoir will be the most valuable water in the basin, and from its sale will be realized the greatest net income from which to retire the State's investment.

February 26, 1966

STATEMENT TO SUPPORT THE POSITION THAT THE DEVELOPMENT OF FRANKLIN COUNTY RESERVOIR NO. 1 CANNOT BE REASONABLY FINANCED BY LOCAL INTERESTS

The development of Franklin County Reservoir No. 1 cannot be reasonably financed by local interest without State participation. Based on the present Assessed Valuation of \$14,966,930.00 the \$1,700,000 tax bonds authorized will require a tax rate of 65 cents for bonds maturing over a period of 35 years. Considering the slim margin by which the bond election carried, local officials do not believe that any further authorization is possible.

February 26, 1966

There being no further business, the Board adjourned at 4:00 p. m.

MINUTES APPROVES, this the 21 day of March, 1966.

W. C. Newsome
President, Board of Directors
Franklin County Water District

Landon Ramsay
Vice President

Horris Morris
Secretary

A. J. Laws, Director