

President Chance next asked Mr. McCall to report on the status of negotiations with power companies relative to a contract for the power and energy to be generated at the Three New Dams.

Mr. McCall advised that representatives of the power companies and the District had held two meetings in January and made several minor changes in the form of the contract last presented to the Board. He stated that such representatives have not reached an agreement which would be satisfactory to the District on the so-called "competition" clause and Section 7.01 of the proposed contract relative to a re-determination of the power capacities of the projects in event of a water year more adverse than those of record since the year 1924 through 1951. He also told of a new section being added which would provide for refunding of District's outstanding bonds after a period of twenty years in event the Reserve Fund should become indebted above \$500,000.00 to companies from any cause, including the event of the Government's taking over the operation of Possum Kingdom Dam after the expiration of the Federal Power Commission license in 1988. Proposed ways and means intended to prevent or reduce loss because of these contingencies were also explained to the Board.

MOTION BY MR. CALDWELL, SECONDED BY MR. STEWART, THAT: THE BOARD THANK REPRESENTATIVES OF DISTRICT WHO HAVE BEEN WORKING ON THIS CONTRACT AND INSTRUCT THEM TO CONTINUE WITH THEIR NEGOTIATIONS.

Motion carried.

By request of President Chance, Mr. McCall explained the principal elements of new legislation prepared for submission to the present session of the Legislature. Mr. McCall stated that this legislation is intended to permit the District to: (1) Change its name to Brazos River Authority; (2) To make present laws applicable to Brazos River Conservation and Reclamation District applicable to the Brazos River Authority; (3) Permit the District to purchase transmission lines

and related facilities from a customer to which it sells power and through a lease-repurchase agreement to realize substantial profits from such facilities;

(4) To clarify present laws regarding District's right to construct multi-purpose reservoirs for irrigation and municipal supplies, as well as flood control, and through the issuance of revenue bonds, cooperate in furnishing municipal supplies to cities where an acute shortage of water exists; and to accomplish other beneficial objectives.

Mr. Chance told the Board that the Executive and New Dams Committees had considered the proposed legislation and recommended favorable consideration by the Board.

MOTION BY MR. WARD, SECONDED BY MR. CALDWELL, THAT: THE BOARD ACCEPT THE RECOMMENDATION OF THE EXECUTIVE COMMITTEE AND APPROVE THE PROPOSED LEGISLATION AS PRESENTED WITH SUCH NECESSARY AMENDMENTS AS MAY BE APPROVED LATER BY DISTRICT'S COUNSEL AND EXECUTIVE COMMITTEE. Motion carried.

Mr. Whatley told the Board that the Lake Supervision Committee had received an application from the operators of commercial camps in the Possum Kingdom Park area on the east side of the lake, who have been renting the Lakeview Camp and the north and south D and D Camps from the State Parks Board, to have their present leases renewed for a period of ten years at the rate of \$3000.00 per annum.

MOTION BY MR. CALDWELL, SECONDED BY MR. HUMPHREY, THAT: THE APPLICATION FOR THE LEASE OF LAKEVIEW AND THE D AND D CAMPS IN THE POSSUM KINGDOM PARK AREA BE REFERRED TO THE LAKE SUPERVISION COMMITTEE FOR THE PURPOSE OF NEGOTIATING A SATISFACTORY LEASE AGREEMENT AND UPON APPROVAL OF SUCH AGREEMENT BY THE LAKE SUPERVISION COMMITTEE THAT THE PRESIDENT AND SECRETARY BE AUTHORIZED AND DIRECTED TO EXECUTE SAID LEASE ON BEHALF OF BRAZOS DISTRICT.

Motion carried.
