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*Interstate Commission on the Delaware River Basin*

Draft of Alternative Proposed Compact  
Creating Delaware River Basin Water Commission As  
Formulated By Incodel Legal Committee February 1, 1951.

An Act providing for joint action by the States of Delaware, New Jersey, and New York and the Commonwealth of Pennsylvania in developing, utilizing, controlling, and conserving the water resources of the Delaware River Basin in order to assure an adequate water supply; authorizing the Governor, for these purposes, to enter into a compact with the (names of States) and to apply on behalf of the (name of State) to the Congress of the United States for its consent thereto; creating the Delaware River Basin Water Commission and specifying the powers and duties thereof, including the power to finance projects by the issuance of bonds; providing for the appointment of the (name of State) members of the said Commission; approving an integrated water project; requiring the Commission to prepare and report plans and specifications for specific projects; requiring certain prior approvals by the legislatures of the compacting States; and making an appropriation therefor.

( appropriate enacting clause )

Section 1. The Delaware River Basin Water Commission Compact Approved. — The Governor is hereby authorized to enter into a compact on behalf of the (name of State) with the (names of States) in substantially the following form, that is to say:



C O M P A C T  
BETWEEN THE STATES OF DELAWARE, NEW JERSEY AND NEW YORK  
AND THE COMMONWEALTH OF PENNSYLVANIA CREATING THE  
DELAWARE RIVER BASIN WATER COMMISSION AND  
DEFINING ITS POWERS AND DUTIES

WHEREAS, the peoples of the States of Delaware, New Jersey, and New York and the Commonwealth of Pennsylvania have a common interest in the waters of the Delaware River Basin; and

WHEREAS, it is desirable that the water and water resources of the Delaware River and its tributaries be developed, utilized, controlled, and conserved for the benefit of all the people; and

WHEREAS, the United States Supreme Court, in its decision in the Delaware River Case (283 U.S. 336), established the principle of equitable apportionment of the waters of the upper Delaware River Basin; and

WHEREAS, political subdivisions and metropolitan areas in the States of New Jersey and New York and the Commonwealth of Pennsylvania have been confronted constantly with the problem of meeting existing and prospective requirements of the people within their respective areas for obtaining and maintaining an adequate and satisfactory supply of water, both for domestic and industrial purposes; and

WHEREAS, it is essential that there be maintained an adequate minimum flow in the Delaware River for the protection of public health, for the benefit of industry and of fisheries, such as oysters, clams and other shellfish, for animal and aquatic life, for recreation, for general sanitary conditions, for the dilution and abatement of pollution, and for the prevention of undue salinity; and



WHEREAS, for the purpose of promoting interstate cooperation in various fields of governmental operations, including the utilization, control and conservation of water resources of interstate river systems, the States of Delaware, New Jersey, and New York and the Commonwealth of Pennsylvania each has created and now maintains a Commission (or Committee) on Interstate Cooperation, which Commissions have jointly organized and established and are now maintaining, in cooperation with each of the others, a joint advisory board known as "The Interstate Commission on the Delaware River Basin" for the purpose, among other activities, of formulating and recommending integrated programs for the development, utilization, control and conservation of the water resources of the Delaware River Basin; and

WHEREAS, upon the recommendation of the said Interstate Commission on the Delaware River Basin, submitted through the Commission on Interstate Cooperation of each of the States concerned, the legislatures of the States of New Jersey and New York and the Commonwealth of Pennsylvania, by reciprocal legislation, enacted laws at their 1949 Sessions (New Jersey Laws of 1949, Chap. 105; New York Laws of 1949, Chap. 610; Pennsylvania Laws of 1949, Act 475), authorizing and directing the said Interstate Commission on the Delaware River Basin to make surveys and investigations to determine and report on the feasibility and advisability of the future construction of an integrated water project designed, among other purposes, to meet the combined prospective water supply requirements of political subdivisions and metropolitan areas in the said States, both within and outside the said Basin, empowering such Commission to enter upon lands, structures, and waters for the purposes of such surveys and investigations, making an appropriation to such Commission, and requiring a full report



of its proceedings, findings, conclusions, recommendations, and such draft or drafts of legislation as it may deem necessary or proper for enactment by such States; and

WHEREAS, based upon a full report submitted by the Interstate Commission on the Delaware River Basin setting forth the findings, conclusions, and recommendations resulting from its surveys and investigations, it is the opinion of that Commission, concurred in by each of the aforesaid Commissions on Interstate Cooperation, that the future construction of integrated water projects in the Delaware River Basin is feasible, advisable, and urgently needed, and can best be accomplished by and through a joint administrative agency created by an agreement or compact between the States of Delaware, New Jersey, and New York and the Commonwealth of Pennsylvania; and

WHEREAS, the Congress of the United States, by its joint Resolution of March 1, 1911 (36 Stat. 961), relating to the conservation of forests and water supply and protection of forests from fire, gave general consent to encourage the making of agreements or compacts between States for the purpose of conserving the forests and the water supply;

NOW, THEREFORE, the Commonwealth of Pennsylvania and the States of New Jersey and New York (and the State of Delaware if and when Delaware becomes a signatory State) do hereby solemnly covenant and agree each with the other as follows:

#### ARTICLE I

##### Creation and Purposes of the Commission

1. There is created hereby a body corporate and politic with perpetual succession, to be known as The Delaware River Basin Water Commission (hereinafter in this compact referred to as the Commission), which shall constitute a public corporate instrumentality of the Commonwealth



of Pennsylvania and of the States of New Jersey and New York, (and of the State of Delaware if and when Delaware becomes a signatory State), and of each of them, to exercise an essential governmental function of each of the signatory States, for the purposes of developing, utilizing, controlling, and conserving the water resources of the Delaware River Basin in order to assure an adequate water supply:

(a) to meet the domestic and industrial requirements of political subdivisions and metropolitan areas within those States;

(b) to provide an adequate minimum flow in the Delaware River for the protection of public health, for the benefit of industry and of fisheries, such as oysters, clams, and other shellfish, for animal and aquatic life, for recreation, for general sanitary conditions, for the dilution and abatement of pollution, and for the prevention of undue salinity; and

(c) to provide for such other uses of water as navigation, flood control, production of hydroelectric power, and related uses.

2. In order to effectuate the foregoing purposes, the Commission shall determine the exact locations and character of, formulate plans for, and determine all matters in connection with, the construction, operation and maintenance of dams, reservoirs, and appurtenant structures within the Delaware Basin for the storage and effective regulation of the water resources thereof, and treatment plants, aqueducts, conduits, or other facilities, and shall finance, construct, operate, and maintain such structures and facilities as are deemed necessary to the following project, or a reasonable modification thereof, that is to say: (a) a dam across the West Branch of the Delaware River near Cannonsville, New York; (b) a dam across the Delaware River near Barryville, New York; (c) a dam across the Neversink River near Godeffroy, New York; (d) a dam across



the Delaware River near Wallpack Bend; (e) a dam across the East Branch of the Delaware River near Fisher's Eddy; (f) a dam across Flat Brook near Flatbrookville, New Jersey; (g) an aqueduct connecting the reservoir created by the dam across the Delaware River near Barryville, New York, with the reservoir on the Neversink River created by a dam near Godeffroy, New York; (h) an aqueduct, with equalizing reservoir en route, to convey a supply of water from the reservoir on the Neversink River created by the dam near Godeffroy, New York, to municipalities in northern New Jersey and to New York City; and (i) such reservoirs, tunnels, conduits, and other facilities required to furnish water supply to Philadelphia and adjacent areas.

## ARTICLE II

### Commissioners

1. The Commission shall consist of three members from each signatory State, who shall be citizens and residents thereof and shall be appointed by the Governor of that State, by and with the consent of its Senate, unless its Constitution otherwise provides.

2. The term of each such commissioner shall be for five years, provided, however, that the terms of the three commissioners first appointed by each State shall be as follows, to wit: one for three years, one for four years, and one for five years. All commissioners shall continue to hold office after the expiration of the terms for which they shall have been appointed until their respective successors shall have been appointed and qualified, but no period during which any commissioner shall hold over shall be deemed to be an extension of his term of office for the purpose of computing the date on which his successor's term expires.



3. Any commissioner may be removed or suspended from office as provided by the Constitution or applicable law of the State which he represents. In the event of a vacancy in the office of any commissioner, from any reason or cause, such vacancy shall be filled by appointment by the Governor of the State concerned, subject to confirmation as above provided, for the unexpired term.

4. The commissioners shall serve without compensation but shall be paid their actual and necessary expenses incurred in and incident to the performance of their duties, provided, however, that the elected officers of the Commission shall receive such compensation as may be fixed by the Commission.

5. The Federal Government may be represented on the Commission by three advisory members who shall serve without compensation from the Commission. The Constitution and other laws of the United States shall apply to the appointment or removal of such advisory members and the term of terms during which they shall serve.

### ARTICLE III

#### Officers, Employees, Management and Procedure

1. The commissioners shall have charge of the Commission's property and affairs. The Commission shall adopt an official seal and suitable by-laws and shall promulgate rules and regulations for its management and control.

2. A majority of the commissioners from the signatory States shall constitute a quorum for the transaction of business at any meeting of the Commission. No action shall be taken by the Commission except by a favorable vote of a majority of the commissioners present at such meeting; provided, however, that no action of the Commission imposing any obligation, including any allocation of water for water supply, or



for the maintenance of an adequate minimum flow as hereinafter provided, on any signatory State or on any political subdivision therein shall be binding unless a majority of the commissioners from such signatory State shall have voted in favor thereof.

3. The Commission shall elect annually a chairman and a vice-chairman. The Commission shall appoint a secretary and a treasurer, who may be but need not be members of the Commission. The secretary shall be custodian of the records of the Commission with authority to affix the Commission's official seal and to attest to and certify such records or copies thereof. Disbursements by the Commission shall be valid only when authorized by the Commission.

4. The Commission shall appoint and at its pleasure remove or discharge counsel, an executive director, engineers, and such other agents and employees as it may require for the performance of the powers and functions of the Commission. The Commission shall determine and fix the duties and compensation of its appointed officers and employees, and shall fix the compensation, if any, of its elected officers.

5. The Commission may establish and maintain one or more offices within the area of the signatory States for the transaction of its business and may meet at any time or place, but must meet at least once each year.

6. The Commission shall keep accurate accounts of all receipts and disbursements. The accounts of the Commission shall be open at any reasonable time for inspection and audit by such representative or representatives of the respective signatory States as may be duly constituted for that purpose, and for inspection by others who may be authorized by the Commission. The Commission shall have its accounts audited annually by an independent certified accountant or accountants.



7. The fiscal year of the Commission shall be July 1 to June 30, inclusive.

8. The Commission shall make an annual report to the Governor and the legislature of each signatory State setting forth in detail the operations and transactions conducted by it pursuant to this compact, and shall make recommendations for any legislative action deemed by it to be advisable, including amendments to the statutes of the signatory States which may be deemed necessary to carry out the intent and purpose of this compact.

9. No member, agent or employee of the Commission shall have a personal interest, either directly or indirectly, in any contract entered into by the Commission, including the sale to the Commission of any real or personal property. A violation of this provision shall constitute a misdemeanor and, upon trial and conviction, shall be punishable in accordance with the laws of the signatory State of which the offender is a citizen, or, in the absence of any law providing a penalty for such a misdemeanor, by fine or imprisonment or both in the discretion of the Court.

10. No member, agent or employee of the Commission, while acting within the scope of his authority, shall be personally liable for any acts performed in the execution of the powers expressly authorized by this compact.

#### ARTICLE IV

##### General Powers

1. For the effectuation of its authorized purposes, the Commission is hereby granted and shall have the following powers in addition to such powers as may be provided for elsewhere in this compact, to wit:

(a) To sue in its own name in Federal and State courts.

(b) To acquire, own, hire, use, operate, and dispose of personal property.

(c) To acquire, own, use, and operate real property and interests therein, to make improvements thereon, and to convey, lease or otherwise dispose of any such property no longer necessary for the authorized purposes of the Commission.

(d) To grant, by lease or otherwise, the use of any property or facility owned or controlled by the Commission, and to make charges therefor.

(e) To exercise the right of eminent domain, as provided in Article V of this compact.

(f) To borrow money, make and issue from time to time negotiable bonds and notes, to fund and refund the same, and to provide for the rights of the holders of its bonds and notes, as provided in Article XIII of this compact.

(g) To establish, levy, and collect, without being subject to the supervision or regulation of any commission, board, bureau or agency of any of the signatory States or political subdivisions thereof, such rentals, fees or other charges for use of the facilities of or for the services rendered by the Commission, and to revise such rentals, fees, or other charges as may be necessary to assure revenues at least adequate to defray the expenses of operation and maintenance of the said facilities, to pay the interest on and principal of any bonds or other obligations of the Commission, and to establish any reasonable reserves therefor.

(h) To accept such payments, appropriations, grants, gifts, loans, and other funds, properties, and services as may be made available to it by the Federal government or any of its agencies, by the governments



and political subdivisions of the signatory States, or by private agencies, corporations, or individuals.

(i) To conduct surveys of dam, reservoir, treatment plant, aqueduct, or conduit locations and study subsurface conditions affecting the selection of such locations. Members of the Commission and its duly accredited agents, engineers, contractors, and employees may enter upon any lands, structures, and waters within any of the signatory States for such purposes or whenever it is deemed necessary for any of the purposes authorized by this compact, and such entry shall not be deemed a trespass or an entry under any condemnation proceedings which may be then pending. In the exercise of this power, the Commission shall save harmless the signatory States from, and be responsible to any property owner for, any damage caused by surveys or by entry on lands or any other damage resulting therefrom, and the Commission shall require every contractor or other agency performing work for said Commission to provide security for the faithful performance of any contract with the Commission and to save harmless the Commission and the signatory States from damages caused as aforesaid.

(j) To determine the exact locations and character of, to formulate plans for, and to determine all matters in connection with, the construction, operation, and maintenance of the dams, reservoirs, and appurtenant structures within the Delaware River Basin for the storage and effective regulation of the water resources thereof, and treatment plants, aqueducts, conduits, and other facilities deemed necessary or convenient to effectuate the structures and facilities described in paragraph 2 of Article I of this compact, and to finance, construct, operate and maintain such structures and facilities.

(k) To prepare, upon the request of two or more signatory States, or upon its own initiative, in appropriate form for submission



to the legislatures of the signatory States, a report covering plans for, and the method of financing of, any new project, or any expansion of the project authorized and described in paragraph 2 or Article I of this compact; and, upon approval of such report by the legislatures of the signatory States and upon approval by the appropriate agency or agencies of the State or States of the detailed plans and specifications, all in accordance with the provisions of Article XI of this compact, to finance, construct, operate and maintain such new or expanded project.

(l) To determine and to allocate, subject to the provisions of paragraph 2 of Article III, to each of the signatory States an equitable apportionment of available water supply in order to meet domestic and industrial requirements of political subdivisions and metropolitan areas therein.

(m) To release, subject to the provisions of Article IX, the quantity of water required to be released from storage in order to maintain an adequate minimum flow in the Delaware River during periods of low flow therein for the protection of public health, for the benefit of industry and of fisheries, such as oysters, clams, and other shellfish, for animal and aquatic life, for recreation, for general sanitary conditions, for the dilution and abatement of pollution, and for the prevention of undue salinity.

(n) To provide for such other uses of the water and water resources of the Delaware River Basin as navigation, flood control, production of hydro-electric power, and related uses, and to cooperate with other appropriate agencies for that purpose.

(o) To develop, or to provide for the development of, subject to the provisions of Article X, hydroelectric power and energy inherent in the development and use of the waters to which this compact relates

and incident to the control and conservation of such waters.

(p) To make, enter into, and perform contracts with the federal government, with any of the signatory States or any of their political subdivisions, with public or private agencies, and with corporations or individuals, including (1) contracts for the sale of water for water supply, for the sale of falling water and hydroelectric power and energy, subject to the provisions of Article X, or for other services, (2) contracts for payments by the signatory States, or the political subdivisions thereof, for benefits resulting from water released from storage in order to maintain an adequate minimum flow in the Delaware River during periods of low flow therein, and (3) any other contracts necessary or incidental to the performance of its duties and the execution of its powers under this compact.

(q) To take all measures necessary to guard and protect the areas in which its facilities or developments are located or in which any work of construction under authority of this compact is in progress, and to protect its facilities and developments from damage by pollution or otherwise, and to appoint a suitable number of persons as guards for such purposes. Such persons shall possess the power and authority of a constable, peace officer, or police officer and shall have full power to serve as such officers within the signatory States and to enforce the provisions of such laws thereof as are applicable to the purposes of this paragraph.

(r) To do all acts and things necessary or convenient to carry out the powers expressly granted in this compact.

#### ARTICLE V

##### Condemnation Proceedings

1. The Commission shall have the power to acquire by condemnation



lands, lands lying under water, rights in land, riparian rights, water rights, waters, and other property. This grant of the power of eminent domain includes, but is not limited to, the power to condemn property owned or held by a political subdivision for municipal or public purposes, by a public district, by a public corporation or by a public authority, and includes as well the power to condemn any property already devoted to a public purpose, by whomsoever owned or held, other than property owned or held by the signatory States.

2. Such power shall be exercised in accordance with the provisions of such special law, specifically applicable to the said Commission, as may be in force in the signatory State in which such property is located; provided that, if there be no such special law in force in such State, condemnation proceedings shall be in accordance with the provisions of such applicable general condemnation law as may be in force in such State.

3. Any award or compensation for the taking of property pursuant to this Article shall be paid by the Commission, and none of the signatory States nor any agency, instrumentality, or political subdivision thereof shall be liable for such award or compensation.

## ARTICLE VI

### Conveyance of Lands and Relocation of Public Facilities

1. The signatory States hereby consent to the acquisition, use and occupation by the Commission, pursuant to the laws of the respective States, of any real property within the said States, or any of them, including lands lying under water and lands already devoted to public use, which may be or may become necessary or convenient for the construction, operation, and maintenance of dams, reservoirs, treatment plants, aqueducts, conduits, and other structures or facilities, approved in

accordance with the provisions of this compact.

2. The signatory States hereby authorize their respective officers, agencies, departments, commissions or bodies having jurisdiction and control over real property owned by the signatory States to convey in accordance with the laws of the respective States, to the Commission, with or without consideration, any such real property as may be necessary or convenient to the effectuation of the authorized purposes of the Commission.

3. Each political subdivision of each of the signatory States is hereby authorized and empowered, notwithstanding any contrary provision of law, to grant and convey to the Commission, upon the Commission's request, but not otherwise, upon reasonable terms and conditions, any real property owned by such political subdivision, including lands lying under water and lands already devoted to public use, which may be necessary or convenient to the effectuation of the authorized purposes of the Commission.

4. The term "real property" as used in this compact shall include any and all things and rights usually included within the said term and includes not only fees simple absolute, but also any and all lesser interests such as easements, rights of way, uses, leases, licenses, and all other incorporeal hereditaments, and every estate, interest or right, legal or equitable, including terms of years and liens thereon by way of judgments, mortgages or otherwise, and also claims for damage to real property.

5. Any highway, sewer, public utility, or other public facility, which will be dislocated by reason of the constructions deemed necessary by the Commission to effectuate the authorized purposes of this compact, shall be relocated, providing that such relocation be required to serve



the public interest, in the manner provided for by the laws of the respective signatory States, at the expense of the Commission.

## ARTICLE VII

### Taxes and Payments in Lieu of Taxes

1. The effectuation of its authorized purposes by the Commission is and will be in all respects for the benefit of the people of the signatory States; and, since the Commission will be performing essential governmental functions in effectuating said purposes, the bonds or other securities or obligations issued by the Commission and the income therefrom, or any profit made on the sale thereof, shall be exempt from all taxation by or within the States of Delaware, New Jersey and New York and the Commonwealth of Pennsylvania except for transfer and inheritance taxes.

2. Lands acquired by the Commission for the purposes of this compact shall be taxable in the tax districts wherein such lands are located at the average value thereof as improved on the date of acquisition. Such average value shall be determined on the basis of computation of the average assessed value of such lands as improved for the five-year period immediately prior to such date of acquisition. The assessed value of such land shall be reviewed by the taxing authority at the end of each five-year period after the date of acquisition and such assessed valuation shall be increased or decreased percentagewise as the average assessed valuation of all the other property in the tax district has increased or decreased in such five-year period. However, none of the dams, reservoirs, treatment plants, aqueducts, conduits, or other structures, or facilities, or their appurtenances, to be built in accordance with the authority conferred by this compact shall be taxable, nor shall the assessed value of the lands upon which such structures are built be

increased by reason of their presence thereon.

3. Notwithstanding the provisions of the last preceding paragraph, the Commission is hereby authorized and empowered to enter into agreements with political subdivisions to pay a fair and reasonable sum or sums to the said political subdivisions in lieu of taxes which otherwise would be levied and collected with respect to any property hereafter acquired by the Commission. Any such payment or payments made by the Commission may be paid on an annual basis, or such payment or payments may be made in a lump sum or sums or over a stated period of years, as shall be agreed upon by and between the Commission and such political subdivisions; provided, however, that in any case the payment or payments shall not be in excess of the amount of the taxes upon such property when last assessed prior to the time of its acquisition by the Commission. Every political subdivision wherein property shall be acquired by the Commission is authorized and empowered to enter into such agreement or agreements with the Commission to accept such payment or payments.

#### ARTICLE VIII

##### Contracts for Water Supply

1. The term "political subdivision", as used in this Article, shall mean and include, in addition to its usual meaning, water districts, water supply districts, and any other public authorities, public corporations, commissions or bodies having power to own, acquire, or contract for a public water supply.

2. Political subdivisions of the signatory States, either directly or through any board of water commissioners, district water supply commissioners, or any other board, commission, or public authority having jurisdiction or control over all or any part of a water supply or distribution system, may enter into contracts for the supplying of water



by the Commission and the payment of any fees or other charges to the Commission. The contracts may be made for a specified or an unlimited time notwithstanding any other provision of law, general or special, on any terms and conditions which may be approved by the political subdivision and which may be agreed to by the Commission, and such contracts shall be valid and binding upon the political subdivision, notwithstanding that no appropriation has been made or provided to cover the cost or estimated cost of the contract.

3. Such political subdivision is hereby authorized and directed to do and perform any and all acts or things necessary, convenient or desirable to carry out and perform every such contract and to provide for the payment of any obligations thereunder in the same manner as other obligations of such political subdivision. Each political subdivision shall pay promptly to the Commission all fees and other charges due the Commission.

## ARTICLE IX

### Release of Stored Waters

1. No signatory State shall permit the flow in the Delaware River to be diminished by the diversion of any water from the main channel of the Delaware River during any period in which waters are being released from storage reservoirs constructed under the provisions of this compact for the purpose of maintaining an adequate minimum flow in the Delaware River during the periods of low flow therein, except in cases where such diversion shall have been duly authorized under the provisions of this compact.

2. The Commission shall release water from storage for the purpose of maintaining an adequate minimum flow in the Delaware River during periods of low flow therein in accordance with the following provisions:

(a) Upon and after completion of a storage reservoir

on the West Branch of the Delaware River near Cannonsville, New York, sufficient water shall be released from the aforesaid reservoir to maintain a minimum flow in the Delaware River, as measured at the stream gaging station at Port Jervis, New York of at least 1800 cubic feet per second.

(b) Upon and after completion of storage reservoirs on the

West Branch of the Delaware River near Cannonsville, New York, on the main channel of the Delaware River near Barryville, New York and on the Neversink River near Godeffroy, New York, sufficient water shall be released from the system consisting of the three aforesaid reservoirs to maintain a minimum flow in the Delaware River, as measured at the stream gaging station at Trenton, New Jersey, of at least 4000 cubic feet per second.

(c) Upon and after completion of storage reservoirs on the

West Branch of the Delaware River near Cannonsville, New York, on the main channel of the Delaware River near Barryville, New York, on the Neversink River near Godeffroy, New York and on the main channel of the Delaware River near Wallpack Bend, sufficient water shall be released from the system consisting of the four aforesaid reservoirs to maintain a minimum flow in the Delaware River, as measured at the stream gaging station at Trenton, New Jersey, of at least 4800 cubic feet per second. The intent and purpose of this requirement is to provide for a flow at all times of at least 4800 cubic feet per second from the non-tidal section of the Delaware River above Trenton into the tidal section of the Delaware River below Trenton. Accordingly, the requirement for a flow of at least 4800 cubic feet per second at Trenton may be reduced by the Commission in such a manner as to carry out this intent and purpose in the event



the Commission is called upon to utilize a part of the waters which would otherwise flow in the Delaware River at Trenton as a source of water supply for the City of Philadelphia and other political subdivisions and metropolitan areas in the greater Philadelphia-South Jersey area which are situated wholly within the Delaware River Basin.

## ARTICLE X

### Hydroelectric Power and Energy

In the exercise of its power to develop, or to provide for the development of, hydroelectric power and energy, no water shall be used in addition to the water which would otherwise be developed and used by the Commission for water supply and for water required to be released from storage in order to maintain an adequate minimum flow in the Delaware River during periods of low flow therein. The Commission shall not engage in the transmission and distribution of power and energy except for its own use.

## ARTICLE XI

### Formulation and Approval of Plans

1. Upon the request of two or more signatory States, or upon its own initiative, the Commission shall prepare, in appropriate form for submission to the legislatures of the signatory States, a report covering plans for, and the method of financing, any new project, or any expansion of the project authorized and described in paragraph 2 of Article I of this compact, for the construction, operation, and maintenance of such dams, reservoirs, and appurtenant structures within the Delaware River Basin, and such treatment plants, aqueducts, conduits, and other facilities, as may be required to effectuate the purposes of this compact.

2. Prior to the submission of any such report to the legislatures of the signatory States the Commission shall:

(a) Conduct investigations in such manner as to give appropriate consideration and weight to the interrelation of the proposed project with projects and programs of other agencies, public and private, federal, interstate, state, and local, concerning the development, utilization, control and conservation of the water resources of the Delaware River Basin.

(b) Transmit a copy of its tentative draft of a report concerning any proposed project to the following agencies, or their respective successors, for the purpose of affording such agencies an opportunity to submit to the Commission, within ninety days from the date of receipt of such tentative draft, written statements of their views and recommendations regarding any such project: Water Pollution Control Commission of the State of Delaware; Division of Water Policy and Control of the State of New Jersey; Water Power and Control Commission of the State of New York; Water and Power Resources Board of the Commonwealth of Pennsylvania; and the Interstate Commission on the Delaware River Basin. Representatives of each of the aforesaid agencies may, in order to analyze and appraise any project proposed by the Commission created by this compact, enter upon any lands, structures, and waters within the states in which the Delaware River Basin is located, for the purpose of surveying dam, reservoir, treatment plant, aqueduct, or conduit locations, studying subsurface conditions affecting the selection of such locations, and for such other purposes as may be deemed necessary.

(c) Include in its report, for submission to the legislatures of the signatory States, the statements of views and recommendations,



if any, of the aforesaid agencies.

3. The report, prepared after compliance with the procedures hereinbefore provided, shall be submitted by the Commission to the legislatures of the signatory States. The Commission shall have authority to proceed with the project proposed in the said report when such report has been approved by the legislatures of all of the signatory States, or by the legislatures of the States of New Jersey and New York and the Commonwealth of Pennsylvania.

4. Prior to proceeding with any construction which is a part of the project authorized and described in paragraph 2 of Article I of this compact, or of any authorized expansion thereof, or of any authorized new project, the Commission shall submit detailed plans and specifications for the construction of any structure, or part thereof, to, and secure the approval of, the appropriate agency or agencies of the State or States within which such construction is necessary as a part of the said project.

#### ARTICLE XII

##### Grants, Loans, or Payments By States or Political Subdivisions

1. Any or all of the signatory States, or any political subdivisions thereof, may after appropriate legislative authorization for that purpose,

(a) Appropriate to the Commission such funds as may be necessary to pay preliminary expenses such as the expenses incurred in the making of borings and other studies of sub-surface conditions, in the preparation of contracts for the sale of water, and in the preparation of detailed plans and estimates required for the financing of a construction project.

(b) advance to the Commission, either as grants or loans, such funds as may be necessary or convenient to finance the operation and management of, or construction by, the Commission.

(c) make payments to the Commission for benefits received, or to be received, from the operation of any of the structures or facilities of the Commission.

2. Any funds which may be loaned to the Commission either by a signatory State, or a political subdivision thereof, shall be repaid by the Commission through the issuance of bonds, or out of other income of the Commission, such repayment to be made within such period and upon such terms as may be agreed upon between the Commission and the State or political subdivision making the loan.

## ARTICLE XIII

### Financing

1. The Commission shall have power and is hereby authorized, from time to time to issue its negotiable bonds for any of its authorized purposes, to issue its bonds to refund bonds issued by it, to issue its negotiable notes in anticipation of bonds, and to pay its bonds and notes from revenues of the Commission and the proceeds of its bonds and other moneys of the Commission, as the resolution authorizing the issuance may provide:

(a) Refunding bonds may be issued partially to refund bonds then outstanding and partially for any other of its authorized purposes. Refunding bonds may be issued whenever the Commission deems expedient, whether the bonds to be refunded have or have not matured, and may be exchanged for the bonds to be refunded with such cash adjustments as may be agreed, or may be sold before the bonds to be refunded become due and the proceeds applied to the purchase, redemption or payment



of the bonds to be refunded, including interest accrued, and any redemption premiums payable, thereon.

(b) Except as may be otherwise expressly provided by the Commission, every issue of bonds shall be general obligations payable out of any moneys or revenues of the Commission, subject only to any agreements with the holders of any bonds pledging any moneys or revenues.

(c) Whether or not bonds or notes issued by the Commission are of such form and character as to be negotiable instruments, such bonds or notes shall be fully negotiable within the meaning and for all the purposes of the Negotiable Instruments Law, subject only to any provisions of the bonds for registration.

(d) The Commission may issue temporary bonds, with or without coupons, pending the preparation of definitive bonds, exchangeable for definitive bonds.

(e) Bonds shall be authorized by resolution of the Commission and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates not exceeding six per centum (6%) per annum, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment and at such place or places, and be subject to such terms of redemptions, with or without premium, as such resolution or resolutions may provide. The official seal of the Commission, or a facsimile thereof, shall be impressed, engraved, or otherwise reproduced on each bond or note, and be attested by the Secretary or by such other officer or agent as the Commission shall appoint and authorize. If any officer or authorized agent whose signature, or a facsimile thereof, shall appear on any bonds, coupons, or notes, shall cease to be such officer or authorized agent before the delivery of the

bonds or notes, such signature or such facsimile signature shall be valid and sufficient for all purposes the same as if he had continued in office until such delivery. Bonds may be sold at public or private sale, for such price or prices as the Commission shall determine.

(f) Any resolution of the Commission authorizing the issuance of bonds may appoint a trustee or trustees, a fiscal agent or fiscal agents, a paying agent or paying agents, and such other fiduciaries as such resolution may provide. Any trustee, fiscal agent, paying agent and other fiduciary so appointed may be any trust company or bank having the powers of a trust company within any one of the signatory States.

(g) In order to secure the payment of its bonds the Commission shall have power, in the resolution authorizing the issuance of the bonds (which shall be deemed a contract with the bondholders):

(1) to pledge all or any part of its revenues to which its right then exists or may thereafter come into existence, and the moneys derived therefrom, and the proceeds of bonds:

(2) to covenant against pledging all or any part of its revenues, or against mortgaging all or any part of its real or personal property then owned or thereafter acquired, or against permitting or suffering any lien on such revenues or property; to covenant with respect to limitations on its right to sell, lease or otherwise dispose of any project or any part thereof, or any property of any kind;

(3) to covenant as to the bonds to be issued and the limitations thereon and the terms and conditions thereof and as to the custody, application and disposition of the proceeds thereof, and to covenant as to the issuance of additional bonds or as to limitations on the issuance of additional bonds and on the incurring of other debts by it;



(4) to provide for the replacement of lost, destroyed or mutilated bonds;

(5) to provide for the investment of all or a part of its funds on deposit with the trustee or other fiduciary in such obligations as the resolution authorizing the issuance of the bonds may provide;

(6) to covenant against extending the time for the payment of bonds or interest thereon; to covenant as to the redemption premiums and other terms and conditions thereof;

(7) to covenant as to the payment of the principal of or interest on the bonds, or any other obligations, as to the sources and methods of such payment, as to the rank or priority of any such bonds or obligations with respect to any lien or security or as to the acceleration of the maturity of any such bonds or obligations;

(8) to covenant as to the rates of fees or other charges to be established and to be charged, and the amount to be raised each year or other period of time by such charges or other revenues and as to the use and disposition to be made thereof; to create or authorize the creation of special funds or moneys to be held in pledge or otherwise for construction, operating expense, payment or redemption of bonds, reserves or other purposes and to covenant as to the use and disposition of the moneys held in such funds;

(9) to establish the procedure, if any, by which the terms of any contract or covenant with or for the benefit of the bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(10) to covenant as to the maintenance of its real and personal property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys;

(11) to provide for the rights and liabilities, powers and duties arising upon the breach of any covenant, condition or obligation; to prescribe the events of default and the terms and conditions upon which any or all of the bonds shall become or may be declared due and payable before maturity and the terms and conditions upon which any such declaration and its consequences may be waived;

(12) to vest in a trustee or trustees such property, rights, powers and duties in trust for the bondholders, as the Commission may determine, which may include any or all of the rights, powers and duties of the statutory trustee appointed by the holders of bonds pursuant to sub-paragraph (a) of paragraph 2 of this Article; to limit or abrogate the rights of the holders of such bonds to appoint such statutory trustee, or to limit the rights, duties and powers of such statutory trustee;

(13) to limit the rights of the bondholders to enforce any pledge or covenant securing the bonds; and

(14) to make covenants other than and in addition to the covenants herein expressly authorized, of like or different character; and to make such covenants to do or refrain from doing such acts and things as may be necessary or convenient or desirable in order to better secure the bonds or which, in the absolute discretion of the Commission, will tend to make the bonds more marketable, notwithstanding that such covenants, acts or things may not be enumerated herein.

(h) Any pledge of revenues or other moneys made by the Commission shall be valid and binding from the time when the pledge is



made; the revenues or other moneys so pledged and thereafter received by the Commission shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Commission, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be filed or recorded except in the records of the Commission.

(i) Bonds may be issued under the provisions of this compact without obtaining the consent of any department, division, commission, board, bureau or agency of any of the signatory States, and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this compact.

(j) The Commission shall not have power to mortgage real property.

(k) Moneys of the Commission or moneys held in pledge or otherwise for the payment of bonds or in any way to secure bonds and the deposits of such moneys may be secured in such manner as the Commission may require and all banks and trust companies in each of the signatory States are authorized to give such security therefor.

(l) Neither the members of the Commission nor any person executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(m) The Commission shall have the power to purchase its bonds out of any funds available therefor. The Commission may refund, or it may hold, cancel, or resell, such bonds subject to and in accordance

with agreements with bondholders.

2. The following provisions shall be applicable to an issue of bonds authorized or issued by the Commission, only if the resolution of the Commission authorizing or providing for the issuance of such bonds shall provide in substance that the holders of the bonds of such issue shall be entitled to the benefits and be subject to the provisions of this paragraph 2:

(a) In the event that there shall be a default in the payment of principal of or interest on any bonds of such issue after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the Commission shall fail or refuse to comply with the provisions of this compact or shall fail or refuse to carry out and perform the terms of any contract or covenant with or for the benefit of the holders of any of such bonds, and such failure or refusal shall continue for a period of thirty days after written notice by any holder of bonds of such issue or by a trustee for bondholders to the Commission of its existence and nature, the holders of twenty-five per centum (25%) in aggregate principal amount of the bonds of such issue then outstanding by instrument or instruments filed in the office of the Secretary of State of each signatory State and proved or acknowledged in the same manner as a deed to be recorded, may appoint a statutory trustee to represent the holders of the bonds of such issue for the purposes provided in this paragraph 2.

(b) Such statutory trustee may and, upon written request of the holders of twenty-five per centum (25%) in aggregate principal amount of the bonds of such issue then outstanding, shall, in his or its own name:



(1) by civil action or suit, enforce all rights of the holders of such bonds, including the right to require the Commission to charge and collect revenues adequate to carry out any contract as to, or pledge of, such charges and revenues, and to require the Commission to carry out and perform the terms of any contract or covenant with or for the benefit of the holders of such bonds or its duties under this compact;

(2) bring action or suit upon all or any part of such bonds or interest coupons or claims appurtenant thereto;

(3) by action or suit require the Commission to account as if it were the trustee of an express trust for the holders of such bonds;

(4) by action or suit enjoin any acts or things which may be unlawful or in violation of the covenants of the Commission or the rights of the holders of such bonds; or

(5) declare all such bonds due and payable, whether or not in advance of maturity, upon thirty days' prior notice in writing to the Commission and if all defaults shall be made good, then with the consent of the holders of twenty-five per centum (25%) of the principal amount of such bonds then outstanding, annul such declaration and its consequences.

(c) Before declaring the principal of all such bonds due and payable the statutory trustee shall first give thirty days' notice in writing to the Commission.

(d) Any such statutory trustee, whether or not the issue of bonds represented by such trustee has been declared due and payable, shall be entitled as of right to the appointment of a receiver of any part or parts of the property of the Commission the revenues derived

from which property are pledged for the security of the bonds of such issue and such receiver may enter and take possession of such part or parts of such property and subject to any pledge or agreement with bondholders shall take possession of all moneys and other property derived from or applicable to the construction, operation, maintenance and reconstruction of such part or parts of such property and proceed with any construction thereon which the Commission is under obligation to do and to operate, maintain and reconstruct such part or parts of the property and collect and receive all revenues thereafter arising therefrom subject to any pledge thereof or agreement with bondholders relating thereto, and perform the public duties and carry out the agreements and obligations of the Commission under the direction of the court. In any suit, action or proceeding by the statutory trustee the fees, counsel fees and expenses of the said trustee and of the receiver, if any, shall constitute taxable disbursements and all costs and disbursements allowed by the court shall be a first charge on any revenues derived from such property.

(e) Such statutory trustee shall, in addition to the foregoing, have and possess all of the powers necessary or appropriate for the exercise of any function specifically set forth herein or incident to the general representation of bondholders in the enforcement and projection of their rights.

3. Notes issued in anticipation of bonds shall be paid from any moneys of the Commission available therefor and not otherwise pledged or from the proceeds of sale of the bonds of the Commission in anticipation of which they were issued. The notes shall be issued and sold in the same manner as the bonds and such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations



which the bonds or a bond resolution of the Commission may contain.

Such notes shall be as fully negotiable as the bonds of the Commission.

4. Bonds issued by the Commission under the provisions of this compact are hereby made securities in which any signatory State and all political sub-divisions thereof, their officers, boards, commissions, departments or other agencies, all banks, bankers, savings banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees, committees of the properties of incompetent persons, and other fiduciaries, and all other persons whatsoever who now are or may hereafter be authorized to invest in bonds or other obligations of any signatory State, may properly and legally invest any funds, including capital belonging to them or within their control; and said bonds or other securities or obligations are hereby made securities which may properly and legally be deposited with and received by any State or municipal officers or agency of any signatory State for any purpose for which the deposit or bonds or other obligations of such State is now or may hereafter be authorized by law.

5. Each of the signatory States hereby pledges to and agrees with the holders of the bonds and notes issued in accordance with the provisions of this compact, that such State will not limit or restrict the rights hereby vested in the Commission to maintain, construct, reconstruct, and operate any project as defined in this compact or to establish and collect such rents, fees, receipts or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the holders of bonds authorized by this compact or in

any way impair the rights or remedies of the holders of such bonds until the bonds, together with interest thereon, are fully paid and discharged.

#### ARTICLE XIV

##### Credit of Signatory States Not Pledged

Bonds or notes issued under the provisions of this compact shall not be deemed to constitute a debt or liability of any of the signatory States or of any political subdivision thereof or a pledge of the faith and credit of any of the signatory States or of any such political subdivision. All such bonds or notes shall contain on the face thereof a statement to the effect that none of the signatory States nor any political subdivision thereof is obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of any signatory State or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds.

#### ARTICLE XV

##### Non-Impairment of State Powers

1. Nothing in this compact shall be construed as impairing the powers of any signatory State to develop, improve, utilize, control, or conserve the water resources of the upper Delaware River Basin within the boundaries of such State; provided, however, that the exercise of such powers by said State shall not conflict with the power of the Commission established by this compact with respect to those water resources authorized to be developed, improved, utilized, controlled, or conserved by such Commission.

2. Nothing in this compact shall be deemed to authorize the taking in any of the signatory States of a supply of water from this Commission unless and until all of the laws of the State, in which the proposed taking of such water is located, have been complied with, and the approval



of such taking has been secured from the appropriate agency or agencies of said State having jurisdiction over the taking of water supplies.

## ARTICLE XVI

### Existing Rights, Developments, and Compacts

1. Nothing in this compact shall modify, affect or impair the rights, obligations, and authority heretofore acquired by or granted to any State, municipality or other political subdivision, person, firm or corporation to develop and use the waters of the Delaware River and its tributaries for public water supply and other purposes.

2. Unless and until the legislatures of the signatory States shall have approved and authorized plans for a project for the effective regulation of the water resources of the Delaware River Basin in order to assure an adequate water supply, and shall have specified the amount of water to be stored, diverted, and released in accordance with the provisions of this compact, nothing in this compact shall be deemed to affect any right of the States of New Jersey, New York, the Commonwealth of Pennsylvania and the City of New York, or any of them, granted or reserved by or pursuant to the decision of the United States Supreme Court in *New Jersey versus New York, et al.* (283 U.S. 336)

3. Nothing in any existing compact between any two or more of the signatory States shall be impaired or invalidated by any of the provisions of this compact.

## ARTICLE XVII

### Construction and Severability

The provisions of this compact, or of agreements thereunder, shall be severable and if any phrase, clause, sentence, or provision of this compact or such agreement is declared to be unconstitutional or the applicability thereof to any State, agency, or person is held invalid,

the constitutionality of the remainder of this compact or such agreement and the applicability thereof to any other State, agency, person, or circumstance shall not be affected thereby. It is the legislative intent that the provisions of this compact be reasonably and liberally construed.

#### ARTICLE XVIII

##### Effective Date

1. This compact shall enter into force and become effective and binding between the States of New Jersey and New York and the Commonwealth of Pennsylvania when (a) it has been adopted and enacted into law by the respective legislatures of the said States and Commonwealth, and (b) it has been signed by the respective Governors of the said States and Commonwealth, after authorization therefor by their respective legislatures, and has been attested by the Secretary of the State of each of said States and Commonwealth and the Seal of each of said States and Commonwealth has been affixed thereto, and (c) the Congress of the United States of America has consented thereto.

2. This compact shall become effective and binding with respect to the State of Delaware, either at the same time it becomes effective and binding between the States of New Jersey and New York and the Commonwealth of Pennsylvania as provided in the first paragraph of this Article or at any time thereafter, when (a) it has been adopted and enacted into law by the legislature of the State of Delaware, and (b) it has been signed by the Governor of the State of Delaware, after authorization therefor by the legislature thereof, and has been attested by the Secretary of State of the State and the Seal of that State has been affixed thereto.

3. This compact shall be signed, attested, and sealed in five originals, one original to be forwarded to the Governor of each



signatory State for filing in accordance with the laws of that State and one original to be deposited in the archives of the Commission upon its establishment.

IN WITNESS WHEREOF, and in evidence of the adoption and enactment into law of this compact by the legislatures of the respective States, the respective Governors of the signatory States do hereby, in accordance with authority conferred by the legislatures of their respective States, sign this compact in five originals, as attested by the respective Secretaries of State of the said States, and have caused the respective Seals of the said States to be hereunto affixed, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

Section 2. Force and Effect of the Compact. \_\_\_\_ Upon its signature by the respective Governors on behalf of at least the (names of States) and by the Governor on behalf of the (name of State), and upon the attestation thereof by the Secretary of State of each of the signatory States and Commonwealth and the affixing thereto of the Seal of each of the said States and Commonwealth, and the aforesaid compact, which may be known and cited as The Delaware Basin Compact, shall be and become binding and shall have the force and effect of a statute of the (name of State), and the Delaware River Basin Water Commission shall thereupon become vested with all the powers, rights and privileges, and be subject to the duties and obligations, contained in said compact as though the same were specifically authorized and imposed by statute, and the (name of State) shall be bound by all of the obligations assumed by it under said compact; and the Governor shall transmit an original signed copy thereof to the Secretary of State of (name of State) for filing in his office.

Section 3. Consent of the Congress. --- The Governor is

hereby authorized to apply, on behalf of (name of State), to the Congress of the United States for its consent and approval to the aforesaid compact; but, in the absence of such consent and approval, the Delaware River Basin Water Commission shall have all of the powers which the Commonwealth of Pennsylvania and the States of New Jersey and New York (and the State of Delaware if and when it becomes a signatory State) may confer upon it without the consent and approval of the Congress.

Section 4. Appropriations. --- The sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), or so much thereof as may be necessary, is hereby specifically appropriated to the Delaware River Basin Water Commission to pay preliminary expenses, such as the expenses incurred in the making of borings and other studies of subsurface conditions, in the preparation of contracts for the sale of water, and in the preparation of detailed plans with estimates of costs and the means of financing the construction of the project authorized in the compact. The money hereby appropriated to the said Commission shall be payable from the State Treasury on the audit and warrant of the Auditor General on vouchers certified or approved by two duly authorized officers of the said Commission.

Section 5. Effective Date of This Act. --- The provisions of this act shall become effective immediately upon final enactment; but the Governor shall not enter into the compact herein set forth until the (names of States) shall have passed a substantially similar act embodying the said compact between at least the States of New Jersey, New York and the Commonwealth of Pennsylvania.

February 1, 1951