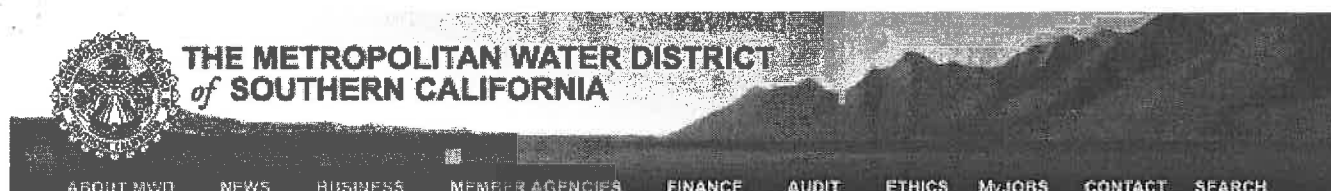
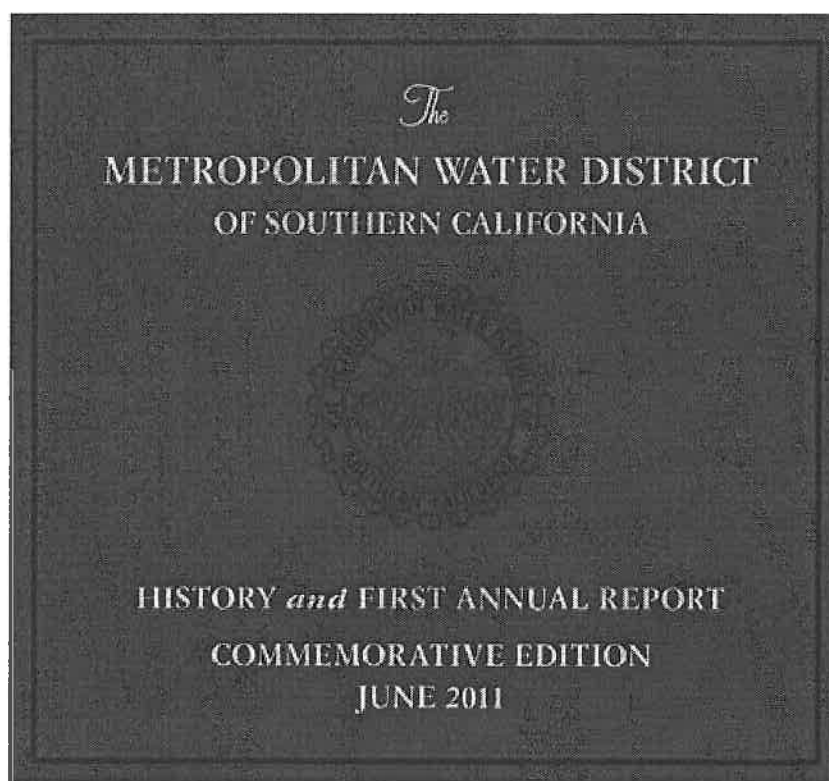


EXHIBIT 5

[▶ HOME](#) [▶ ABOUT MWD](#)[Site Index](#) ▼

History & First Annual Report, Commemorative Edition



The commemorative copy of the history and first annual report of The Metropolitan Water District of Southern California was published in 1939. This commemorative edition is provided in recognition of the 70th anniversary of the first day water from the Colorado River Aqueduct was delivered to a Member Agency on June 17, 1941.

General Information

[Table of Contents](#)
[Letter of Transmittal](#)
[Roster](#)

Introduction

[Chapter 1 – Need for the Colorado River Aqueduct](#)
[Chapter 2 – Early Developments](#)
[Chapter 3 – Surveys by the City of Los Angeles](#)
[Chapter 4 – Preliminary Engineering Work](#)
[Chapter 5 – Location and Design](#)
[Chapter 6 – Financing](#)

Chapter 9 – Canal, Cut-and-Cover Conduit, and Inverted Siphons

[Chapter 10 – Dams and Reservoirs](#)
[Chapter 11 – Pumping Plants and Transmission Lines](#)
[Chapter 12 – Distribution System](#)
[Chapter 13 – Specifications and Contracts](#)
[Chapter 14 – Testing and Inspection](#)
[Chapter 15 – Miscellaneous Activities](#)
[Chapter 16 – Corporate Organization, Purposes, and Powers of the District](#)

Chapter 7 -- Construction Utilities
Chapter 8 -- Main Aqueduct Tunnels

Appendix
Chronology
Map and Profile of Aqueduct
Metropolitan Water District Act

*All PDF documents on this site require Adobe Acrobat Reader 8.0 or higher to be installed on your machine to accurately read and print them. You may obtain an updated version free of charge from [Adobe's website](#). Use of software other than Adobe Acrobat Reader may cause viewing and/or printing discrepancies from the original documents. These risks will be assumed by the reader. Please note that many of the documents are large in size and take a long time to open.

Page updated: July 12, 2011

CHAPTER 16

Corporate Organization, Purposes, and Powers of the District

STATUTORY PROVISIONS

THE METROPOLITAN WATER DISTRICT of Southern California was incorporated December 6, 1928, under the provisions of the Metropolitan Water District Act of the State of California, Stats. 1927, page 694, Deering's General Laws, Act 9129. This act has been amended by Stats. 1929, page 1613, Stats. 1931, page 814, Stats. 1933, page 1289, and by Stats. 1937, page 381¹.

The District is organized "for the purpose of developing, storing and distributing water for domestic purposes" and is declared by the legislature to be "a separate and independent political corporate entity." [Metropolitan Water District Act, Sec. 3.] The District has perpetual succession, and may sue and be sued; may adopt a corporate seal and alter it; may take by grant, purchase, bequest, devise or lease, and hold, lease, sell, or otherwise dispose of, any and all real and personal property necessary or convenient to the full exercise of its powers. [Sec. 5, subds. (1) to (4).] The District also possesses the power of eminent domain to be exercised in the manner provided by law, respecting municipal corporations. [Sec. 5, subd. (5).] The District is authorized, subject to certain limitations, "to borrow money and incur indebtedness and to issue bonds or other evidence of such indebtedness" and "to levy and collect taxes for the purposes of carrying on the operations and paying the obligations of the District". The taxing power is without limitation as to rate or amount for the purpose of meeting both principal and interest requirements of the bonded indebtedness and payment of District obligations to the United States or to any board, department or agency thereof, but is subject to a limitation of five cents on each \$100 of assessed valuation for all other purposes. [Sec. 5, subds. (7) and (8).] The District is given power "to join with one or more public corporations for the purpose of carrying out any of its powers". [Sec. 5, subd. (9).]

¹For text of the act as amended see p. 333.

All bonds issued by the District are general tax obligations, and the board of directors is under a statutory duty to levy sufficient taxes upon all taxable property, both real and personal, within the District, to meet the principal and interest requirements thereon. [Sec. 5, subd. (8); Sec. 7, subd. (j).] The procedure for levying such taxes, together with any taxes levied for general District purposes, is prescribed. [Sec. 8.]

The powers of the District are vested in a board of directors consisting of at least one representative from each municipality, the area of which lies within the District, the representatives being appointed by the chief executive officers with the consent of the governing bodies of the respective municipalities. The board of directors is given power to provide for the holding of meetings, to pass ordinances, resolutions and orders, all ordinances, except those of specified categories, to be subject to referendum by the electors of the District. The board further is authorized to prescribe by ordinance a system of business administration, and to create necessary offices, including those of controller and treasurer, and to prescribe by ordinance a system of civil service. [Sec. 6, especially subds. (1), (2), (4), and (5).] The board is authorized to provide by ordinance for all matters and things necessary for the proper administration of the District's affairs, which are not provided for in the act. [Sec. 13.] Under this statutory authority the board of directors has created the office of general manager and chief engineer, such officer being generally in charge of all administrative matters (Ordinance No. 29). The offices of treasurer, controller, and general counsel also were established by ordinance.

The procedure for incurring bonded indebtedness and for issuing, selling, and refunding such bonds is set out with great particularity in Sec. 7 and also in subdiv. (12) of Sec. 5. This procedure is modeled on the act providing for general obligations of cities and municipalities (Stats. 1901, page 27, Deering's General Laws, Act 5178, as amended), a majority vote, however, being sufficient to authorize bonded debt.

The District may enter into contracts and employ the necessary personnel (Sec. 5, subd. (8)), but any contract involving \$10,000 or more must be let upon competitive bidding (Sec. 6, subd. (7)).

The District has the power to acquire water and water rights within or without the state; to develop, store, and transport water; to sell and deliver the same at wholesale for municipal and do-

mestic uses and purposes; to contract with the United States or any board, department or agency thereof, or with the State of California, for furnishing water for any use or purpose and on terms fixed in the contract, subject to revision as to rates, at stated intervals; to sell and deliver surplus water not needed or required by municipalities within the District for domestic or municipal uses within such municipalities, such surplus water being thus available for sale for beneficial purposes but giving preference to uses within the District; provided that all such surplus water shall be subject to recapture by the District upon one year's written notice whenever the board of directors by two-thirds vote shall determine that such surplus water is needed or required by any municipality within the District for domestic or municipal uses within such municipality. [Sec. 5, subd. (10).]

Each municipality, whose corporate area is included within the District, has a preferential right to purchase from the District for distribution by such municipality, or any public utility therein empowered for the purpose, for domestic or municipal uses within such municipality, the proportion of the water served by the District that, from time to time, shall bear the same ratio to all of the water supply of the District as the total accumulation of amounts paid by such municipality to the District on tax assessments and otherwise, excepting the purchase of water, toward the capital cost and operating expense of the District's works shall bear to the total of such payments received by the District from all of its municipalities. [Sec. 5½.]

The District has the power to fix water rates (Sec. 5, subd. (10)), which function is to be performed by the board of directors subject to the requirement that rates shall be uniform for like classes of service throughout the District (Sec. 6, subd. (8)). So far as practicable, the board shall fix such rates as will result in revenue which will pay the operating expenses, provide for repairs and maintenance, and meet the interest and principal requirements of the bonded debt. [Sec. 7, subd. (j).]

The treasurer is authorized to deposit all District funds in banks in the manner provided by law for the deposit of monies of a municipality or other public or municipal corporation (Sec. 13¾). The applicable statute is the Municipal Deposits Act, Stats. 1933, page 642, as amended, Deering's General Laws, Act 2834a.

The Metropolitan Water District Act is a general law, and Section 4 thereof provides the machinery for incorporation of any

district thereunder. A method of annexation of additional territory is provided in Section 9 of the act. Withdrawal of area from the District may be brought about as provided in Section 10.

LEGAL DEVELOPMENT

At its 1927 session the California legislature enacted the Metropolitan Water District Act (Stats. 1927, page 694). As required by the State Constitution (Article XI, Sec. 6), this statute is a general law under which any number of metropolitan water districts could be organized by complying with the statutory requirements. However, the act was specifically designed to furnish the means by which a public corporation could be formed for bringing water from the Colorado River for use on the coastal plain of Southern California.

In order, as far as possible, to test the act in the preliminary stage, the city clerk of the City of Pasadena refused to certify certain action necessary to the incorporation of the District, whereupon the City of Pasadena sought an original writ of mandate in the State Supreme Court. The writ was issued (*City of Pasadena v. Chamberlain*, 204 Cal. 653 (1928)), the following principles being decided in this case:

(1) A city formed under a freeholders' charter may initiate proceedings for the incorporation of a metropolitan water district, as by so doing the chartered city is not performing a municipal affair within the meaning of Article XI, Sec. 6, of the California Constitution.

(2) A metropolitan water district is not an assessment district but is a quasi-municipal corporation, and therefore may impose general taxes without opportunity for hearing as to benefits.

(3) The board of directors of a metropolitan water district, as the governing body of such district, may be vested by the legislature with the power to levy taxes without infringing Sec. 13 of Article XI of the California Constitution, prohibiting the legislature from delegating to any special commission the power to levy taxes or to perform any municipal function.

Subsequent to this decision, on December 6, 1928, The Metropolitan Water District of Southern California was incorporated. The District as originally incorporated was composed of the corporate areas of eleven municipalities, of which seven were situated in the County of Los Angeles, namely: Beverly Hills, Burbank, Glendale, Los Angeles, Pasadena, San Marino, and Santa Monica;

two in the County of Orange, namely: Anaheim and Santa Ana; and two in the County of San Bernardino, namely: Colton and San Bernardino. Prior to the bond election in 1931 the cities of Colton and San Bernardino withdrew from the District and the corporate areas of four cities were annexed, namely: the cities of Compton, Long Beach, and Torrance in the County of Los Angeles, and the City of Fullerton in the County of Orange. No subsequent change in composition of the District has occurred, except the automatic enlargement which occurs when territory is annexed to any one of the component municipalities.

On September 29, 1931, an election was held throughout the District pursuant to action taken under Section 7 of the act, to vote upon the proposition of incurring a bonded indebtedness in the sum of \$220,000,000 for the purpose of acquiring and constructing works for bringing water from the Colorado River to the District. The proposition was carried by an affirmative vote of approximately five to one. In compliance with the requirements of subdivision (i) of Sec. 7 of the act, proceedings were instituted promptly in the Superior Court of the County of Los Angeles to adjudicate the validity of the election and of the bonds so authorized and of taxes to be levied for payment thereof. A favorable judgment was obtained in the trial court, and upon appeal the judgment was affirmed (*In re Metropolitan Water District*, 215 Cal. 582 (1932)). This case established the following propositions:

(1) Under Sec. 7, subd. (i) of the Metropolitan Water District Act, the bond validation proceedings brought by the board of directors may be heard by the proper superior court after a lapse of ten days after full publication of summons without waiting for the lapse of ninety days from the date of the bond election, but a taxpayer or other interested person may not initiate proceedings contesting the validity of the bonds after the expiration of ninety days from such election.

(2) The ordinance declaring the necessity for the particular improvement need not specify the precise location of the works, nor contain a particular description thereof.

(3) The appointive board of directors of the District may be vested with power to levy general *ad valorem* taxes.

(4) Reference in the ordinance determining the necessity for the public improvement and calling the bond election, to provision for the levy of taxes, in the language of the statute, is proper.

(5) The decision of the board of directors, expressed in the ordinance declaring the necessity for the public improvement and calling the bond election, whereby general plans and estimates of costs were made, is subject to judicial review only upon pleading and proof of fraud or bad faith on the part of the board of directors.

As soon as the bonds were validated the District obtained a commitment from the Reconstruction Finance Corporation whereby the latter agreed to bid for a certain amount of District bonds which would be offered from time to time for public sale pursuant to published notice inviting bids as required by Sec. 7 of the act. The first loan agreement was made in September 1932, and four additional loan agreements were entered into subsequently, pursuant to which the Reconstruction Finance Corporation has bid for, and purchased, District bonds in the aggregate amount of \$207,000,000, in addition to \$1,500,000 purchased by the Public Works Administration and later acquired by the Reconstruction Finance Corporation. An unsuccessful attempt was made to prevent the Reconstruction Finance Corporation from carrying out its first agreement, the suit being dismissed by the Supreme Court of the District of Columbia, in response to a contested motion (*Burnham v. R.F.C.*, Equity No. 54845 (1932)).

The bonds having been validated and arrangements for financing having been made, the District undertook to commence actual construction work at the earliest opportunity. However, at the 1931 session of the state legislature, there had been enacted the Prevailing Wage Act (Stats. 1931, page 910) and it was not known whether this act was applicable to District work. Therefore a test suit was brought (*Metropolitan Water District v. Whitsett*, 215 Cal. 400 (1932)), which resulted in a holding that the Prevailing Wage Act applied, the court stating that:

(1) A metropolitan water district is a public instrumentality of legislative creation and is subject to complete legislative regulation and control, limited only by constitutional restrictions.

(2) The Prevailing Wage Act is not void for uncertainty in the terminology employed therein.

(3) The burden imposed by the Prevailing Wage Act is not a tax, and therefore the statute does not violate Section 12 of Article XI of the California Constitution, prohibiting the legislature from imposing taxes upon public or municipal corporations or their inhabitants for municipal purposes.

(4) The Prevailing Wage Act does not unlawfully delegate legislative power to the public body charged with determining the prevailing wages, as such power is administrative and may be exercised within the discretion of such public body.

(5) The Prevailing Wage Act applies to a metropolitan water district, although it does not apply to a city operating under a freeholders' charter, since the construction of public improvements and the payment of wages thereon are municipal affairs.

In 1932 certain groups endeavored to bring about an election in the City of Long Beach for the purpose of voting on the withdrawal of that municipality from the District. Failing in their endeavor to have the City Council call such election, an initiative petition was circulated, but the City Clerk, at the instance of a taxpayer, was enjoined by the Superior Court from certifying the same to the Council on the ground that such petition was ineffectual. Mandamus proceedings then were brought in the Supreme Court by another taxpayer, to compel the City Clerk to take action, but the court denied the writ (*Riedman v. Brison*, 217 Cal. 383 (1933)). This case held that withdrawal from the Metropolitan Water District of the area included in a constituent municipality is not a municipal affair of that municipality, the procedure for withdrawal being prescribed solely by the Metropolitan Water District Act, under which only the city council may call such election, and the charter provisions of the constituent municipality for initiative procedure are inapplicable. Subsequently the City Council proceeded to grant the request and call an election, at which, however, the proposition of withdrawal was defeated.

As an aid to the financing of the District's project, the State legislature, at its session in 1933, amended subdiv. (h) of Sec. 7 of the Metropolitan Water District Act to provide specifically that interest during construction and for one year thereafter might be paid out of the proceeds of the sale of bonds. Doubt arose as to the constitutionality of this amendment, in view of the previous election authorizing the issuance of bonds and the actual sale and delivery of certain bonds prior to the amendment. In an original proceeding in mandamus in the Supreme Court of the State, the validity of this amendment was upheld on the ground that it clarified the previously-existing statutory authority. [*Metropolitan Water District v. Toll*, 1 Cal. (2d) 421 (1934).]

During the summer of 1934, a condemnation action by the District to acquire needed rights of way was brought to issue, ready for trial in the Superior Court of Riverside County. The judges of this court feared that they were disqualified from presiding at the trial by the provisions of Subsec. 6 of Sec. 170 of the Code of Civil Procedure, disqualifying local judges in actions involving certain-named entities, including "any public agency," if the action affect real property or an easement or right of way. The California Supreme Court issued an original writ of mandate directing the respondent judges of the Superior Court to proceed with the trial of the District's condemnation action, holding that the Metropolitan Water District is a quasi-municipal corporation within the exception of general municipal corporations from the disqualifying provisions of the Code of Civil Procedure, the term "any public agency" referring only to entities of the same character as the other entities named in the subsection and not referring to municipal or quasi-municipal corporations. [*Metropolitan Water District v. Superior Court*, 2 Cal. (2d) 4 (1934).] This case further establishes the status of the District as a municipal corporation.

The Metropolitan Water District Act provides that the directors shall be appointed by the chief executive officers with the consent and approval of the governing bodies of the various municipalities, whose corporate areas are included within the District. In one of the cities the mayor, who himself was a member of the City Council, was appointed director from that city. In proceedings in *quo warranto* it was held that he was the authorized representative of that city as there was no incompatibility between the offices of director and city councilman, and it was further held that the requirement of the city charter that a councilman devote his whole time to the duties of his office did not disqualify him from performing the duties of a director of the District. [*People v. Carter*, 12 Cal. App. (2d) 105 (1936).]

The character, powers, and functions of the Metropolitan Water District have been defined and established with some particularity and completeness by the foregoing cases. Contemporaneously with this development of judicial precedents in California, cases were arising in the Supreme Court of the United States which directly affected the District's activities. These were the cases involving the Boulder Canyon Project.

In 1930 the United States Supreme Court dismissed the Bill of Complaint brought by the State of Arizona to enjoin the Secretary of the Interior and the states of California, Nevada, Utah, New Mexico, Colorado, and Wyoming from carrying out the Boulder Canyon Project Act, the Colorado River Compact, and three certain contracts entered into by the Secretary of the Interior pursuant to the project act, of which two of said contracts were with the Metropolitan Water District for water and power, respectively (*Arizona v. California*, 283 U. S. 423, 75 L. Ed. 1154 (1930)). The opinion contains the following propositions:

(1) The United States may perform its functions without conforming to the police regulations of a state, and an improvement validly authorized by Congress may be constructed in a state without submitting the plans and specifications to the state officials for approval.

(2) The court takes judicial notice that the Colorado River is navigable and a contrary allegation in the bill of complaint will be disregarded on motion to dismiss.

(3) Congress has constitutional power to authorize the Boulder Canyon Project for improvement of navigation of the navigable Colorado River.

(4) The court will not inquire into the motives inducing Congress to enact the Boulder Canyon Project Act, wherein it is recited that the improvement is authorized for the purpose of "improving navigation and regulating the flow of the river."

(5) The improvements provided in the Boulder Canyon Project Act not being unrelated to the control of navigation, the fact that other purposes will be served incidentally, will not invalidate the act, which is within the constitutional power of Congress.

(6) The power of Congress to construct dams and reservoirs on interstate streams for the purpose of irrigating public lands of the United States, or for flood control, or for conserving and apportioning the waters among the states equitably entitled thereto, or for performing international obligations, is not passed upon.

(7) The enactment of the Boulder Canyon Project Act does not invade any rights of the State of Arizona entitling it to equitable relief prior to any actual or threatened impairment of Arizona's rights in and to the waters of the Colorado River.

(8) Bill dismissed without prejudice to future application for relief in case stored water be used in manner interfering with the enjoyment by Arizona or those claiming under it of any rights already perfected, or with the

right of Arizona to make additional legal appropriations and to enjoy the same.

Again, in 1933, the State of Arizona endeavored to prepare the groundwork for asserting rights in the waters of the Colorado River in excess of her appropriated rights, by asking leave to file an original bill to perpetuate testimony concerning the execution of the Colorado River Compact. Leave was refused, the opinion stating (*Arizona v. California*, 292 U. S. 341, 78 L. Ed. 1298 (1933)):

(1) A bill to perpetuate testimony may be entertained in the Supreme Court, although there is no prior precedent.

(2) Requirements for bill to perpetuate testimony are: that the facts expected to be proven by the perpetuated testimony will be material in the determination of the matter in controversy; that the testimony will be competent evidence; that depositions of the witnesses cannot be taken and perpetuated in the ordinary legal methods, because the then condition of the suit (if pending) renders it impossible, or (if no suit be pending) because plaintiff is not in position to start suit in which the issue may be determined; and that the taking of the testimony is necessary by reason of the danger that the testimony will be lost by delay.

(3) Arizona asserts rights under the Boulder Canyon Project Act and the California Limitation Act, but not under the Colorado River Compact, which cannot be considered as a contract in determining the rights of Arizona, which has never ratified the Compact.

(4) The Colorado River Compact does not apportion, as between the Upper and Lower Basins, the surplus waters in excess of the amounts specifically allocated, but recognizes that such surplus may exist applicable to the Lower Basin.

(5) Section 4(a) of the Boulder Canyon Project Act and the California statute enacted pursuant thereto (Stats. 1929, p. 38) place limitations upon California's consumptive use of waters apportioned by Article III(a) of the Colorado River Compact (not to exceed 4,400,000 acre-feet per annum), and the excess or surplus waters unapportioned by the Compact (not to exceed one-half).

(6) Arizona contends that Article III(b) of the Compact confers upon her the exclusive use of the 1,000,000 acre-feet per annum of additional waters which the Lower Basin is authorized by the Compact to use.

(7) Testimony of statements by persons in 1922 in ne-

gotiating the Colorado River Compact for submission to the state legislatures and to Congress is not relevant in determining the meaning of the Boulder Canyon Project Act enacted by Congress in 1928, or the 1929 limitation statute of California.

(8) Question as to whether the United States is necessary party is not passed upon.

Having failed by court action to impede the project, Arizona next offered physical opposition to the construction of Parker dam. This dam was being constructed by the United States to furnish subsidiary regulation of the river and to produce power, and was a Government project, although the cost thereof was being paid to the United States by the Metropolitan Water District. The United States in 1934 brought original suit to enjoin the State of Arizona from such interference, but on the return of the order to show cause why a restraining order *pendente lite* should not issue, a motion to dismiss was made and granted, and the bill dismissed on the ground that proper authority for the construction of the dam was lacking. [*United States v. Arizona*, 295 U. S. 174, 79 L. Ed. 1371 (1934).] The opinion set forth the following:

(1) The Colorado River Compact was approved by Section 13(a) of the Boulder Canyon Project Act, and by presidential proclamation, it took effect June 25, 1929 (46 Stat. at L. 3000).

(2) Arizona's jurisdiction respecting the appropriation, use, and distribution of an equitable share of Colorado River waters is unaffected by the Colorado River Compact or by Federal reclamation law, but Arizona's title is held subject to the power granted to Congress by the commerce clause to regulate the river in aid of navigation.

(3) The Act of March 3, 1899, Sec. 9, forbidding construction of any bridge, etc., in any navigable river or navigable water of the United States until the plans therefor shall have been approved by the Chief of Engineers and by the Secretary of War, and the consent of Congress obtained, applies to Federal and State officers, as well as to private persons, and therefore prohibits the construction of Parker Dam by the United States unless the requisite approval be given or statutory waiver be made.

(4) The reclamation law, Act of April 21, 1904, Sec. 25, 33 Stat. at L. 224, merely extends the reclamation law to the Indian reservations therein named and does not authorize the construction of Parker Dam.

(5) The Boulder Canyon Project Act, Sec. 1, does not authorize the construction of Parker Dam.

(6) Parker Dam was not approved by the President in the manner required by Sec. 4 of the Act of June 25, 1910, U. S. C. A., Title 43, Sec. 413, which requirement was not modified by the National Industrial Recovery Act, Secs. 201a, 202, and 203.

(7) The Parker Dam Project may be deemed to have been begun on February 10, 1933, when the contract was entered into between the United States and the Metropolitan Water District.

(8) The National Industrial Recovery Act does not authorize the construction of Parker Dam, as the Congress did not adopt that dam, nor was the dam recommended by the Chief of Engineers in accordance with established practice dating from the Rivers and Harbors Act of June 13, 1902, and subsequent acts governing the practice of the Chief of Engineers.

This want of authority was corrected by Rivers and Harbors Act of August 30, 1935, 74th Congress, 1st session, Chapter 831, Sec. 2, specifically approving and authorizing construction of Parker dam.

The next step in the history of Colorado River litigation was taken by the State of Arizona which, in 1935, sought leave to file an original bill in the United States Supreme Court against the other Colorado River Basin states to adjudicate the *quantum* of Arizona's equitable share of Colorado River waters. Leave to file was denied, the opinion declaring that (*Arizona v. California*, 298 U. S. 558, 80 L. Ed. 1331 (1935)) :

(1) The bill of complaint does not assert any right in Arizona arising from her appropriation of the waters of the Colorado River, as no infringement of such rights is alleged.

(2) Arizona disclaims assertion of any rights under the Boulder Canyon Project Act, the Colorado River Compact or the Boulder Project itself, and does not assert any right to the benefit of the undertaking of California pursuant to the Project Act to restrict California's use of the water.

(3) A justiciable controversy is presented by the proposed bill of complaint only if Arizona, as a sovereign state or as representative of her citizens, has present rights in the unappropriated waters of the river, or if the privilege to appropriate river waters is capable of division and judicial protection from appropriations by others pending its exercise.

(4) The question as to whether the rule of appropriation or the rule of equitable apportionment of unappropriated waters will be applied by the court is not decided.

(5) Arizona cannot obtain adjudication of rights in the unappropriated waters of the Colorado River under the circumstances disclosed in her proposed bill of complaint without joining the United States as a party.

(6) The Colorado River is a navigable stream, and the privilege of the states through which it flows and their inhabitants to appropriate and use its waters is subject to the paramount power of the United States to control the river for the purpose of improving navigation.

(7) The United States, by congressional legislation and by acts of its officers thereby authorized, has undertaken, in the exercise of authority to control navigation, to impound, and control the disposition of, the surplus water in the river not already appropriated.

(8) Determination of Arizona's asserted rights to an equitable apportionment of the unappropriated waters of the Colorado River cannot be made until determination of the superiority of the rights of the United States to impound and control the disposition of such water in aid of navigation, and a suit cannot be maintained without the presence of the United States, which cannot be sued without its consent.

(9) Question as to whether an equitable division of the unappropriated water of the river can be decreed in a suit in which the United States and the interested states are parties, is left undecided.

(10) Petition to file proposed bill denied because of absence of the United States as party, with leave to Arizona to assert any rights she may have acquired, whether under the Boulder Canyon Project Act or California's undertaking to restrict that state's use of water or otherwise, and to challenge, in any appropriate judicial proceeding, any act of the Secretary of the Interior or others, injurious to Arizona.

In addition to the cases mentioned, the District has prosecuted numerous condemnation actions and has been involved in various damage suits growing out of its construction activities. With relatively few exceptions this litigation has resulted favorably to the District or has been settled by satisfactory compromise agreements. Not many cases were brought involving the District's contractors, as the work performed in most instances was satisfactory and differences could be adjusted without suit.

The history of these types of litigation is not set forth here, but the foregoing statement will indicate the development of judicial precedents establishing the status of the District as a municipal corporation, clarifying its powers, and defining the scope of the Boulder Canyon Project undertaken by the United States, with which the District's project is interrelated.