

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD IN THE DISTRICT OFFICE IN FORT WORTH, TEXAS, ON
THE 11TH DAY OF DECEMBER, 1953, AT 1:30 P.M.

The call of the roll disclosed the presence of Directors
as follows:

PRESENT.

Joe B. Hogsett
Houston Hill
Dan H. Priest
W. L. Pier
A. T. Seymour, Jr.

Also present were Messrs. Sidney L. Samuels and John M.
Scott of the Legal Staff of the District, Mr. C. L. McNair, General
Manager of the District, and Marvin C. Nichols of the firm of Freese
and Nichols, consulting engineers of the District.

Director Hogsett acted in his capacity as President, and
Director Priest acted in his capacity as Secretary, whereupon pro-
ceedings were had and done as follows:

1.

The Directors had previously received copies of the
minutes of a meeting held December 8, 1953, at 1:30 P.M., having
found no objections thereto, it was ordered that they be approved,
signed and placed on record.

2.

The matter of disposing of the two bids which were read
and submitted to the Board at the meeting on December 8, 1953, was
taken up by the Directors and action had thereon.

The bids concerned two tracts of land embracing 382.68 acres, situated in Parker County, Texas, the property of the District. Notice of intent to sell such properties had previously been advertised as prescribed by law. Bidders were notified to submit their proposals of purchase in writing and signed by them, accompanied by certified or Cashier's check representing 5 per cent of the total amount of the purchase-bid.

There were but two bids received, one from R. P. Freeman, who submitted a bid for the purchase of the tracts Nos. 1 and 2, consisting of 382.68 acres of land, which bid was for the amount of \$21,000.00, payable \$8,000.00 cash, and the remainder on or before two years, to which bid the said Freeman attached a certified check in the amount of \$2,000.00, dated December 1, 1953, payable to the order of the Board of Directors of the District.

The other bid was one submitted by Mr. W. F. Sessions in the sum of \$6,000.00, which was for the purchase of Tract No. 2, consisting of 204.69 acres of land for which he proposed to pay \$6,000.00 cash. Accompanying the bid was a cashier's check on the City National Bank of Weatherford, Texas, dated December 4, 1953, payable to the order of the District in the amount of \$300.00.

Upon consideration of both bids, it was the unanimous judgment of the Board that the bids were not sufficient, and that the properties had a market value beyond the purchase price either bidder offered for same. On motion of Director Hill, seconded by Director Pier, each and both of the bids were rejected and it was further ordered in connection with such rejection that the checks hereinabove mentioned, should be returned to the parties who transmitted the same. All the Directors voted "aye" thereon.

The attorney for the District presented the matter of a contract with Westover Hills for the supply of water to the inhabitants of that area from Eagle Mountain Lake. It appeared that at a meeting of the Board of Directors on October 13, 1953, that a contract had been drawn between the District and the town of Westover Hills for the supply of water to the town. At such meeting the contract was read and considered by the Board and tentatively approved, but was not to be delivered or made final until the matter of the siphon in Lake Worth had been satisfactorily arranged with the City government of the City of Fort Worth.

The matter of making such arrangements was confided to the Board by Mr. Marvin C. Nichols, engineer of the District, and such arrangement was made to the satisfaction of the City and the District. Meanwhile, the town of Westover Hills requested that the contract be redrawn to permit the inclusion therein of a cancellation provision under which by giving adequate notice in advance and the payment of a certain premium the said town of Westover Hills would be permitted to abrogate the contract.

It appearing that the original contract so drawn, which had been provisionally prepared and signed by the District, was withdrawn and a new contract prepared, which embodied the amendments above mentioned.

This contract as changed having been exhibited to the members of the Board was approved, and on motion of Director Seymour, seconded by Director Pier, the said contract was adopted and the President and Secretary of the Board authorized to execute the same on behalf of the

District--the said town of Westover Hills to do likewise in response to resolution of its City Council.

All the Directors voted "aye" thereon.

4.

Discussion now ensued on the long pending effort on the part of the District to recover the lands which had been turned over to the Federal Government during World War Two to be utilized as a Marine Base during the period of such war by the Federal Government.

The history of the matter was once again recalled and discussed and how, at first, the Federal Government had agreed to restore said property to the District, and then subsequently sought an arrangement by which in consideration of the District conveying to the Federal Government a part of such lands so occupied by the Federal Government during World War Two, the Federal Government would grant and convey to the District certain contiguous lands, and papers to that effect were drawn and prepared and transmitted to Washington D. C., and also an Act of the National Congress was passed and adopted under which the Secretary of the Navy was authorized to proceed with the exchange of the lands as hereinabove indicated, and then the matter seemed moribund.

After the discussion was had and it appeared to be the sense of the Board that the Federal Government be demanded forthwith to carry out the agreement or else suit be instituted in the United States District Court of Fort Worth, for the recovery of such lands so withheld from the District by the Government of the United States.

Accordingly, on motion of Director Seymour, seconded by Director Pier, Counsel of the District was instructed to proceed

without delay in the United States District Court at Fort Worth, for a decree of Court under which the Federal Government would be required to restore the land so occupied by it, inasmuch as World War Two ceased in August, 1945, and moreover the United States had ceased to use said property thereafter.

In this connection it was however, suggested, and so moved, that Sidney L. Samuels, Counsel of the District, communicate with Mr. Harwood Shoemaker, in charge of Public Works Administration, New Orleans, Louisiana, and ascertain why the matter had been suffered to lie without action this indefinite period of time without effort on the part of the Federal Government to consummate the arrangements. Further, that if through such communication prompt action could be had from the Federal Government, such suit on the part of the District should be withheld. All the Directors voted "aye" on the subject matter of the motion, and it was accordingly so ordered.

5.

It having been brought to the attention of the Directors that the term of office of Directors Houston Hill, W. L. Pier and A. T. Seymour, Jr., expire by law in January 1954, it was resolved by the Board that an election be held on Tuesday, January 12, 1954, to select successors for the three Directors whose terms of office thus expire.

It was the unanimous sense of the Board and their order, that for the purpose of this election and the conduct of same, the entire boundaries of the District shall constitute one election precinct, in which there shall be ten (10) polling places; further, that notice of said election be duly executed in the name of the

District and that said notice be published in accordance with the law governing such matters, in the Fort Worth Star-Telegram and the Fort Worth Press, both of which newspapers are of general circulation in the District; further that the cost and expense of such publications be paid by the District and that Sidney L. Samuels, General Counsel of the District, assisted by Ed B. Cheatham, Office Manager of the District, be instructed to make all necessary arrangements for the holding of said election and the payment of the fees of the officers of the election without further order of the Board. Upon a vote being taken, the resolution was unanimously carried, and it was so ordered.

6.

The President, Mr. Joe B. Hogsett, announced to the Directors that the negotiations between the Texas Electric Service Company on the one hand, and the Tarrant County Water Control and Improvement District Number One on the other, had been finally consummated, and that it appeared that the two parties had reached an agreement on all the points in controversy, which, among other things and chiefly, involved the removal of the Nutt Dam where it now exists in the bed and stream of the West Fork of the Trinity River at its present location west of the Paddock Viaduct, and the relocation and construction of another dam on said stream approximately 800 feet from the present stand of the Nutt Dam which is to be demolished.

The contract between the parties, with the exhibits attached thereto and made a part thereof, having been placed before

the Board and the Board having considered the same, the President submitted both contract and exhibits to the Board for proper action thereon.

It appearing that the Board had from time to time considered the context of the agreement and the provisions thereof, it further appearing that each member of the Board had exchanged comment and viewpoint concerning the desirability of the contract and the expediency of reconciling the differences between the parties, and the necessity for bringing the subject matter to final consummation, it was therefore resolved to proceed to approve of same and state the reasons therefor: In reaching a common objective and in accepting the contract as now drawn and presented, the Directors, each and all, in reviewing the successive steps that had been taken following the flood disaster of May, 1949, and in thus taking action that follows in this meeting.

(a) That following the great flood, in which the Clear Fork and the West Fork of the Trinity River overflowed their banks and brought disaster in its wake, it appeared to the Board from the representations made to it by the Citizens Flood Committee and the Board's consulting engineers, that a program should be prepared by the engineers of the District setting forth the steps that should be taken by the District to avert a recurrence of the great catastrophe that had overtaken the City of Fort Worth and its inhabitants in the month of May, 1949; in which program (which was prepared by the engineers and designated as Program B) it was set forth as part of the tasks to be performed that the Nutt Dam should be demolished and that another dam at a different

site along the West Fork of the Trinity River would have to be constructed, and that the estimated cost, as set forth in said Program B, of the demolition of the Nutt Dam and the construction of a new dam would amount approximately to \$502,000.00.

(b) It also appeared that the Army Engineers of the Federal Government, acting under the provisions of the Act of Congress in appropriating money for that purpose, in the course of their task were to cause to be removed impediments, obstructions, bends and curves in the West Fork of the Trinity River, and in achieving this result had required the removal of the Nutt Dam and the construction down the stream from the Nutt Dam of another structure for the impounding of waters for the uses of the Texas Electric Service Company, in which objective the engineers of the District concurred; and, it further appearing that the cost of demolishing the said Nutt Dam and providing for the construction of a dam down the stream and the facilities which would have to be altered, would exceed in cost the sum of \$807,000.00, without regard to the value of vested water rights claimed by the Texas Electric Service Company, and further that in calculating such cost the engineers of the District followed the standards of recompense to the Texas Electric Service Company laid down in what is known as the Rock Island Case, decided by the Supreme Court of Texas in 73 Southwestern Reporter, 2nd Series, page 55, and officially styled Chicago R. I. & G. Ry. Co. vs. Tarrant County Water Control and Improvement District Number One;

(c) further, because it appeared from statistics and figures laid before the Board by the Texas Electric Service Company

which had operated the Nutt Dam under arrangements with the City of Fort Worth under terms which virtually put the ownership thereof in Texas Electric Service Company, that the value of certain claimed vested water rights of said company in and about the Nutt Dam derived from the City of Fort Worth and also from Statutes of the State of Texas, together with removal of its facilities in and about the Nutt Dam to another point down the stream and the construction of such other dam in lieu of the Nutt Dam adequate for its facilities considered as a whole was estimated to amount to a sum exceeding One Million Dollars;

(d) Therefore, it followed as a logical computation that the price to be paid the Texas Electric Service Company laid down in the contract before the Board represented a middle ground, as it were, or compromise between the value said company put upon its vested water rights, the cost of demolishing the Nutt Dam and the construction of another dam down the stream with the mechanical facilities and easements requisite therefor, and the amount set forth in said contract so to be paid by the District to said Texas Electric Service Company in complete satisfaction and extinguishment of all its claims against the District.

Therefore, after reviewing the entire scope of the matter and the great range of improvements necessitated and the expenditures of money connected therewith, it was the judgment of the Board, in which they received counsel and advice of their engineers, that the consideration of Five Hundred Thousand Dollars (\$500,000.00) to be paid to the said company, and the additional amount of \$150,000.00 not payable in money, but in water for the use of Texas Electric

Service Company, as provided in the contract, represented a fair and equitable compromise between the two calculations--the one first entertained by the District, before the entire field of cost had been disclosed, and that which was urged by the company and that the figures set forth in the contract represented a middle ground for the acceptance of the District.

After this conclusion was reached Director Hill, seconded by Director Priest, moved the acceptance and adoption of said contract, dated December 11, 1953, with all its provisions, and all the exhibits attached thereto, and that the President of the Board execute said contract for an on behalf of the District with the attestation of the Secretary, with the corporate seal of the District impressed thereon and that when the Texas Electric Service Company had executed its corporate name thereto, pursuant to resolution of its Board of Directors and the same had been attested by its Secretary, with its corporate seal thereunto impressed, (two copies to be executed by both parties) that one of the two instruments, both originals, of said contract be delivered one to the said Texas Electric Service Company and the other so signed by both parties be preserved in the archives of the District, and further that a voucher-check be drawn in the amount of \$500,000.00, payable to the order of the said Texas Electric Service Company in accordance with the terms and provisions of said contract.

Each and all the Directors, including the President having voted "aye" thereon, and the contract aforesaid having been then and there duly executed in counterparts, (each being an original)

by the two parties, the contract became final and effective.

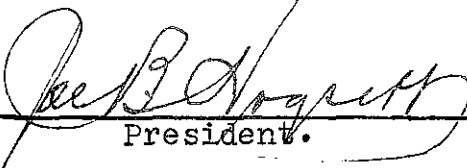
7.

Mr. McNair presented and recommended for approval to the Board land lease proposal of Messrs W. F. Sessions and J. E. Reynolds, in which they proposed to pay \$325.00 for approximately 177.99 acres of land out of the District's W. J. Porter and J. L. Hodgkins Tracts, for the period January 1, 1954 to December 31, 1954, he, Mr. McNair, then submitted the matter of the lease by the District to lands in Jack County, Texas, for the year 1952, and that it had been requested by Mr. I. G. Yates, the Lessee in said contract which had so expired that same be renewed for the years 1953, and 1954, and that the lessee in such renewal be his daughter, Miss Billie Yates. Mr. McNair further stated that the total quantity of land so to be leased to Miss Yates for the years 1953 and 1954, amounted to 707.31 acres, for which leases she should pay an annual rental of \$707.31, and that the total rent to be paid by the said lessee for the years 1953 and 1954 amounted to \$1,414.62. Mr. McNair further stated that under the terms of this renewal the lessee should pay the total amount of \$1414.62 before January 1, 1954.

Upon consideration of each of the above lease proposals Director Hill, seconded by Director Priest, moved that the lease proposals be approved and closed in the usual manner, subject to the payment of the agreed rentals and execution of written contracts in the form required by the District. It was so ordered.

8.

There being no further business before the Board, the meeting thereupon adjourned.


President.


Secretary.