

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 16TH DAY OF OCTOBER, 1967 AT 11:00 A. M.

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

PRESENT

Joe B. Hogsett
Lacy Boggess
Wayne E. Newton
Clyde A. Penry
Edward R. Hudson

Also present were Messrs. John M. Scott, General Counsel for the
District, Ben Hickey General Manager of the District and Marvin C.
Nichols Consulting Engineer for the District.

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

1.

On motion duly made and seconded, the minutes of the
meeting held September 29, 1967 were read and approved by the
Directors and it was accordingly ordered that such minutes be placed
in the permanent files of the District.

2.

On motion of Director Penry, seconded by Director Newton,
voucher-checks #5278 thru #5341 inclusive, Maintenance Fund; voucher-
checks #1618 thru #1631 inclusive, Construction Fund; voucher-checks
#136 and #137, Social Security Fund and voucher-checks #982 thru
#1004 inclusive, Revenue Fund were approved and ordered paid upon

receiving the approval and verification of Mr. J. M. Williams, County Auditor, who by virtue of the Statutes is the Auditor of this District as well. All Directors voted aye thereon.

3.

President Hogsett reviewed in general the terms and conditions under which treated water was distributed by the City of Fort Worth to users within and without the boundaries of the District in Tarrant County, and presented to the Directors the following letter, to wit:

Mr. Ben F. Hickey
General Manager
Tarrant County Water Control and
Improvement District No. 1
508 Danciger Building
Fort Worth, Texas

Dear Mr. Hickey:

Pursuant to your request, we have reviewed the actual purchases of water by Fort Worth as compared to the estimated purchases as shown in the Official Statement relating to the issuance of \$13,500,000 Water Supply Bonds, Series 1962 dated July 12, 1962.

This comparison is as follows:

Calendar Year	<u>Estimated</u> <u>Official Statement</u>		<u>Actual</u>			
	Millions of Gallons	Revenue	Total Millions of Gallons	Revenue @ 4¢ 1000 Gallons	Sales Outside District Millions of Gallons	Added Revenue for Outside District
1960	16,202	\$324,522*	16,118	\$322,256	73	\$ 1,470
1961	18,020	541,028**	18,104	521,236	105	3,216
1962	20,800	797,300***	18,615	720,002	107	4,159
1963	21,300	852,000	21,022	840,864	219	8,756
1964	21,800	872,000	20,492	819,675	210	8,412
1965	22,400	896,000	20,650	826,001	271	10,853
1966	23,000	920,000	20,078	803,112	289	11,559
Average 1963-1966		\$885,000		\$822,412		\$ 9,895

* at 2¢ per 1000 gallons
** at 2 and 3¢ per 1000 gallons
*** at 3 and 4¢ per 1000 gallons
1963-1966 at 4¢ per 1000 gallons

For the fiscal year 1968 the requirements for payment of interest and maturing bonds is \$901,607.

The purchases of water by the City of Fort Worth are approximately 10% below the estimates. For the year 1966 the purchases were 13% below the estimates. It is believed advisable to explore all possibilities that could lead to an increase in the purchase of water from the District. If additional purchases are not made it will be necessary for the District to levy a tax to offset the deficiency in revenue resulting from the lower than estimated purchases by the City of Fort Worth.

The following is an excerpt from page 10 of the Contract between District and City of Fort Worth relating to the Cedar Creek Project:

"The CITY shall have the right, during the entire period of this Agreement, to sell treated water for use in areas outside of the City Limits and outside the boundaries of the DISTRICT as such boundaries exist at the time of such sale. The CITY shall pay to DISTRICT twice the price specified herein for raw water delivered to CITY for such quantities of treated water as may be sold by CITY for use outside the boundaries of the DISTRICT.

It is, however, specifically agreed that the CITY will not sell treated water for use outside the boundaries of the DISTRICT at a price less than the reasonable cost of treating and delivering the water to the point of delivery, plus twice the price specified herein for raw water delivered to CITY, for such quantities of treated water as may be sold by CITY for use outside the boundaries of the DISTRICT." (Emphasis supplied)

It will be noted for the year 1966 289 Million gallons (792,000 gallons per day) were sold by Fort Worth outside the boundaries of the District. This is 1.44% of the total water purchased by Fort Worth. The additional revenue to the District was \$11,559 or 1.42% of the total revenue received from the City.

The City of Fort Worth serves treated water by contract to some eleven cities which are outside the boundaries of the District. It is believed that the removal of the requirement of "Twice the price specified herein for raw water delivered to City" will result in an increase in the sales to such cities and as a result the total revenues to District increased.

It is our understanding that the City of Fort Worth contemplates furnishing treated water to the Regional Airport which is outside the

boundaries of the District. The aviation related facilities of the Airport Board will require substantial amounts of treated water.

It has been estimated that the requirement of non-aviation related facilities expected to be located on the property controlled by the Airport Board may be as much as eight (8) times the requirements of the aviation related facilities. It is believed that the removal of this "twice the price" or "double rate" provision will enable the City of Fort Worth to sell additional water in the Regional Airport Area and thus increase the revenue to the District.

It is believed that the removal of the provision of "twice the price" will be beneficial to the City, the District, the water customers of the City and the taxpayers of the District.

It is recommended that the District by appropriate resolution request the City of Fort Worth to agree to the removal of the "twice the price" provision in the Contract by Resolution of the City.

Respectfully submitted,

FREESE, NICHOLS AND ENDRESS

By /s/ Marvin C. Nichols
Marvin C. Nichols, P.E.
District Engineer

MCN:mg
A/l

Following a thorough review and discussion of the subject, Director Hudson made a motion, seconded by Director Newton, that management of the District prepare a letter, for study by the Directors, to the City of Fort Worth suggesting certain changes in the pricing of raw water sold to the City of Fort Worth. Upon a vote taken all Directors voted aye and it was so ordered.

4.

Director Hudson stated that it would seem proper at this time to continue a study towards the long range furnishing of treated water to all areas of Tarrant County, and would so move that Freese, Nichols and Endress, Consulting Engineers, be now employed to make

such a study at the earliest possible date; whereon Director Penry seconded the motion with all Directors voting aye.

5.

Mr. Ben Hickey, General Manager of the District, requested authority for the District to enter into Contract for the purchase of the following described tract of land required for the Cedar Creek Pipeline, on the following basis for payment, to wit:

Tract No. T-9 - D. H. Taylor - 5.6 acres in Tarrant County @ total Lump Sum of \$25,068.00 in Fee.

Following a detailed presentation of the tract, and upon recommendation of management of the District, Director Penry, seconded by Director Hudson, moved that the District be authorized to enter into a contract for the purchase of the above described tract and on the basis as shown. This meeting with the approval of all Directors present, it was so ordered.

6.

President Hogsett presented to the Directors the Monthly Financial Report regarding receipts and disbursements for Program "A", "B" and "D" and Cedar Creek Project, for the month of September, 1967 from the Auditor of the District, which was ordered accepted and placed in the District's Records.

7.

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


Secretary


President