

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE  
HELD ON THE 12TH DAY OF MARCH, 1974 AT 4:00 P. M.

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

<u>PRESENT</u>	<u>ABSENT</u>
Wayne E. Newton	Paul W. Mason
Clyde A. Penry	C. Victor Thornton
Oliver Shannon	

Also present were Messrs. Joe B. Hogsett, Honorary Chairman of the Board of Directors; John M. Scott, General Counsel for the District and Ben Hickey, General Manager of the District.

Director Newton acted in his capacity as President and Director Shannon acted in his capacity as Secretary, whereupon proceedings were had and done as follows:

1.

On motion duly made and seconded, the minutes of the meeting held February 4, 1974 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 Shannon, voucher-checks #14189 thru #14282 inclusive, Maintenance Fund in the amount of \$286,815.68; voucher-checks #3232 thru #3241 inclusive, Construction Fund in the amount of \$1,201.41; voucher-checks #445 thru #450 inclusive, Interest and Sinking Fund in the amount of \$131,415.65; voucher-checks #3517 thru #3543 inclusive, Revenue Fund in the amount of \$2,302,151.57; voucher checks #4062 thru #4078

inclusive, Cedar Creek Construction Fund in the amount of \$54,671.52 were approved and ordered paid. All Directors present voted aye thereon.

3.

President Newton stated that as required by the law governing such matters the District had completed the advertising for bid proposals to enter into a contract for the depositing of the public funds of the District, and that on March 6, 1974 at 2:00 P. M. One (1) bid proposal was received and that being from the Continental National Bank of Fort Worth which Mr. Newton presented to the Directors. Following a discussion, Director Penry made a motion, seconded by Director Shannon and unanimously passed, that the Contract proposal presented by the Continental National Bank be accepted.

4.

The following recommendation was presented to the Directors for their consideration, to wit:

Recommendation Concerning the awarding of bids for two (2) Tractors:

COMPANY	MODEL	PRICE	MODEL	PRICE	TOTAL
International Harvester	2500	\$ 5,718.00	354	\$ 3,584.00	\$ 9,302.00
Ford	41024C	\$ 5,429.00	2000	\$ 3,238.25	\$ 8,667.25
John Deere	1530	\$ 4,911.26	830	\$ 4,093.42	\$ 9,004.68

Inasmuch as Ford has the lowest combined total for the two (2) units and the majority of the District's fleet of tractors being Ford, it is the recommendation of the Maintenance Department to award the bid to Ford for the two (2) tractors for the combined total of \$8,667.25.

\_\_\_\_\_  
/s/ Gene Fruhwirth  
Gene Fruhwirth

Following an examination of the bid proposals submitted, Director Shannon made a motion, seconded by Director Penry and unanimously approved, that the recommendation as hereinabove listed for the purchase of two (2) Tractors in the total amount of \$8,667.25 be accepted.

5.

The following land matters were presented to the Directors:

(a) Authority to proceed with eminent domain proceedings against James Henry Pustejovsky, et ux for 4.9 acres more or less located in the J. Loven Survey, Ellis County, Texas for the following reasons as outlined in the following letter, to wit:

*Mr. Ben Hickey, General Manager  
Tarrant County Water Control and  
Improvement District Number One  
P. O. Box 4508  
Fort Worth, Texas 76106*

*Re: Land Acquisition  
Ennis Booster Pump Station Site*

*Dear Ben:*

*In connection with the design of the Waxahachie Booster Pump Station, Ernest Clement did a layout for expansion of the Waxahachie Booster Station from an 80 MGD capacity to 160 MGD capacity. At that time he gave consideration to the requirements for the future parallel pipeline. Generally, the pump stations for the present 72 inch line will be located to the north of the pipeline and the pump stations for the future parallel line will be located to the south of the pipeline. The land presently owned by the District at the Ennis Booster Pump Station site will be adequate for the 160 MGD capacity Booster Station for the 72 inch line, but additional land will be needed for a pump station for the future parallel line. We recommend that the District acquire the additional land shown on the attached sketch for the Ennis Booster Pump Station.*

*Sincerely yours,*

*FREESE AND NICHOLS*

*/s/ Lee Freese*

Following a general discussion and with recommendations from Engineers and Management of the District, Director Penry made the motion that was seconded by Director Shannon and unanimously approved that authority be now given for eminent domain proceedings to be initiated for the above described tract of land required for the Cedar Creek Pipeline System.

(b) The following two (2) tracts of land, required for Program "D", Bridgeport, were recommended by management to be purchased with submergence easements at the consideration herein below shown, to wit:

- (1) Lot 5 - Block 11 - Lakeview Estates, Wise County, Texas @ \$500.00.
- (2) Lots 17 and 18, Block 13 - Lakeview Estates, Wise County, Texas @ \$400.00.

Following a review, Director Penry made the motion, that was seconded by Director Shannon and unanimously passed, authorizing the above listed payment for the two tracts.

6.

The following letter was presented to the Directors, to wit:

*Mr. Ben Hickey, General Manger  
Tarrant County Water Control and  
Improvement District Number One  
P. O. Box 4508  
Fort Worth, Texas 76106*

*Re: Proposed Texas Power and Light  
Company Water Purchase*

*Dear Mr. Hickey:*

*This is in response to your request for comments regarding Mr. John*

Scott's letter of February 22, 1974, which suggests a need for an engineering evaluation of the materiality of the proposed sale of Cedar Creek Reservoir water to Texas Power and Light Company.

As outlined in our letter to you of January 15, 1974, the proposed TP&L purchase would represent an estimated 8.06 MGD of the yield of Cedar Creek Reservoir initially and would later increase to 11.04 MGD after construction of a second generating unit at the new power plant site. First use of this water would probably be in 1977, and we understand that the second unit would begin operation about 1983.

The District's water rights permit for Cedar Creek Reservoir is for 175,000 acre-feet per year, or 156.1 MGD. We have in the past estimated that, as of the year 2010, the reservoir will still provide a dependable supply of 132.5 MGD. Compared with the 2010 dependable yield of 132.5 MGD, the amounts needed by TP&L represent 6.1% of the Cedar Creek supply initially and 8.3% after completion of the final stage of the power plant.

As best we can now predict, the District's next major source of water supply will be needed by around 1990. Based on projections submitted to the District and the other sponsors of the current study of long-range water supply for the North Central Texas Area, the rate of growth of Tarrant County's water needs will be approximately 10 MGD per year at that time. Thus, the sale of 11.03 MGD to TP&L would cause the next source to be needed approximately one year sooner than would otherwise be the case.

Under the terms of the District's contract with Fort Worth, of course, any sale of Cedar Creek water to other purchasers must be conditioned on the right of Fort Worth to use the water on a priority basis if required. As a practical matter, however, that option might not need to be exercised, as the District will probably start to build the next source of supply whenever total usage from Cedar Creek begins to approach the dependable yield. Thus, this is mainly a matter of weighing the benefit of revenues from selling water that is now surplus to Fort Worth's needs versus the potential acceleration of development of the next source of supply.

The Cedar Creek project was financed and the price to Fort Worth was set at eight cents per thousand gallons on the assumption that there would be significant sales to purchasers other than Fort Worth. This is reflected by the enclosed Statements 1 and 2 from the District's Official Statement relative to issuance of the Series 1962 water supply bonds. Without the prospect of sales of surplus water, the Fort Worth price would have needed to be some 30% more than it now is.

Attached is a comparison of the projected sales to Fort Worth and others, taken from the 1962 Official Statement, and actual sales through the end of 1973 as shown by the District's records. Sales to Fort Worth have been approximately as planned, but since 1966 the surplus water sales

have been less than anticipated. The difference between the 1962 estimate and actual experience has been widening for the past eight years. In 1973, sales of surplus water fell short of the financing projection by 6,277 million gallons, which is equivalent to 17.20 MGD. The proposed TP&L purchase would help to bring surplus water sales closer to the original expectations.

Yours very truly,

FREESE AND NICHOLS

By /s/ R. S. Gooch  
Robert S. Gooch, P.E.

SALES OF WATER TO FORT WORTH AND SALES OF SURPLUS WATER

- Amounts in Millions of Gallons -

	1962 Estimate of Total Sales*	<u>Fort Worth Sales</u>		<u>Surplus Water Sales</u>	
		1962 Estimate of Sales*	Actual Sales	1962 Estimate of Sales*	Actual Sales
1960	16,202	16,202	16,202	0	163
1961	18,020	28,020	18,020	0	140
1962	20,800	20,800	18,615	0	157
1963	21,300	21,300	21,022	0	207
1964	21,800	21,800	20,492	0	407
1965	23,100	22,400	20,650	700	769
1966	24,500	23,000	20,078	1,500	870
1967	26,300	23,700	21,766	2,600	1,109
1968	28,000	24,400	21,929	3,600	1,150
1969	29,500	25,100	25,514	4,400	1,068
1970	31,400	25,900	27,107	5,500	1,206
1971	33,200	26,600	27,459	6,600	1,361
1972	35,100	27,400	28,473	7,700	1,801
1973	36,900	28,100	24,691	8,800	2,523

\*Notes: 1962 estimates are from the District's Official Statement relative to issuance of Water Supply Bonds, Series 1962.

*The estimates in the Official Statement of 1962 reflected all sales to Fort Worth plus sales from Cedar Creek Reservoir and new sales from the West Fork Reservoir System to purchasers other than Fort Worth. Actual Sales shown in this summary are on the same basis.*

A lengthy general discussion of the subject matter followed the reading of the above letter; including a recommendation and review by management of the District for the proposed sale of water to the Texas Power and Light Company's proposed Forest Grove Generating Station to be located on Caney Creek in Henderson County, outlining some of the reasons for the recommendation, to wit:

1. Additional Revenue to be received by District will help to prevent the Ad Valorem Tax Rate of District from being raised to finance the Cedar Creek Project (revenues received in 1973 @ \$3,072,300 expenditures @ \$3,521,000 = - \$448,700).

2. District has and will have surplus water in Cedar Creek for many years (1973 District discharged from Cedar Creek into Trinity River approximately 964,000 acre feet).

3. Texas Water Rights Commission has authority to grant Texas Power and Light Company permit on Caney Creek without District receiving any revenue (Commission did this with the City of Bowie vs. District in 1973).

4. Energy to produce electricity to operate Cedar Creek Pumps now obtained from Texas Power and Light (now fueled by oil or gas) is uncertain in quantity and continually becoming more expensive (District and Texas Power and Light electric contract has escalating price clause).

Lignite (new plant to use lignite-abundantly owned by Texas Power and Light as energy source) will provide stable source of energy for pumping water from Cedar Creek to Fort Worth Area.

Fort Worth area electric energy - produced by water from District by Texas Electric Service Company will amount to only 30% of needed electric energy in 1980 and only 4% in 1990.

5. Texas Power and Light agrees to a contract with District:

(a) Subject and subordinate to rights of City of Fort Worth and Trust Indenture Resolution.

(b) Will pay prorata cost of any new source of a raw water supply during term of contract.

(c) Will pay prorata part of Ad Valorem Tax levied to be used in operation of Cedar Creek Project.

Following the above review it was the concensus of the Directors that a contract be prepared by General Counsel, Management and Engineers of the District for presentation to the Directors for their study; and further that the matter of consideration of a price to be paid by Texas Power and Light be included in a rate study to be prepared by the engineering firm of Alvord-Burdick and Howson with their recommendations to be furnished the Directors for consideration.

7.

President Newton stated that the Directors had heretofore been furnished copies of correspondence with the City of Fort Worth regarding a joint review of raw water prices, between the District and City, as required in the Contract between the City and District;

he (President Newton) also reviewed a portion of a letter to Mayor Stovall that stated in part that the District would begin a study of raw water prices relating to possible changes in contracts to do equity to all parties concerned; also a study for a future adequate water supply for the years to come.

Following a general discussion and review, management of the District requested, and recommended along with a letter of recommendation from Freese and Nichols dated February 27, 1974, authority to employ the Consulting firm of Alvord-Burdick and Howson, at an estimated cost of \$5,000.00 to study and prepare a report as outlined in the correspondence heretofore furnished; whereon Director Penry made a motion, seconded by Director Shannon and unanimously passed, that management now have the authority to employ the firm of Alvord-Burdick and Howson for the purposes as reported to the Directors.

8.

The following Change Order was presented, and recommended, by management of the District, to wit:

CHANGE OR EXTRA WORK ORDER

PROJECT: Supervisory Control System  
CONTRACT: Cedar Creek Supply & Floodway Gauges  
OWNER: Tarrant County Water Control & Improvement District No. 1  
CONTRACTOR: Teledyne Industries, Geotech Division  
CHANGE ORDER NO. 4 DATE: March 6, 1974

CHANGE OR EXTRA WORK TO BE PERFORMED

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1. Purchase and install the necessary hardware to provide ON/OFF status inputs for the fans at Lake Pump Station

and Booster Station #2	\$ 200.00
2. Purchase and install the necessary hardware to provide a dry contact closure for the input to the Supervisory Control System for the Foxboro Flow Totalizer at Lake Pump Station and Rolling Hills	238.00
3. Software changes to convert flow accumulation from Lake Pump Station and Rolling Hills into the same engineering units	280.00
4. Modify all Floodway Gauge Remote Terminal Units to accomodate the revised level range for each Gauging Station	1,710.00
<u>Prior Contract Amount (Incl. C.O.s #1, 2 &amp; 3)</u>	<u>\$220,920.00</u>
Net increase in contract amount	\$ 2,428.00
Revised contract amount	\$223,348.00

Net (increase)(decrease) in contract time of completion

Revised Contract time of completion

Recommended by

Approved by OWNER

FREESE, NICHOLS AND ENDRESS

By W. E. Clement

Following a review of the changes requested, it was the unanimous decision of all Directors, and their order, that the above Change Order by approved.

9.

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

J. O. Shannon  
Secretary

Wayne E. Newton  
President