

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE  
HELD ON THE 28TH DAY OF FEBRUARY, 1977 AT 3:30 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	C. Victor Thornton
Clyde A. Penry	
J. Oliver Shannon	
Murray Kyger	

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 7, 1977 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 Kyger, voucher-checks #18925 thru #19068 inclusive, Maintenance Fund, in the amount of \$244,033.31; voucher-checks #3536 and #3537, Construction Fund, in the amount of \$829.40; voucher-checks #560 thru #563 inclusive, Interest and Sinking Fund, in the amount of \$122,395.45; voucher-checks #5440 thru #5494 inclusive, Revenue Fund, in the amount

of \$267,629.67 were approved and ordered paid. All Directors present voted aye thereon.

3.

Management of the District presented and recommended a request for authority to purchase the following equipment necessary in the operation of the District, to wit:

- (a) One (1) New Model 917 Flail 74" Mower from International Harvester Sales Company @ \$1,200.00.
- (b) Two (2) New Model 907 - 14 Ford Rotary Mowers from Clemons Tractor Company @ \$645.30 each.
- (c) One (1) New IMP Inva Hardtop Patrol Boat from Texas Marine Company @ \$9,995.00.

Following a review of the bids submitted and with recommendation of management of the District, Director Penry made a motion, seconded by Director Kyger and unanimously approved, that the low bids as hereinabove listed be approved.

4.

President Newton stated that at the last meeting of the Board held on February 7th, the Directors were presented a letter from Mr. Alex Pope, Attorney, a copy of same being in the Minutes of the February 7th meeting, relating to certain oil and gas leases in Wise County, Texas with the District as Lessor, and the manner in which mineral royalty payments to the District were to be determined.

Mr. Ben Hickey, General Manager of the District, reviewed discussions held, subsequent to the February 7th Board Meeting, with

District's management staff, member of the Legal and Financial Committee and Mr. Pope.

Following a general, lengthy discussion of the many factors involved in establishing the status to date regarding the matter and with the recommendation from Mr. J. M. Scott, General Counsel for the District that, at this time, the best interests of the District would be served by engaging the services of the firm of Pope, Hardwick, Christie, Montgomery and Rehfeldt, recognized specialists in this type of work, to represent the District in recovering the royalties due the District as heretofore described; it was the unanimous decision of the Directors and their order that the firm of Pope, Hardwick, Chrisite, Montgomery and Rehfeldt be engaged to represent the District in the recovery of royalties due the District upon the following terms and conditions, to wit: (a) file suit, at earliest possible time, against Enserch Corporation, Mitchell Energy Corporation or such others to recover balance due District of royalites under the described leases; (b) reimbursement for necessary out-of-pocket expenses. District to approve use of expert witnesses prior to use; (c) out of sums recieved from a settlement of the suit, provided such settlement is approved by the District, or from final judgments against defendants, all expenses advanced by the District on monthly billings will be reimbursed to District, and remaining net amount be divided with one-third payable as legal fees, and the remaining two-thirds payable to the District in satisfaction and payment of its claim.

5.

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

J. P. Shannon  
Secretary

Wayne E. Newby  
President