

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE  
HELD ON THE 3RD DAY OF OCTOBER, 1977 AT 9:30 A. M.

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

PRESENT

Wayne E. Newton  
Clyde A. Penry  
J. Oliver Shannon  
C. Victor Thornton  
Murray Kyger

Also present were Messrs. Joe B. Hogsett, Honorary Chairman of the Board of Directors; John M. Scott, General Counsel for the District; Frank Medanich and Mike Ashford from First Southwest Corp.; Paul Horton, representative of McCall, Parkhurst and Horton 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 August 24, 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 Thornton, seconded by Director Kyger, voucher-checks #19873 thru #20006 inclusive, Maintenance Fund, in the amount of \$165,607.96; voucher-checks #5838 thru #5900 inclusive, Revenue Fund, in the amount of \$2,070,320.98; voucher-checks #3249

and #4250, Cedar Creek Construction Fund, in the amount of \$14,607.70; voucher-check #3554, Construction Fund, in the amount of \$250.00 and voucher-check #583, Interest and Sinking Fund, in the amount of \$134.43 were approved and ordered paid. All Directors voted aye thereon.

3.

President Newton presented Mr. Paul Horton, Bond Counsel representing McCall, Parkhurst and Horton also present were the bond advisors for the District, First Southwest Company, by Mr. Frank Medanich and Mr. Mike Ashford. First Southwest Company, having studied the present bonded indebtedness of the District, recommended that the District refund its bonds issued in connection with the Cedar Creek Project series 1960, 1962, 1970, 1971. A total of the outstanding bonds is \$49,255,000.00. First Southwest Company stated that they had analyzed the bond market and the covenants under which the Cedar Creek bonds were issued and it was their conclusion that on the present bond market the bonds could be defeased and paid by the issuing of refunding bonds. Their analysis showed that a total interest saving in excess of \$3,000,000.00 could be effected by such refunding, and that the expenses incurred in preparing and issuing the refunding bonds could be paid by the District from monies it would earn by arbitrage through the refunding process.

General Manager Hickey explained that some meetings had been held between himself, Mr. Scott as attorney for the District and representatives of First Southwest Company and that the staff and the attorney concurred in the recommendation of First Southwest Company that the above bonds be defeased and refunded.

A thorough discussion of the matter ensued, and the following motion was made by Director Penry, seconded by Director Thornton, and unanimously passed.

BE IT RESOLVED: That the Tarrant County Water Control and Improvement District Number One authorizes its staff and First Southwest Company to proceed with all preliminary actions necessary to effectuate a refunding of the series 1960, 1962, 1970 and 1971 Cedar Creek bonds totaling \$49,255,000.00.

As soon as plans for the funding are complete and finalized, the First Southwest Company shall present the plans to this District for its approval, and this District reserves the full and unfettered right to approve or disapprove the issuing of the refunding bonds when the exact details and the state of the bond market are known as factors for the evaluation by the District. In the event that this Board decides not to issue the refunding bonds, then all expenses incurred prior to such determination shall be paid by First Southwest Company save and except that the Board at that time will reconsider the question of whether or not it chooses to bear any portion of such expense on equitable grounds.

That the General Manager of the District be authorized to execute a letter accepting the proposal of First Southwest Company presented to this meeting that certain amendments be made in the contract under which it serves as financial advisor to the District, and that an exact copy of such letter of First Southwest Company be attached to and made a part of the minutes of this meeting.

4.

President Newton stated that under the covenants set forth

in the Resolution and Trust Indenture for the Water Supply Bonds (Cedar Creek Project) the District shall, on or before the 15th day of July of each year, prepare a preliminary annual budget for the ensuing calendar year; and that on or before the first day of October of each year it will adopt the final annual budget for such fiscal year.

Each Director was given a copy of the proposed Cedar Creek Budget for 1978 as herein shown, to wit:

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE  
CEDAR CREEK PROJECT  
BUDGET FOR THE YEAR 1978

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CASH AND INVESTMENTS - January 1, 1978		\$2,150,000.00
ADD: Project Income		
Water Sales	\$3,750,000.00	
Interest on Investments	350,000.00	
Installments on Notes		
Receivable	85,000.00	
Interest on Notes Receivable	80,000.00	
Lease Rental	30,000.00	
		4,295,000.00
		6,445,000.00
LESS: Projected Expenditures		
Capital Expenditures	\$ 50,000.00	
Maintenance Expenses	350,000.00	
Pipeline Operations	600,000.00	
Debt Service	3,768,551.25	
		4,768,551.25
CASH AND INVESTMENTS December 31, 1978		\$1,676,448.75

Following a review Director Penry moved and the motion was seconded by Director Kyger and unanimously carried that the budget be now adopted.

5.

Mr. Ben Hickey presented, and recommended, the proposed sale of the following tracts of land now surplus to requirements of the District, to wit:

CEDAR CREEK LAKE - HENDERSON COUNTY, TEXAS:

<u>PURCHASER</u>	<u>DESCRIPTION</u>	<u>APPRAISED VALUE AND CONSIDERATION</u>
Richard E. Corn	Lot 33 and South part of Lot 34, Block 1, Water Board's Subdivision	\$8,500.00
Robert W. Goode et ux	Lot 48, Block 1, Water Board's Subdivision	\$5,500.00
Judy Slaughter	Lot 85, Block 1, Water Board's Subdivision	\$5,800.00
Thomas R. Leath et ux	Lot 85, Block 1, Water Board's Subdivision	\$7,500.00

FORT WORTH FLOODWAY - PROGRAM B - TARRANT COUNTY, TEXAS:

Mrs. W. C. Dunn	Part of Lot 4, Block, Brookside Annex	\$1,000.00
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A proposal was presented to the Directors for the even exchange of Lots 3, 4 and 5 of Block N, and Lot 11, Block 2 all in the Fields Hillside Addition to the City of Fort Worth, Texas, owned by the Tandy Corporation; for Lot 4, Block A-1 and Lots 9, 10 and 11 Block O all in the Fields Hillside Addition to the City of Fort Worth owned by the District.

Following a review and recommendation of the proposal by management of the District in which was brought out that this fee simple exchange of comparable lands, located in the Floodway, could only be used as a parking lot also that the District and Tandy now hold reciprocal easements that would continue in effect; whereon Director Thornton moved and the motion was seconded by Director Penry and unanimously carried that the hereinabove listed sale of property now surplus to requirements of the District and the reciprocal exchange of fee simple titles of the hereinabove described lots owned by Tandy

Corporation and District be now authorized.

6.

The Directors were presented the Monthly Financial Report regarding Receipts and Distursements for Program "A", "B" and "D" and the Cedar Creek Project, for the month of August, 1977, from the Auditor of the District, which was ordered accepted and placed in the permanent files of the District.

7.

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

J. O. Shannon  
Secretary

Clyde A. Penn  
President