

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 22ND DAY OF FEBRUARY, 1978 AT 3:30 P.M.

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	
Preston M. Geren	

Also present were Messrs. Joe B. Hogsett, Honorary Chairman of the Board of Directors; John M. Scott, General Counsel for the District; R. M. Doby, Manager of Fiscal Affairs 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.

The minutes of the meeting held February 6, 1978 were read and approved; and it was accordingly ordered that such minutes be placed in the permanent files of the District.

2.

Director Geren moved and the motion was seconded by Director Penry and unanimously approved that the following list of vouchers be approved and paid: voucher-checks #20507 thru #20619 inclusive, Maintenance Fund, in the amount of \$276,149.69; voucher-checks #6141 thru #6197 inclusive, Revenue Fund, in the amount of \$422,663.53; voucher-checks #595 and #596, Interest and Sinking Fund, in the amount

of \$140,050.00; voucher-checks #4259 and #4260, Cedar Creek Construction Fund, in the amount of \$50,988.17 and voucher-check #3559, Construction Fund, in the amount of \$500.00.

3.

President Newton stated that the District had advertised as required by law for bid proposals to be received from banking institutions for selection by the Directors of a Depository for the deposit of District Funds as provided by law for the ensuing two (2) years; and proceeded to give copies of the two (2) bid proposals received to each Director, to wit:

Tarrant County Water Control and
Improvement District Number One
Post Office Box 4508
Fort Worth, Texas 76106

Dear Sirs:

The Continental National Bank would like to submit its bid for the Tarrant County Water Control and Improvement District deposit for the next two years. The relationship would include receiving and disbursing the monies and funds of the District for the period contracted; the bank will secure the District's deposits at all times with lawful collateral securities of adequate margin for the benefit and comfort of the District.

The Continental National Bank agrees and includes in its bid for the District's deposits free checks and deposit slips during the contract period with the account or accounts on a non-service charge basis.

The bank offers to pay the Tarrant County Water Control and Improvement District interest on certificates of deposit of \$100,000 and over on either a moving rate basis or a fixed rate basis selected by the Board prior to signing of the contract for the contractual period as follows:

Proposal A) On the moving rate basis, the bank would pay interest on a compounded daily basis of:

- 1) .50% over the average "T-Bill" rate (between bid and ask) of the nearest requested maturity quoted in The Wall Street Journal on the date negotiated on certificates of deposit for 30 to 179 days.

- 2) .70% over the average "T-Bill" rate (between bid and ask) of the nearest requested maturity quoted in The Wall Street Journal on the date negotiated on certificates of deposit for 180 to 359 days; and
- 3) .80% over the one-year average "T-Bill" rate (between bid and ask) quoted in The Wall Street Journal on the date negotiated for certificates of deposit 360 days and over.

or

Proposal B) On a fixed rate basis, the bank would pay interest on a compounded daily basis of:

- 1) 7% on certificates of deposit of 30 to 179 days;
- 2) 7-3/8% on certificates of deposit of 180 to 359 days; and (not exceeding the maturity of this contract)
- 3) 7-1/2% on certificates of deposit of 360 days and over. (not exceeding the maturity of this contract)

In addition, the bank will provide, at no cost, the services of the following:

- 1) Safekeeping Department for the District's securities, if any, including the clipping and collection of coupons;
- 2) the consultation services of its officers and, more specifically, the Petroleum and Real Estate Divisions.
- 3) the Investment Department services including advice on short/long term investments and wire services; and
- 4) parking in the bank's garage for the District's employees while transacting banking business or attending downtown meetings.

The Continental National Bank's directors, officers and employees have enjoyed and appreciated their long established relationship as depository for the District and hope that their bid to sustain the relationship is accepted.

Sincerely,

/s/ John M. Stevenson

John M. Stevenson
President
and Chief Operating Officer

Board of Directors
Tarrant County Water Control and
Improvement District #1
800 East North Side Drive
Fort Worth, Texas 76102

Gentlemen:

We are happy to have the opportunity to bid to act as depository for the monies of the District. Our proposals are as follows:

1. We will pay interest on time deposits of the District as follows:
 - A. A rate of 1/2 of 1% above the offered yield on U. S. Treasury Bills and U. S. Treasury Notes of comparable maturities as quoted in the Wall Street Journal on the day each individual time deposit is made.
- (or)
- B. A rate of 7.75% on all time deposits of the District regardless of maturity.

The District must select the option it deems most favorable, and that option will be followed throughout the life of the contract. This bid is made with the provision that maximum rates and maturities do not violate laws and regulations prescribed by the Comptroller of the Currency, the Federal Reserve System, or other regulatory bodies.

2. We will secure all deposits, both checking account and time deposits, by pledging U. S. Government Securities and/or municipal bonds acceptable to the District according to law. All collateral securities will be held in a joint safekeeping account at Fort Worth National Bank.
3. We will provide free checks and deposit slips as may be required to meet the needs of the District.
4. We will provide free safekeeping service for any securities owned by the District.
5. Our Bank Investments Division will execute transactions in securities with no fee charged to the District.

We hope that this proposal will meet with your approval. We should welcome the opportunity to act as your depository.

Sincerely,

/s/ Alan S. Greear

Alan S. Greear
Senior Vice President

ASG/jp

Enclosure/Good Faith Check for \$50,000

Following a lengthy and detailed review of the bid proposals as submitted, Director Penry moved, seconded by Director Newton and unanimously approved, that the District accept a proposal whereby a "floating" or "moving" rate be accepted; and following a general discussion and review of the "fixed" or "floating" rates as outlined in the bid proposal submitted, Director Penry moved, seconded by Director Shannon and unanimously approved that the bid proposal as submitted by the Continental National Bank and set forth as Proposal A be now accepted.

4.

Management of the District requested authority to advertise for bid proposals to the District on the leasing of certain lands for oil and gas exploration. Following a review of the particular lands to be offered and certain provisions proposed to be included in a lease to be submitted to the Directors for their approval, Director Geren moved, seconded by Director Shannon and unanimously approved, that authority be now given for the notices as required by law to be published including a stipulation that the successful bidder, among other agreements, must begin drilling operations within six (6) months, or before, following the date of the lease agreement.

5.

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

J. D. Shannon
Secretary

Wayne E. Newton
President