

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE  
HELD ON THE 14TH DAY OF APRIL, 1980 AT 9:00 A. M.

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

PRESENT

Wayne E. Newton  
J. Oliver Shannon  
C. Victor Thornton  
Preston M. Geren  
Robert D. Alexander

Also present were Messrs. Robert M. Doby, Manager of  
Fiscal Affairs of the District and Ben Hickey, General Manager for  
the District.

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

1.

On motion duly made and seconded, and with assurance  
from management that all requirements of law relating to the "open  
meeting" law had been met, the minutes of the meeting held March  
13, 1980 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.

Director Thornton moved and the motion was seconded by  
Director Alexander and unanimously approved that the following  
list of vouchers be approved and paid: voucher-checks #23829 thru  
#23951 inclusive, Maintenance Fund, in the amount of \$1,867,419.83;

voucher-checks #7629 thru #7685 inclusive, Revenue Fund, in the amount of \$3,805,879.01; voucher-checks #138 thru #152 inclusive, Richland-Chambers Project - Construction Fund, in the amount of \$1,567,922.99; voucher-checks #4574 thru #4603 inclusive, Cedar Creek Project - Construction Fund, in the amount of \$5,550,501.12; voucher-checks #3602 and #3603, Construction Fund, in the amount of \$851,591.23; voucher-check #107, Cedar Creek Project - Interest and Redemption Fund, in the amount of \$2,825,049.30 and voucher-checks #667 thru #670 inclusive, Interest and Sinking Fund, in the amount of \$816,616.85.

3.

President Newton presented two (2) proposals received to act as Depository for District funds, 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 deposits 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 (U.S. Government securities and/or P.H.A.'s and/or Texas municipal securities rated AAA and/or AA and/or A1 by Moody's and/or Standard & Poor's) for the benefit and comfort of the District.

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

The bank will pay the Tarrant County Water Control and Improvement District interest on a compounded basis on its certificates of deposit of \$100,000 and over the following:

- 1) Certificates for 30 to 89 days would receive a rate of 135 basis points under the bond equivalent yield based upon the nearest maturing United States Treasury Bill\*;

- 2) Certificates for 90 to 179 days would receive a rate of 150 basis points under the bond equivalent yield based upon the nearest maturing United States Treasury Bill\*;
  - 3) Certificates for 180 to 269 days would receive a rate of 125 basis points under the bond equivalent yield based upon the nearest maturing United States Treasury Bills\*;
  - 4) Certificates for 270 to 359 days would receive a rate of 125 basis points under the bond equivalent yield based upon the nearest maturing United States Treasury Bills\*;  
and
  - 5) Certificates for 360 days or longer (but not beyond the maturity of the depository contract) would receive a rate of 150 basis points under the bond equivalent yield based upon the longest Treasury Bill quoted\*.
- \* Bond equivalent yield will be the yield as published in The Wall Street Journal in Treasury Issues - U. S. Treasury Bills as of the previous day.

The stated rates of interest will be paid provided that the maximum rates and maturities do not violate the laws and regulations prescribed by the Comptroller of the Currency, the Federal Reserve Bank or other regulatory bodies.

The bank will enter into repurchase agreements with the District which consists of selling securities for cash to the District for varying periods of time upon to fourteen (14) days and repurchasing the securities at the end of the time period for the same price plus an agreed upon rate of interest.

The securities pledged to secure the District's deposit will be held in joint safekeeping at the Federal Reserve Bank of Dallas for the District's benefit. If the District requests any other institution to be named as the joint safekeeping depository, the costs of safety deposit box and other related costs will be borne by the District (approximately \$75.00 per month).

The bank is basing its bid on a maximum deposit range, including time and demand deposits, of \$20,000,000 being on deposit at the bank during the contract period. There will be no minimum amount of monies necessary to be deposited except the \$750,000 compensating balance for the demand account.

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 Energy and Real Estate Divisions;
- 3) The Investment Department services including advice on the 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 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,

John M. Stevenson  
President  
and Chief Operating Officer

Board of Directors  
Tarrant County Water Control and  
Improvement District Number One  
Fort Worth, Texas

Gentlemen:

In response to invitation contained in your letter of March 27, 1980, we are pleased to submit our proposal to act as depository for the District for a two year period commencing on or about May 1, 1980 and terminating on or about May 1, 1982 as follows:

1. The District shall maintain non interest bearing demand balances with the Bank in an aggregate amount of not less than \$750,000 and the Bank shall maintain the necessary number of accounts and perform all activities associated therewith without charge.
2. Time deposits in the form of certificates of deposit in denominations of \$100,000 or more shall be maintained in a total amount not less than \$5,000,000 nor more than \$15,000,000 except as may be mutually agreed on.
3. For the time deposits referred to in number two (2) above, this Bank offers either one of two options:
  - (a) We will pay as follows on time deposits during the term of the contract:

original term 30-179 days - 12.40%  
original term 180-364 days - 12.80%

original term 1 year or longer  
not to exceed term of contract - 13.20%  
or (b) We will pay rates of interest on all such time deposits that are equal to those available on U.S. Treasury obligations of comparable maturity as quoted at the time of issuance of the individual time deposits plus 10/100th of 1% (.10%).

When discount U. S. Treasury Bills are used in this calculation, the bond equivalent rate or yield shall apply.

It is understood that the Board shall accept either (a) or (b) above. Once that option is exercised, it shall prevail for the life of the contract.

4. Safekeeping services for District investments shall be offered without charge.
5. Subject to collateral availability, the Bank agrees to enter into repurchase agreements with the District for periods of time not to exceed 14 days.
6. The Investment Department of the Bank will assist and advise the District on the investment of funds that may exceed those deposits with the Bank. There will be no charge for these services.
7. All balances (time or demand) maintained with the Bank will be secured as required by law.
8. All of the above shall be subject to compliance with appropriate banking laws and regulations.
9. We enclose our \$50,000 Cashiers Check payable to the District as good faith deposit. It is understood that this will be returned to us immediately if our proposal is rejected or at such time as formal contracts is entered into if our proposal is accepted.

We appreciate having been invited to make this proposal to you.

Very truly yours,

B. W. Lucas  
Executive Vice President

Following a detailed and lengthy review of the proposals, Director Geren moved, seconded by Director Alexander and unanimously approved, that the District accept the proposal as submitted by the Fort Worth National Bank - electing to accept option "a" as outlined in item No. 3 of their proposal; and that a Depository Contract be prepared for consideration of the Directors

at the earliest possible date.

4.

Management of the District presented a proposed sale of 201.5 acres, now surplus to the needs of the District, and owned by the District, to Motorola, Inc., located in the J. Wilcox Surveys No. 52 and 53, Abstracts No. 1709 and 1712, and being more particularly described in the Deed Records of Tarrant County, Texas.

Following a review and general discussion, Director Thornton moved, seconded by Director Shannon and unanimously approved, that upon recommendation of management of the District, and assurances that all legal requirements regarding such matters had been met, that the proposal as submitted by Motorola, Inc. in the amount of \$2,000.00 per acre for the 201.5 acres (\$403,000.00) be accepted upon agreed terms of ten (10%) percent down payment (\$40,300.00) with ten (10) annual consecutive equal payments at a rate of twelve (12%) percent interest as it accrues.

5.

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

Tarrant County Water Control and  
Improvement District No. 1  
P. O. Box 4508  
Fort Worth, Texas 76106

Attention: Bill Hilliard

RE: Richland Creek Project  
FWD Railroad Conflit

Dear Sir:

Transmitted hereith is Proposal from Rone Engineers, for core drilling and Geotechnical Work in connection with relocation and raising grade of the Burlington-Rock Island Railroad across the proposed reservoir north of Streetman, Texas.

We have reviewed the Proposal and believe it covers the

Geotechnical Work necessary for the planning and design of the Railroad Adjustment at this location.

We recommend you accept the Proposal and authorize work to proceed at an early date so the work can be completed if possible within the time limit for entering upon the Briethaupt property.

Yours very truly,

FREESE AND NICHOLS, INC.

H. E. Womack, P.E.

Following a general discussion, Director Thornton moved, seconded by Director Alexander and unanimously approved, that while the matter of professional recommendations by Freese and Nichols by reason of their engineering contract with the District relating to the Richland Project, this particular field of professional services was rather a competitive field, and inasmuch as estimated cost in excess of \$50,000.00 was involved, that Freese and Nichols obtain a minimum of three (3) proposals from qualified contractors; accepting the lowest proposal submitted.

6.

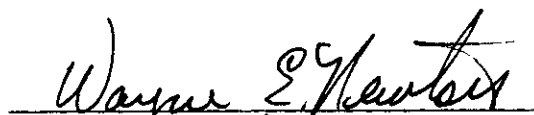
Management of the District presented a request for authorization to purchase from the Lanier Business Products Corporation, one (1) new Word Processor Typing Machine in the amount of \$9,945.00.

Following a discussion and with recommendation of management that the machine was now needed in operation of District's business and would increase efficiency in routine operation of District's business; Director Geren moved, seconded by Director Alexander and unanimously approved that authorization be now granted to management to purchase above listed machine and at the price so stated.

7.

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

  
Secretary

  
President