

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 24TH DAY OF JUNE, 1981 AT 9:00 A. M.

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

PRESENT

Wayne E. Newton
C. Victor Thornton
Robert D. Alexander
Preston M. Geren
Burford I. King

Also present were Messrs. Bill Hilliard, Manager-Land Department
of the District and Ben Hickey, General Manager of the District.

Director Newton acted in his capacity as President and
Director Alexander 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 May 27,
1981 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.

Mr. Ben Hickey, General Manager of the District
requested authority for the District to enter into Contract for
the purchase of the following described tracts of land required
for Program E - Richland Creek Project, on the following basis

for payment, to wit:

- (a) Tract No. 78 - 10.29 acres in fee @ \$600.00 per acre from Mrs. Vella V. Blackmon, Mrs. Clara M. Boyd, Mrs. Alpha Boyd Johnson, Mrs. Annie Boyd Baker, Mr. James Hershall Boyd, Mr. Robert Vernon Boyd and Mrs. Carolyn A. (Boyd) Williams, Navarro County, Texas - Richland Project.
- (b) Tract No. 102 - 1,041 acres in fee @ \$640.00 per acre from Carolyn Taylor, Bessie Montgomery, Jerry Daniel Montgomery, Margaret M. Thomas, Leona Montgomery and Mary Danlin Robinson, Navarro County, Texas - Richland Project.
- (c) Tract No. 74 - approximately 585 acres in fee @ \$630.00 per acre from Mona A. Walker, Kathryn A. Mumberson and Joe E. Anderson, Navarro County, Texas - Richland Project.
- (d) 423,481.6 square feet in fee @ \$0.65 per square foot from Mansfield State Bank, Tarrant County, Texas - Richland Project.
- (e) 51,636.1 square feet in fee @ \$0.85 per square foot from Larry G. Wood, Trustee, Tarrant County, Texas - Richland Project.

Following a detailed presentation of the tracts, and upon recommendation of Management of the District, Director Thornton moved, seconded by Director Alexander, that the District be now authorized to enter into contract for the purchase of the above described tracts and on the basis as shown; upon a vote taken all Directors voted approval for Tract No. 78, 102 and 74 as above listed; and approval of the Tracts (d) and (e) as above listed with Directors Geren and King abstaining.

3.

Management of the District presented the tabulation of some 65 sealed bid proposals to purchase, from the District equipment hereto appraised and advertised for sale, that was surplus to needs of District or that would be replaced, to wit:

1 - Cabin Cruiser			
Frank H. Barina	S/N 5368		\$ 1,500.00

1 - 1976 Chevrolet Four Door Sedan S/N 1L69V6JK162118 Sonny Casey	\$ 500.00
1 - 1976 Chevrolet Four Door Sedan S/N 1L69V6J162146 Jerry Ford	600.00
1 - 1972 Chevrolet 1-Ton Cab & Chassis S/N CCE332J148688 Dennis G. Walters	880.00
1 - 1973 Chevrolet 3/4 Ton Crew Cab Pickup S/N CCY243B158894 American Auto Salvage	758.88
1 - 1974 Chevrolet 1/2-Ton Pickup S/N CCV144A168745 Elmer Spindor	750.00
1 - 1975 Chevrolet 1/2-Ton Pickup S/N CCY145F342423 Elmer Spindor	900.00
1 - 1975 Chevrolet 1/2-Ton Pickup S/N CCY145S169100 Elmer Spindor	725.00
1 - 1975 Chevrolet 1/2-Ton Pickup S/N CCY145S169128 Elmer Spindor	825.00
1 - 1970 Chevrolet 2-1/2-Ton Cab & Chassis S/N CE630P149404 Dennis G. Walters	1,760.00
1 - 1970 Chevrolet 2-1/2-Ton Cab & Chassis S/N CE630P179576 Dennis G. Walters	1,755.00
1 - 1971 Chevrolet 2-1/2 Ton Cab & Chassis S/N CE631)125935 Dennis G. Walters	1,880.00
1 - 1966 Ford Tractor S/N C1122837 Harrison Motors	787.50
1 - 1959 Ferguson Tractor S/N 507266 Rocky Barakis	1,600.00
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	<u>\$15,221.38</u>

Management stated that in addition to the high bid proposals of \$15,221.38 for the above listed equipment the District had collected \$7,264.85 as hail damage to the vehicles from the insurance company covering same; making a total of \$24,486.23 to be realized by District's sale. Whereon Director Alexander moved, seconded by Director Geren and unanimously approved, that upon the recommendation of management of the District the bid proposals as herein listed be accepted.

4.

Management of the District presents the following recommendation, to wit:

WATER AND SEWER SYSTEM - "WATERBOARD SUBDIVISION" CEDAR CREEK

The District presently owns and operates a water and sewer system in the Waterboard Subdivision at Cedar Creek Lake. These systems were originally installed as an example of what should be done to (1) provide proper service and (2) protect the water quality of the lake. The two systems have served as a model for other developments around the lake since 1971.

The District has operated and maintained the water and sewer system with District personnel and equipment since its installation in 1971. Recently, we were approached by the City of Trinidad which expressed an interest in purchasing the water system in order to service an area which it recently annexed into its boundaries.

In the course of negotiations the District insisted that, if a sale were to be made, it must include the sewer system as well as the water system in order to relieve us of all operational responsibility. The City has agreed to purchase and operate both systems. The proposed terms of the sale are:

- (1) Purchase price of \$65,000.00;
- (2) The City will pay the District for the System over a 15 year period at an interest rate of 8%. This interest rate was derived based on the estimated rate that tax exempt municipal financing would require to acquire the system;

- (3) The District will retain the land upon which the two systems are located and lease it to the City with the stipulation that it will revert to the District if it is abandoned;
- (4) Owners of lots who have heretofore paid a tap fee to the District but have not actually connected to the system will not be required to pay another fee.

The sale of the water and sewer system is advantageous to the District for several reasons:

- (1) It frees operating personnel for other duties;
- (2) It frees equipment of the District for more utilization elsewhere;
- (3) It will broaden the customer base for rate setting purposes;
- (4) It gets the District out of the "retail" water treatment business that is losing money.

Following a thorough discussion, Director Geren moved, seconded by Director Alexander and unanimously approved, that the recommended sale as herein proposed for the water and sewage systems to the City of Trinidad, Texas be accepted.

5.

The following temporary Revenue Fund budget for the Cedar Creek System for 1982 was recommended by management of the District, to wit:

CASH AND INVESTMENTS 10- 1-81		\$ 1,380,000.00
INCOME		
Water Sales	\$11,978,889.00	
Installment on Notes Receivable	115,300.00	
Interest on Notes Receivable	85,000.00	
Lease Rental	20,000.00	
Interest Income on Investments	240,000.00	
Other Income	15,000.00	
	<u>454,189.00</u>	
		\$13,834,189.00

EXPENSES

(A) Lake Station	2,821,368.00	
(B) Ennis Station	2,661,048.00	
(C) Waxahachie Station	2,460,360.00	
(D) Pipeline & Pumping Stations	84,960.00	
(E) Pipeline & Pumping Station Maintenance	430,884.00	
(F) Cedar Creek Office	248,100.00	
(G) Cedar Creek Maintenance Operation	277,200.00	
(H) Retirement Contribution	43,855.00	
(I) Group Insurance	38,208.00	
(J) Unemployment Insurance	2,688.00	
(K) F. I. C. A.	44,153.00	
(L) W. C. P. L. & P. D.	34,740.00	
(M) Debt Service		
Interest	\$2,045,240.00	
Bonds	<u>2,145,417.00</u>	4,190,657.00
(N) Paying Agent Fees		1,968.00
(O) General Office Overhead		<u>144,000.00</u>
		<u>13,484,189.00</u>
CASH AND INVESTMENTS 9-30-81		<u>\$ 350,000.00</u>

	<u>MONTHLY</u>	<u>10- 1-81 TO 10- 1-82</u>
(A) Lake station		
4-Utility Plant Operators	\$ 6,790.00	\$ 81,480.00
Power - 4-3000 H.P. Pumps		
Demand 9,000 KW		
5000 KW	\$36,100.	
4000 KW @ 7.07	<u>28,280.</u>	64,380.00
6,480,000 KWH @ .0047	Power Cost	30,456.00
.0206 Fuel Cost	<u>133,488.00</u>	
	<u>228,324.00</u>	<u>2,739,888.00</u>
		<u>2,821,368.00</u>
(B) Ennis Pump Station		
4-Utility Plant Operators	6,790.00	81,480.00
Power - 4-2500 H.P. Pumps		
Demand 7,500 KW		
7500 KW x 2.15	16,125.00	
5,400,000 KWH @ .00821	44,334.00	
5,400,000 KWH @ .028612		
Fuel Cost	<u>154,505.00</u>	
	<u>214,964.00</u>	2,579,568.00
(C) Waxahachie Pump Station		
1-Pumping Supervisor)	6,960.00	83,520.00
3-Utility Plant Operators)		
Power - 4-2500 HP Pumps		
Demand 7,500 KW 5,400,000 KWH		

125 KW	165.00	
7480 KW @ 6.44	<u>48,181.00</u>	48,336.00
10000 KWH @ .021	210.00	
788000 KWH @ .0185	14,578.00	
4,602,000 KWH @ .0054	24,851.00	
5,400,000 @ .0206 Fuel		
Cost	111,240.00	<u>150,879.00</u>
		<u>199,215.00</u>

Les: Primary Service Credit			
500 KW @ .19¢	95.00		
7,000 KW @ .15	1,050.00		
		<u>1,145.00</u>	
		<u>198,070.00</u>	<u>2,376,840.00</u>
			<u>2,460,360.00</u>
			<u>7,942,778.00</u>

(D) Pipeline & Pumping Stations

1-Field Operations Manager)		
1-Asst. Field Operations Mgr.)		
1-Utility Plant Operator)	7,080.00	84,960.00

(E) Pipeline & Pumping Station Maintenance

1-Pipeline Supervisor, Inspector		
1-Pipeline Inspector I		
1-Pipeline Inspector II	5,285.00	63,420.00
Pump Repair Parts - Johnson Pumps	7,500.00	90,000.00
Pump Repair Parts - Worthington		
Pumps	1,000.00	12,000.00
Supplies-Chlorine 1.5 Tons per		
day @ \$345.00	15,740.00	188,880.00
Supplies-Anhydrous Ammonia 12.5		
Tons per month @ \$345.00	4,312.00	51,744.00
Service Contract - T.P.L. Power		
Substation	2,070.00	24,840.00
	<u>35,907.00</u>	<u>430,884.00</u>

(F) Cedar Creek Office

1-Lake Superintendent)		
1-Secretary)	3,500.00	42,000.00
Office Supplies	100.00	1,200.00
Telephone	200.00	2,400.00
Utilities	1,500.00	18,000.00
Legal & Engineering Fees	15,000.00	180,000.00
Auto Expense	75.00	900.00
Office Maintenance	300.00	3,600.00
	<u>20,675.00</u>	<u>248,100.00</u>

(G) Cedar Creek - Maintenance Operations

1-Equipment Operator IV)		
5-Equipment Operator III)		
1-Sanitation Inspector II)	15,100.00	181,200.00
1-Auto Mechanic III)		
1-Auto Mechanic II)		
1-Laborer I)		

	Supplies	5,000.00	60,000.00
	Gas & Oil	3,000.00	36,000.00
		<u>23,100.00</u>	<u>277,200.00</u>
(H)	Retirement Contribution	3,655.00	43,855.00
(I)	Group Insurance		
	32 Employees @ \$99.50 per month	3,184.00	38,208.00
(J)	Unemployment Insurance		
	32 Employees x \$6,000 x .014%	224.00	2,688.00
(K)	F. I. C. A. 659,000 x.067	3,680.00	44,153.00
(L)	W.C.P.L. & P.D.		
	15,600 x 32 x 6.959 ÷ by 100	2,895.00	34,740.00
(M)	Debt Service		
	Interest 2,115,940 ÷ 12 x 5		
	months 881,641.65		
	Interest 1,994,740 ÷		
	12 x 7 months 1,163,598.33	170,436.60	2,045,239.98
	Bonds 2,020,000 ÷		
	12 x 5 months 841,666.65		
	Bonds 2,235,000 ÷		
	12 x 7 months 1,303,750.00	<u>178,784.72</u>	<u>2,145,416.65</u>
		<u>349,221.38</u>	<u>4,190,656.63</u>
(N)	Paying Agent Fees		
	440 Bonds @ 1.50 =		
	600.00 ÷ 12 x 6	330.00	
	447 Bonds @ 1.50 =		
	670.50 ÷ 12 x 6	335.25	
	8850 Coupons @ .15 =		
	1327.50 ÷ 12 x 6	663.75	
	8437 Coupons @ .15 =		
	1265.55 ÷ 12 x 6	<u>632.75</u>	
		164.00	1,968.00
(O)	General Office Overhead	12,000.00	144,000.00

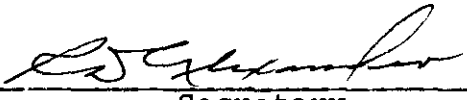
Following a review by management who stated that this was an interim budget, as set forth in the Bond Resolution, with the permanent budget to be adopted in October of this year, Director Thornton moved, seconded by Director King and unanimously approved, that the 1982 interim budget for Cedar Creek System as presented be adopted.


6.

President Newton stated that copies of the Financial Report for the months of April and May, 1981 have been furnished the Directors.

7.

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


Secretary


President