

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 12TH DAY OF AUGUST, 1981 AT 9:00 A. M.

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

<u>PRESENT</u>	<u>ABSENT</u>
C. Victor Thornton	Wayne E. Newton
Preston M. Geren	Burford I. King
Robert D. Alexander	

Also present were Representatives of Arthur Young & Company and
Ben Hickey, General Manager of the District.

Director Thornton acted as President and Director
Alexander acted 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 meetings held July
29, 1981 and August 3, 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.

President Thornton presented copies of the following
letter, to wit:

August 7, 1981

Board of Directors
Tarrant County Water Control and
Improvement District #1

Gentlemen:

In response to your request we have provided in the attached

schedule as allocation of the total estimated hours to be spent on the 1981 audit engagement. The estimated number of hours required to perform the auditing procedures for each area is based upon our knowledge of the District's business that we have gained through our past audit examinations. The auditing procedures utilized in examining the financial statements are selected and applied within the framework of generally accepted auditing standards. The selection of auditing procedures is a matter of the audit team's professional judgment, and is guided by our Firm's policies and preferences and our "businessman's approach" to auditing problems and the significance in materiality of such problems. We have also included the estimated time required to perform the special procedures as suggested by the audit committee.

Our professional fees are based on the time spent on the engagement by the assigned individuals at their established billing rates. Should the time requirements be less than our estimates, we will adjust our fees accordingly.

Careful consideration has been given to cost throughout the development of the fee estimate. We believe the engagement organization and our knowledge of the District's operations will provide a practical, cost effective allocation of audit effort.

We appreciate the opportunity to serve the District, and you may be sure that Arthur Young will provide a high degree of professional service. If additional information is required, please call Mr. Alvis P. Stephens or Mr. Frank R. Tucker at your convenience.

Very truly yours,

ARTHUR YOUNG & COMPANY

/s/ Alvis P. Stephens

ALLOCATION OF AUDIT HOURS
BY MAJOR CATEGORY

Preparation of financial statements	40
Review and evaluation of internal control systems	50
Cash	10
Investments	40
Property, plant and equipment	25
Receivables	20
Accounts payable	15
Other liabilities	10
Bonds payable	25
Fund equity	10
Revenue and expense accounts	40
Transactions related to Richland Chambers project	20

Procedures requested by audit committee, including circularization of code of conduct letter, review of selected vendor files and expense reports	20
Management review and supervision	<u>70</u>
TOTAL HOURS	<u>395</u>

Following a detailed review by Arthur Young & Company representatives Messrs. Stephens and Tucker, and an extended discussion especially concerning the Allocation of Audit Hours, Director Geren moved, seconded by Director Alexander and unanimously approved that the Arthur Young & Company be now authorized to provide the scope of services, but not limited to, as outlined in their (Arthur Young & Company) letters of July 20 and August 7, 1981, addressed to the District, for the audit years of 1980 and 1981.

3.

Management 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:

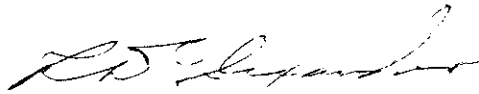
- I. Tract No. 123 - 25.11 acres in fee @ \$610.00 per acre; 3.07 acres in easement @ \$305.00 per acre from B. B. Long, et ux, Navarro County, Texas - Richland Project.
- II. Tract No. 107 - 18.75 acres in fee @ \$600.00 per acre; 2.05 acres in easement @ \$300.00 from Mary Irene Marshall, Navarro County, Texas - Richland Project.
- III. Tract No. 108 - 7.01 acres in fee @ \$600.00 per acre; 1.82 acres in easement @ \$300.00 per acre from Cecil Singleton, et ux, Navarro County, Texas - Richland Project.
- IV. Tract No. 117 - 40.39 acres in fee @ \$600.00 per acre; 1.14 acres in easement @ \$300.00 per acre from Mrs. A. W. Hines, Navarro County, Texas - Richland Project.
- V. Tract No. 61 - 167.23 acres in fee @ \$640.00 per acre from J. R. McLean and wife Rose M. McLean, Navarro County, Texas - Richland Project.

VI. Tract No. 103 - 29.1 acres in fee @ \$675.00 per acre; 6.76 acres in easement @ \$337.50 from Mrs. Connie J. Mullenix and W. A. Poe, Jr., Navarro County, Texas - Richland Project.

Following a detailed presentation of the tracts, and upon recommendation of management of the District, Director Geren 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. This meeting with the approval of all Directors it was so ordered.

4.

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



Secretary



Vice President