

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 13TH DAY OF APRIL, 1983 AT 9:30 A. M.

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

PRESENT

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

ABSENT

Wayne E. Newton

Also present were Messrs. Ben Hickey, General Manager; Bill Hilliard, Assistant General Manager; Robert M. Doby, Manager of Fiscal Affairs; Robert Hardwicke, Attorney for the District; David Ralston, Attorney for the District; Frank Medanich; and Clarke Gillespie and Walter Evans of Cawley Gillespie and Associates.

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

1.

On motion 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 March 30, 1983 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.

Close Meeting:

To discuss possible litigation involving oil and gas

well conflicts and other reservoir conflicts at the Richland Creek Pipeline site.

Open Meeting:

Director King moved with Director Alexander seconding the motion to delay consideration of resolution of the oil and gas well conflict at the Richland Creek Project; to direct staff and consultants to the District to continue to monitor the situation and to keep the Board advised of same. This meeting with the approval of all Directors present it was so ordered.

Director Geren made a motion to direct management to proceed with the development of a plan and alternate solutions for the county road conflicts at the Richland Creek Project site. Concurrence of the Commissioners' Courts of both Freestone and Navarro Counties in the plan is to be obtained before submission to the Board for action. The motion was seconded by Director Alexander. All Directors present voted aye and it was so ordered.

3.

(a) Mr. Frank Medanich of the First Southwest Company made a presentation to the Board concerning the issuance of Revenue Bonds to fund the settlement of the Cedar Creek Reservoir spillway damage claims and to submit a contract for First Southwest's services as Financial Advisor to the District. The proposed contract is for a term of five years. During discussion Mr. Medanich was asked if the cost of the issuance would be the same if the contract should be for this issue only to which he answered yes. A question as to the probable limits of a private

placement issue, Mr. Medanich answered between seven and seven and one-half million dollars. Mr. Robert Doby recommended the five year term but the Directors deferred action until the next meeting of the Board.

Director Alexander made a motion seconded by Director Geren to reconsider the Board's approval of right-of-way acquisition for the Benbrook project to be funded from the Richland Creek Project Construction Fund. All Directors present voted aye and the motion carried.

At this point in the meeting, Director Geren advised the chair that he had to excuse himself from the meeting. Before leaving he asked that a committee or an advisor be appointed to assist the staff in a study for the development of standard contracts to be used by the District (agenda item 4b). All present agreed that Director Geren should serve in this capacity but no formal action was proposed or taken.

(b) Mr. Bill Hilliard presented a proposal for the settlement of the State Highway 31 conflict at the Richland Creek Project. The agreement is a lump sum settlement not subject to actual bids taken by the State Department of Highways and Public Transportation, (State of Texas) as per an agreement of 16 December 1982 between the District and the State. He stated that the Department had proposed to replace three of the affected bridges rather than protect the supporting wood pilings. Funding for the replacement is to be through a federal bridge replacement program on a 80% fed., 20% state cost share. The Department's

estimate for adjustment and protection of State Highway 31 bridges was \$2,250,000. The negotiated settlement of \$519,150.00 will discharge any further obligation of the District for the necessary adjustments to State Highway 31. Following discussion and with the recommendaton for approval by the general manager, Director Alexander moved, Director King seconded and all Directors present voted aye to authorize for settlement of adjustments to State Highway 31 with the State of Texas on the basis submitted in the amount of \$519,150.00.

(c) Mr. David Ralston, attorney for the District presented the settlement agreement to be used for spillway damage claims suit of Johnson, et al vs. Tarrant County Water Control and Improvement District Number One. During discussion he assured the Directors that the agreement's provisions achieves permanent and irrevocable protection from claims at or below the elevation to be determined and inserted into the agreements. Mr. Ben Hickey stated that the District's engineers, Freese and Nichols, Inc. will make the elevation determinations and submit them to the District for consideration and approval. He also stated that each individual transaction will be submitted to the Board for approval in much the same fashion as land acquisition and with the recommendation of management for approval, Director Alexander moved and Director King seconded the motion to adopt the settlement agreement form as submitted. With all Directors present approving it was so ordered.

(d) 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. 24 - 25.44 acres in fee @ \$650.00 per acre; 7.87 acres in easement @ \$433.33 per acre from Jewell H. Brown, Navarro County, Texas.
- II. Tract No. 266 - 3.08 acres in fee @ \$675.00 per acre; 28.88 acres in easement @ \$450.00 per acre from Calvin Oscar Knauth and wife Patricia Ann Knauth, Navarro County, Texas.
- III. Tract No. 171 - 306.83 acres in fee @ \$750.00 per acre; 9.56 acres in easement @ \$500.00 per acre from Marvin Henderson and wife Beatrice C. Henderson, Navarro County, Texas.

Following a detailed presentation of the tracts, and upon recommendation of management of the District, Director King 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 present it was so ordered.

4.

A letter from Mason, Johnston and Associates dated March 28, 1983 was submitted to the Directors for consideration. Said letter involves a claim of MJA for \$7,246.34 in additional billings under the Geotechnical Investigation Agreement of 1979. The text of the letter is included and made a part of the permanent records of the District to wit:

28 March 1983

Tarrant County Water Control
and Improvement District No. One
800 E. Northside Drive
PO Box 4508
Fort Worth, Texas 76106

Attention: Mr. Ben F. Hickey
General Manager

Re: Richland Creek Project
MJ No. 4700

Gentlemen:

Pursuant to a recent meeting with Messrs. Hilliard and Doby of your staff, and Thompson of Freese & Nichols, we are herein requesting payment for our Invoice No. 82-11-1755. As a result of this meeting, it is our understanding that this matter will have to be presented to the Board of Directors. The information contained in this letter may be considered our formal written appeal to the Board for consideration of payment of the referenced invoice. If the Board has any questions, or requires any additional information, I will be happy to make this presentation in person at the earliest possible time that this matter is on the Board's agenda.

Raymond C. Mason's statement to the Board of Directors when asking for an increase in our original budget indicated that the then currently known field, laboratory, engineering and report reproduction could be completed for a sum not to exceed \$935,000.00. That was, and is, a true statement. Completion of our original Geotechnical Investigation including five bound copies of our final report could have been presented to the District for a sum less than \$935,000.00.

The normal sequence of events leading to the issuance of Contract Documents is for the Geotechnical Report to be made available to the Owner and its Engineers in a limited number of (five to ten) copies. The District, or its Engineers, would then reproduce in whatever format they choose, the required number of sets of logs and/or reports required for bidding purposes. Prior to our submitting our completed report to the District, we were directed by Freese & Nichols to prepare seventy-five bound copies of our complete report and supplement. The time requirements, as well as volume requirements and aesthetical considerations dictated that this be done as a subcontract. The final cost of this reproduction was approximately \$30,000.00. Reimbursement for this reproduction was billed to the District under the original contract. Payment for these services depleted our budget allowance of \$935,000.00.

At the time we were directed to perform these additional services, we were assured that the future sale of the documents would be credited to our budget so that it would allow us to complete additional work items in aiding the District's Engineers in arriving at a fair and equitable bidding process. It is our understanding that there is some \$13,000.00 generated by the sale of these documents that could be applied to our billings to reduce the expended total to far less than \$935,000.00. It is with these funds that we anticipate payment for our invoice in the amount of \$7,246.34.

In summary, we feel that the additional services involved in printing seventy-five bound copies of our report, as well as transferring core samples to the project site and aiding Contractors in looking at same, our additional services never intended to be included in our budgetary allowance of \$935,000.00. Therefore, we respectfully request this information to be presented to your Board of Directors and that payment be issued thereafter. At your earliest convenience, please inform me as to when this matter may be put on the Board of Directors agenda.

Very truly yours,

/s/ William J. Howard

Discussion revolved around Freese and Nichols' authorization for the printing of the additional copies of the report and Mason Johnston & Associates' not consulting the District before proceeding with the printing. The management did not recommend payment and action was deferred to a later date.

5.

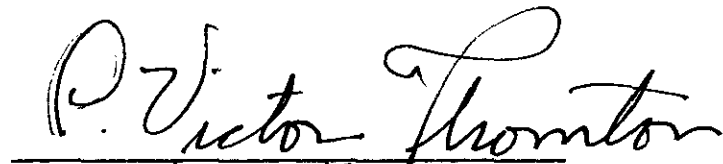
Mr. Bill Hilliard submitted a letter dated April 7, 1983 from Lee B. Freese of Freese and Nichols, Inc. It relates to distances necessary to vary spacing of future raw water pipelines from East Texas ten feet in and out of a 180 foot wide proposed right-of-way via a 50 foot expansion of the existing right-of-way between Fort Worth and Ennis without resulting in increased cost of construction. It is understood that in some areas it will not be feasible to widen the right-of-way. Mr. Hilliard showed

Directors a typical section of the existing right-of-way indicating several such problem areas. No action was recommended or taken at this time.

6.

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


Secretary


Vice-President