

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 3RD DAY OF FEBRUARY, 1986 AT 10:00 A. M.

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

PRESENT

C. Victor Thornton
Burford I. King
George Shannon
Wayne E. Newton
Victor W. Henderson

Also present were Messrs. James M. Oliver, General
Manager; James Strawn, Manager of Planning and Development; R. M.
Doby, Comptroller; Alan Thomas, Fiscal Manager; Woody Frossard,
Environmental Manager; Bill Hilliard, Manager of Special Projects;
Mike Meza, Manager of Operations; George Christie, Counsel for the
District. Director Thornton acted as President and Director
Shannon acted as Secretary, whereupon proceedings were had and
done as follows:

1.

On motion made by Director Shannon and seconded by
Director Henderson, and with assurance from management that all
requirements of law relating to the "open meetings" law had been
met, the minutes of the meeting held January 24, 1986, were
unanimously approved by the Directors and it was accordingly
ordered that such minutes be placed in the permanent files of the
District.

2.

Mr. Robert M. Doby, Comptroller for the District,
requested authority to proceed with advertising and taking of bids
for the purpose of establishing a Depository for District Funds

effective May 1, 1986 with the following specifications to wit:

- 1) Maintenance of a cash balance of no less than \$750,000.00.
- 2) A maximum of \$15,000,000.00 in Certificates of Deposit.
- 3) Safekeeping and other services at no cost to the District.
- 4) Collateral consisting of securities approved by statute to cover all deposits with the exception that Industrial Development Bonds not exceed more than twenty five percent of collateral.

Following a discussion and upon the recommendation of management, Director King moved, seconded by Director Henderson, that the District be authorized to advertise the taking of bids for a Depository for District Funds conforming to the above mentioned specifications. This meeting with the approval of all Directors, it was so ordered.

3.

Mr. Alan Thomas, Fiscal Manager for the District, reviewed the Financial Report for the quarter ended December 31, 1985, copy heretofore mailed to the Directors, and during the lengthy line item discussion, the Directors especially requested information regarding employee salary increases during the proximate quarter as well as the possibility that a more graphic format be developed to aid the Directors in monitoring the status of individual funds in a more comprehensive manner.

4.

Mr. Michael J. Meza, Manager of Operations for the District, presented for consideration the results of bids taken for the purchase of the following equipment for the Operations Division, to wit:

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT
DISTRICT NUMBER ONE
INTER-OFFICE CORRESPONDENCE

DATE: January 16, 1986
TO: Mike Meza
FROM: W. Richard Ellis
SUBJECT: Purchase of Equipment

Enclosed please find the results of the bidding on the following items to be purchased. Bids were opened January 3, 1986.

1. One new industrial tractor with factory installed front end loader. Clemons Tractor Company was low bidder with a price of \$15,384.51. This unit is designated for the Western Division and is budgeted through West Fork capital expenditures for fiscal 1986. The line item amount being \$20,000.00. This unit will replace unit 6-10, a 1959 Ford that is operable and will be sold.
2. Two new industrial tractors with factory installed loader/backhoe units. Clemons Tractor Company was low bidder with a price of \$24,655.67 each or \$49,311.34 for both.
 - A. One unit is designated for Cedar Creek and is budgeted through revenue fund capital expenditures for fiscal 1986. The line item amount being \$28,500.00. This unit will replace unit 6-34, a 1972 Ford that is operable and will be sold.
 - B. The second unit is designated for Richland-Chambers. Funding for this unit will be drawn from the Richland-Chambers construction fund. This unit will replace unit 6-22, a 1970 International that is inoperable and will be sold.

The Operations Division has reviewed the bids for the equipment listed and submits that the low bids from Clemons Tractor Company be accepted.

Following discussion and with the recommendation of management, Director Henderson moved and Director Shannon seconded the motion to accept the low bids as submitted by the Operations Division. This meeting with the approval of all Directors it was

so ordered.

January 17, 1986

Mr. James M. Oliver
General Manager
Tarrant County Water Control
Improvement District No. 1
P. O. Box 4508
Ft. Worth, Texas 76106

RE: Power Factor Correction Capacitors
Ennis Pump Station
Recommendation of award of
purchase of capacitors

Dear Mr. Oliver:

Bids were received on January 3, 1986, for the furnishing and delivering of six (6) power factor correction capacitors for the Ennis Pump Station.

Two bids were submitted as shown below:

<u>BIDDER</u>	<u>AMOUNT BID</u>	<u>DELIVERY DATE</u>
Westinghouse (Wesco)	\$13,868.00	75 days
General Electric	\$15,750.00	10 - 12 Weeks

It should be noted that both manufacturers stated that their own terms and conditions would apply to this purchase order. We felt that the only notable exception made to the terms of the purchase order is that both manufacturers take exception to liability for delays.

Based upon our review of the quotes of the two manufacturers, we recommend that the purchase order be awarded to Westinghouse in the amount of \$13,868.00. If you have any questions or require additional information, please call.

Yours very truly,

FREESE AND NICHOLS, INC.

/s/ Mike Nichols

Mike L. Nichols, P.E.

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. ONE
INTER-OFFICE CORRESPONDENCE

DATE: January 23, 1986
TO: James Oliver
FROM: Mike Meza
SUBJECT: Result of bidding for power factor correction capacitors

Please find enclosed all correspondence documenting need for installation of power factor improvement capacitors at the Ennis Pump Station. Also you will find copies of two bids submitted and recommendation for award from Mike L. Nichols, P.E., of Freese and Nichols, Inc.

I have reviewed the equipment submitted by bid and the recommendation and would like to insert the following:

A) WESCO bid of December 12, 1985

1. Note #5 - This statement is a clerical error as per telephone conversation of January 22, 1986 with Kurt J. Saunders, Branch Manager, WESCO, and will be corrected in correspondence due no later than January 24, 1986. This correction based on the District's tax exempt status.

Therefore, referencing the above, the Operations Division has reviewed the bids for the above listed equipment and submits that the bid from WESCO in the amount of \$13,868.00 be accepted.

Following discussion and with the recommendation of management, Director Henderson moved and Director Shannon seconded the motion to accept the bid as submitted by the Operations Division. This meeting with unanimous approval by the Directors, it was so ordered.

5.

Mr. Thornton brought before the meeting the matter of

the awarding of the contract for the construction of the Relocation of 3.2 miles of Burlington Northern Railroad Company and Chicago Pacific Corporation's J. T. D. Line as being contract Number Three for the Richland-Chambers Reservoir Project. The President stated that in considering this matter, the Directors had reviewed all letters received from the various bidders, the opinion of the management, the opinion of the District's attorneys and the opinion of the District Engineer.

Mr. James Oliver
General Manager
Tarrant County Water Control and
Improvement District Number One
P. O. Box 4508
Fort Worth, Texas 76106

Re: Richland Creek Project
Relocation of 3.2 Miles of
Burlington Northern Railroad
Company and Chicago Pacific
Corporation's JTD Line

Dear Mr. Oliver:

Bids for the relocation of the referenced project were received on Thursday, January 23, 1986. A tabulation of the bids is attached.

H. B. Zachry Company's bid of \$11,518,967.53 for Alternate No. 1 and 395 calendar days was the low bid. Zachry is currently constructing the dam, spillway and pump station intake facilities at the Richland Creek project. Their work to date is satisfactory.

We recommend that you award the contract to Zachry. Prior to officially awarding the contract, we further recommend that approval of Zachry be obtained from the Burlington Northern Railroad Company and the Chicago Pacific Corporation.

Zachry has one error in their bid. The specifications limit the bid item "Mobilization" to 5 percent of the total bid without "Mobilization". Zachry's bid of \$600,000 is 5.4 percent of the adjusted total bid. Five percent of the adjusted total bid is \$548,522. Bid items could be adjusted or the bid simply accepted.

If we can be of further assistance, please contact us.

Yours very truly,

FREESE AND NICHOLS, INC.

/s/ Ronnie M. Lemons

Ronnie M. Lemons, P. E.

In presenting the recommendation of management, Bill Hilliard, Manager of Special Projects for the District, stated that management, concurrent with the District Engineer, recommend that this contract be awarded to H. B. Zachry Company. Director Newton moved that the board consider all bids, that the board waive any formalities necessary in order to receive all such bids, that the board accept the recommendations of the staff and the District Engineer to award the contract to H. B. Zachry Company of San Antonio, Texas, and that the board authorize the President and Secretary of the District and other appropriate persons to execute the contract agreement on behalf of the District. After a second by Director King, the Directors voted unanimously in favor of Mr. Newton's motion.

6.

Mr. Bill Hilliard, Manager of Special Projects for the District, presented several land matters necessitating action by the Board of Directors.

6A.

On behalf of management, Bill Hilliard requested authority for the District to enter into eminent domain proceedings upon the refusal of a final offer enumerated as not to exceed on the following tracts required for the Richland-Chambers Reservoir.

1. 360.26 acres in fee @ \$900.00 per acre; 11.36 acres in easement @ \$600.00 per acre; \$19,000 in liquidated damages to improvements from B. D. Carroll et al, Navarro County, Texas-Tract Number 202.

- 2) 602.19 acres in fee @ \$850.00 per acre; 9.145 acres in easement @ \$566.00 per acre from D. R. Newman et al, Navarro County, Texas -- Tract Numbers 49 and 49A.

Director Shannon moved to authorize condemnation proceedings to obtain the above listed tracts upon the refusal of the above listed "not to exceed" offers. Director Newton seconded and the vote was unanimously in favor of approving the above mentioned course of action.

6B

On behalf of management, Bill Hilliard further requested authority to acquire the following parcels of Richland-Chambers Pipeline right-of-way; on the following basis of payment to wit:

- 1) 6.26 acres in easement @ \$1,500.00 per acre from Jerry Matous, Sr. and wife Francis Matous, Ellis County, Texas.
- 2) 9.52 acres in easement @ \$1,000.00 per acre from Joe Dolezalik and wife JoAnn Dolezalik, Ellis County, Texas.
- 3) 6.77 acres in easement @ \$800.00 per acre from Allen E. Fisher and wife Vickie J. Fisher, Navarro County, Texas.

Following a detailed presentation of the parcels and upon the recommendation of management, Director King moved seconded by Director Shannon, that the District be authorized to acquire the aforementioned easements by means not to exceed the above stated offers. This meeting with the approval of all Directors present, it was so ordered.

6C

Management of the District requested authority to enter into a contract for the purchase of the following tract of land required for the Richland-Chambers Project on the following basis of payment to wit:

Tract Number 236 - 1.14 acres in fee @ \$850.00 per acre;
.43 acre in easement @ \$567.00 per acre from Rufus S.
Dugan, Jr. and wife, Sherilyn Kay Dugan, Navarro County,
Texas.

Upon the recommendation of management, Director Shannon moved, seconded by Director Henderson, that the District be authorized to enter into a contract for the purchase of the above described tract on the basis shown. This meeting with the approval of all Directors present, it was so ordered.

6D

Management of the District requested authority to acquire a flowage easement over the following tract of land due to circumstances arising over claims in connection with Cedar Creek Spillway Discharges. The easement would encompass the entire 145.5 acres owned by Joe M. Daniel, Jr. et al at a cost of \$235.00 per acre. Bill Hilliard presented that the District took the same easement over all of the other properties owned by the Daniels. However, he explained that the easement could only be placed over the 138 acres inundated by the 100 year flood.

Upon the recommendation of management, Director King moved, seconded by Director Shannon, that the District be authorized to acquire the above mentioned Flood Flowage Easement over the entire 145.5 acre tract belonging to Joe M. Daniel, Jr. et al at \$235.00 per acre in order to release this District from claims arising from the inundation of said tract due to periodic discharges of the Cedar Creek Reservoir Spillway. This meeting with the approval of all Directors present, it was so ordered.

6E

Management of the District requested authority to sell

the following parcel of land now surplus to the requirements of the District to wit:

<u>DESCRIPTION</u>	<u>APPRAISED VALUE AND CONSIDERATION</u>
One parcel from the former Southern Pacific Railroad Right-of-Way in Kaufman County. 6.26 acres in the John G. Jacobs Survey, Abstract No. 254	\$37,560.00

Following a discussion and upon the recommendation of management under its assurance that the land had been properly advertised and appraised by a reputable appraiser; Director Shannon moved, seconded by Director King and unanimously approved, that as recommended by management the District now be authorized to sell in fee the above noted tract at not less than the appraised price as shown and upon the terms and conditions heretofore adopted by the District.

7.

Ms. Kelley Neff of the District staff presented before the Board a proposal submitted by Brookes Baker, Inc. to assist this District as a consultant in its efforts to update maps and mapping capabilities. Through utilization of existing computer hardware and software, the District would benefit from comprehensive maps of each project which would delineate the land holdings of the District at various levels of detail. The two phase program would cost \$15,000 over a six to seven week duration. At this time, Director Shannon moved, seconded by Director King that the District be authorized to enter into an agreement with Brookes Baker, Inc. for the services outlined in their proposal dated January 29, 1986, and at the cost specified in said proposal. This meeting with the approval of all Directors present, it was so ordered.

8.

Mr. Alan Thomas presented before the Board a proposal submitted by the consultant firm G. Garland Graves and Associates to assist the staff in establishing and implementing formal policies and procedures relating to purchasing and inventory control. Through this project, the District would replace an outdated system through designing a system to satisfy the needs of the operations division as well as the documentation and control needs of the finance division with a pivotal benefit resulting in more effective methods of job costing. Based upon the submitted proposal, the cost would not exceed \$10,350.00.

Upon this recommendation by management, Director Newton moved, seconded by Director King that the District enter into an agreement with G. Garland Graves and Associates as proposed and at a cost not to exceed that stated above for the purpose of developing comprehensive Purchasing and Inventory Control methods. This meeting with unanimous approval by the Directors, it was so ordered.

9.

CLOSED MEETING

OPENED MEETING

Mr. Woody Frossard, Environmental Manager for the District, requested authority for the District to enter into an agreement outlining the replacement of the following Mobil pipelines necessitated by the construction of the Richland/Chambers Reservoir.

The following three pipelines shall be replaced to wit:

1. Corsicana to Beaumont 20" crude pipeline to be replaced with .500 wall thickness pipe.
2. Corsicana to Beaumont 12" NGL pipeline to be replaced with .500 wall thickness pipe.
3. Kilgore to Corsicana 12" crude pipeline to be replaced with .250 wall thickness pipe.

These replacements as specified by the District's Petroleum Consultants, Gruy Petroleum Management Company by letter dated October 3, 1985.

Upon the recommendation of management and with the concurrence of Consultants, Director King moved that the District enter into an agreement with Mobil for construction of the above listed replacements as specified above. That the District accept the Mobil offer for an actual cost contract as costing above or below the estimate of \$2,714,584.00 as invoices disclose and that the District accept the Mobil offer to indemnify Tarrant County Water Control and Improvement District Number One of any liability due to their negligence, construction or operation of these pipelines. Director Henderson seconded Director King's motion and the vote in favor was unanimous.

10.

Mr. James Strawn, Manager of Planning and Development for the District, briefed the Board as to the status of litigation between the District and the City of Bridgeport over the apparent rate dispute. Counsel for the District, Frank Booth, has retained the services of the accounting firm Touche Ross as an expert witness for the District. Touche Ross was instrumental in the development of the existing rate scheme as developed through the

settlement of the Arlington Rate Case. The issue is to go to trial in March of this year.

11.

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

George N. Shannon
Secretary

P. Victor Tromton
President