

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 JULY, 1986, AT 9:30 A.M.

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

<u>Present</u>	<u>Absent</u>
C. Victor Thornton Burford I. King George W. Shannon Victor W. Henderson	Wayne E. Newton

Also present was Mr. James M. Oliver, General Manager.  
Director Thornton presided as President and Director Shannon acted as  
Secretary, whereupon proceedings were had and done as follows:

1.

Mr. James M. Oliver, General Manager of the District,  
reviewed the proposed Base Compensation Plan. This plan is designed  
to restructure the District's salary plan from the existing grade  
and step system to a completely merit based system. Mr. Oliver  
recommended a merit based adjustment to market over a three to five  
year period. This will be accomplished through selected pay freezes  
and increases on a case by case basis.

Based upon the recommendation of the General Manager,  
Director Henderson moved that the Base Compensation Plan be adopted  
and implemented as recommended by the General Manager and that the  
following employee benefits be adopted as well:

- 1) Tuition reimbursement for job related courses. All reimbursements will be approved by the General Manager and be made at state school equivalent rates.
- 2) Provide an Oldsmobile Delta 98 or equivalent vehicle for the use by the General Manager and Oldsmobile Delta 88's or equivalent for use by the Director of Administration and the Director of Operations.
- 3) Provide a corporate membership to the Petroleum Club to be used for business purposes by senior management. All uses to be approved by the General Manager.
- 4) Provide annual physical exams for the General Manager, Director of Operations, and the Director of Administration. The Board will review the General Manager's results and the General Manger will review the results of the Director of Administration and Director of Operations.
- 5) Set the General Manager's salary at \$75,000.00 per year retroactive to January 1, 1986.

Director King seconded this motion and the vote in favor was unanimous.

2.

Mr. Oliver next presented the proposed Retirement Plan for District Employees. After lengthy discussion and with the recommendation of management, Director Shannon moved that the Retirement Plan be adopted as follows:

A. Vesting

100% vesting after 10 years of service or at age 65, if earlier.

B. Normal form of income

Single participants - 10 years certain and life thereafter.

Married participants - Joint and 1/2 contingent with 10 years certain (i.e., payable for life of participant with the provision that upon the death of the participant his/her surviving spouse will receive a monthly income payable for his/her lifetime which is equal to 1/2 of the original amount, with the further provision that if both the participant and the surviving spouse should die before 120 monthly payments have been made, the participant's beneficiary shall receive monthly payments at the reduced amount until a total of 120 payments have been made on the participant's behalf.

C. Normal Retirement Income

The greater of (a) 50% of final average compensation prorated down if the participant has less than 15 years of service at retirement, or (b) an amount equal to 2% of final average compensation multiplied by credited service not in excess of 30 years.

D. Accrued Retirement Income (i.e., benefit payable on retirement or termination prior to age 65)

(Accrual %) X (Years of Service) X (Final Average Compensation)

E. Early Retirement

Eligibility - Age 55 and 10 years service.

Retirement Income - The participant's accrued retirement income, reduced by a factor for retirement before age 65, payable in the normal form (Item B above). (The early retirement fraction is 1/15 reduction for each of the first 5 years and 1/30 reduction for each of the next 5 years that retirement precedes ages 65.

F. Termination Benefit

Eligibility - Participant must be vested (i.e., have completed 10 years of service.

Retirement Income - Participant's accrued retirement income starting at age 65. The participant may have his retirement income start as early as age 55, but the income will be reduced to reflect the earlier commencement.

G. Death Benefit

Equal to the greater of (a) 2-1/2 times final average compensation at date of death or (b) the single-sum value of the participant's accrued retirement income. This benefit is payable to beneficiary designated by participant.

H. Disability Benefit

Determination of Disability - Determined by Retirement Committee. Definition of disability is inability to perform his prior assigned duties during the first 2 years. After 2 years, the definition of disability changes to the inability to perform any gainful activities.

Benefit - A monthly retirement income commencing 6 months after date of disability and payable for the lifetime of the participant unless recovery occurs prior to the age of 65. The monthly income is equal to 50% of current pay at date of disability reduced by 50% of the Social Security disability benefit payable to the participant.

I. Retirement Incomes for Current Retirees

Change the normal form of income as described in Item B above retrospectively to cover all current retirees and spouses of deceased participants. Participants currently receiving a retirement income will continue to receive the same monthly amount, but upon their deaths, their spouses will receive a monthly retirement income of 1/2 of the original amount, payable for their lifetime. Also, spouses of deceased participants will start receiving a monthly retirement income equal to 1/2 of the amount the participant was receiving prior to his death.

Director Henderson seconded the motion and the vote in favor was unanimous.

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

George H. Shannon

Secretary

P. Victor Lumberton

President