

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 15TH DAY OF DECEMBER, 1986, AT 9:30 A.M.

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

Present

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

Also present were Messrs. James M. Oliver, General Manager;
Robert M. Doby, Comptroller; James L. Strawn, Director of Operations;
Alan Thomas, Director of Administration; Madeline Robson, Special
Services Manager; and Wayne Owen, Jr., Administrative Assistant.

Also in attendance was George Christie, legal counsel for
the District. Director Thornton presided as President and Director
Shannon acted as Secretary, whereupon proceedings were had and done
as follows:

1.

On motion made by Director Henderson and seconded by
Director Shannon, and with the assurance from management that all
requirements relating to the "open meetings" law had been followed,
the minutes of the meeting held December 4, 1986, were unanimously
approved and it was accordingly ordered that such minutes be placed
in the permanent files of the District.

2.

Mr. George Christie, legal counsel for the District,
presented a brief summary of oil and gas conflicts involved with

the construction of the Richland-Chambers Reservoir. Mr. Christie informed the Directors as to the status of the several condemnations currently in progress. Efforts aimed at acquiring royalty interests are continuing. Letters are scheduled to go out on December 20 whereby the District is offering to purchase the interests of royalty owners. In summary, Mr. Christie indicated the resolution of oil conflicts are progressing for the timely closure of the dam.

3.

Mr. James L. Strawn, Director of Operations for the District, requested authorization to solicit bids for the construction of Section IV of the Richland-Chambers Pipeline as well as for the construction of the Lake Pump Station and Waxahachie Booster Pump Station.

With the recommendation of management, Director Newton moved to authorize the solicitation of bids for the construction of Section IV of the Richland-Chambers Pipeline as well as the Richland Lake Pump Station and Richland Waxahachie Booster Pump Station. Director King seconded the motion and the vote in favor was unanimous.

4.

Mr. Strawn and Mr. Christie next presented an update on a land acquisition matter involved with the construction of the Richland-Chambers Reservoir. Mr. Christie informed the Board of Directors that he had completed a draft of a letter to the Alf Milligan Estate pursuing the close on the purchase of land necessary for a land exchange with TXI. Upon the close of the Milligan purchase, the proposed exchange would provide TXI with 422 net acres of land.

Following this update, it was the consensus of the Board of Directors that the proposed Milligan purchase and eventual swap with TXI is in accordance with previous policy established by the Board on this matter. Management was thus instructed to proceed.

5.

Consideration of the proposed resolution establishing for the District a deferred compensation plan was postponed.

6.

Mr. Strawn next presented for consideration the matter of the development of plans for the construction of the administration building at the Richland-Chambers Reservoir compound. The O'Brien Partnership, Architects had developed several design concepts for review and consideration by the Board of Directors.

With the recommendation of management, Director King moved to authorize management to instruct the O'Brien Partnership to proceed with the development of detailed plans and specifications for the preferred design concept. Director Henderson seconded the motion and the vote in favor was unanimous by all Directors present. Director Shannon was absent from the room during consideration of this motion and thus abstained.

7.

Mr. Alan Thomas, Director of Administration for the District, along with Mr. Strawn presented a request for authorization to expand existing office space located at the Western Division Operations base. Due to increased staffing requirements caused by the addition of a centralized Procurement Department as well as additional space requirements of the Operations Division, additional office space

is required. To facilitate this need, the existing archive building will be modified to provide the necessary space. District labor will be utilized due to their availability during winter months.

With the recommendation of management, Director King moved to authorize the necessary expansion of office space to meet the additional staffing needs. Director Shannon seconded the motion and the vote in favor was unanimous.

8.

Mr. James Oliver, General Manager of the District, next proposed the following list of Board Committees and suggested appointments:

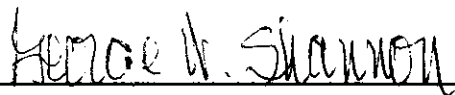
Finance	- G. Shannon, W. Newton
Administration	- W. Newton, V. Thornton
Operations	- B. King, V. Henderson
Property Management	- B. King, V. Henderson
Advisory Committee Representative	- G. Shannon
Council of Governments Representative	- W. Newton

With the recommendation of management, Director Henderson moved to adopt the proposed committees and suggested appointments as recommended. Director Newton seconded the motion and the vote in favor was unanimous.

CLOSED MEETING

OPENED MEETING

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



Secretary



President