

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 22ND DAY OF JANUARY, 1987, 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 Larry Wortham,
Administrative Assistant.

Also in attendance was George Christie, legal counsel for
the District. In addition, Gilmore Lauderdale and Hal Sparks of
the Save the Lake organization were in attendance. 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 Shannon and seconded by Director
Henderson and with the assurance from management, it was
unanimously approved that all requirements relating to the "open
meetings" law had been followed.

CLOSED MEETING

OPENED MEETING

2.

Director Shannon moved to approve the minutes of the meeting held December 15, 1986. This motion was seconded by Director Henderson. The minutes were unanimously approved and it was accordingly ordered that they be placed in the permanent files of the District.

3.

With the recommendation of management, Director Henderson moved to adopt a resolution with regard to plugging all oil and gas wells below elevation 315 at Richland-Chambers reservoir. The resolution is as follows:

RESOLUTION

OF

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE

I, George W. Shannon, do hereby certify that I am the duly elected and qualified Secretary of Tarrant County Water Control and Improvement District Number One; that a Meeting of the Board of Directors of the District was duly convened and held on the 22nd day of January, 1987, at which Meeting all of the Directors were present and voting throughout; and that at said Meeting the Directors present unanimously duly adopted the following Resolution:

WHEREAS, this District has acquired the working (operators') interest in numerous oil and gas leases located in the area to be inundated by the Richland Creek Reservoir stand when completed; and

WHEREAS, it is prudent and necessary that the District operate the wells covered by these leases until such time as the well can be properly plugged and abandoned; and

WHEREAS, all of the land on which these wells are situated will be inundated by the waters of Richland Creek Reservoir when the dam is closed, the surface of all of such leases having heretofore been acquired by the District in anticipation of such inundation;

NOW, THEREFORE, BE IT

RESOLVED, That all oil and gas wells located below elevation 315 feet mean sea level and to be inundated by the Richland Creek Reservoir shall be plugged and abandoned prior to final closure of the dam of Richland Creek Reservoir and the District shall take all action necessary to achieve such result by acquiring the properties by condemnation or purchase and plugging and abandoning such wells prior to closure. The District will thereafter oppose or strictly regulate the drilling of any additional wells below elevation 315 feet mean sea level.

I hereby further certify that the foregoing Resolution has not been altered, amended or rescinded and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of Tarrant County Water Control and Improvement District Number One, on the 27th day of January, 1987.

/s/ George W. Shannon
George W. Shannon, Secretary

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

4.

Mr. James M. Oliver, General Manager along with James L. Strawn, Director of Operations for the District, next presented to the Board, as a discussion item, the long range planning and objectives of the District.

5.

Mr. Alan Thomas, Director of Administration for the District, next presented to the Board of Directors a brief review of the annual audit. Mr. Thomas also reviewed with the Board the management letter received from Arthur Young and Company. The audited financial statements of the District, according to Mr. Thomas, received an unqualified opinion.

6.

Mr. Strawn next presented for consideration the matter of purchasing concrete for the construction of a retaining wall at the Richland-Chambers Compound.

The low bid price for 2,000 cubic yards of five sack concrete was submitted by Transmit-Mix Concrete Supply. The price submitted was \$38.90 per yard making the total purchase price \$77,800.00.

Director Newton moved to accept the bid submitted by Transmit-Mix Concrete Supply. Director Shannon seconded the motion and the vote in favor was unanimous.

7.

Mr. Robert M. Doby, Comptroller for the District, next presented for consideration the release of \$331,842.75 in retainage to John D. Stephens, Inc. for partial payment on Section II of the Richland Creek Pipeline. Mr. Doby stated that the release was recommended by Freese and Nichols, Inc. Mr. Doby also stated that the District had received bonding company approval.

With the recommendation of management, Director Henderson moved to approve the release of retainage as previously stated. Director Shannon seconded the motion and the vote in favor was unanimous.

Mr. Oliver next presented for consideration by the Board a flood control study of Lake Bridgeport to be conducted by Freese and Nichols, Inc. The cost of the study is not to exceed

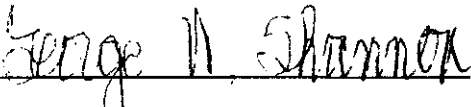
\$17,000.00. Director Shannon moved to authorize Freese and Nichols to conduct the study. The motion was seconded by Director King and the vote in favor was unanimous.


8.

Management of the District requested authority to commence all measures necessary to revise the boundaries of the District. This revision is necessary to reflect recent annexations by the Cities of Fort Worth and Azle.

With the recommendation of management, motion was made and duly passed that the District commence all procedures necessary to revise the boundaries of the District.

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


Secretary


President