

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 OCTOBER AT 9:30 A.M.

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

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

Also present were James Oliver, General Manager; Alan Thomas, Director of Administration and Operations; Robert Doby, Comptroller; Steve Christian, Real Property Manager; Madeline Robson, Manager of Management Services; Brian Gordon, Finance Manager; Wayne Owen, Administrative Analyst; George Christie, Legal Counsel and Larry Wortham, Administrative Assistant.

On motion made by Director Shannon and seconded by Director Henderson and with assurance from management that all the requirements of the "open meetings" law had been met, the minutes from the meetings held September 14, 1987 and September 17, 1987 were unanimously approved by the Directors present and it was accordingly ordered that such minutes be placed in the permanent files of the District.

2.

The President called an Executive Session under Section 2(e) of the Texas Open Meetings Act to consider the following:

- A. A threatened claim and litigation by Green/Sieben Joint Venture.
- B. Amounts to be paid for the remaining Richland-Chambers Reservoir royalty/mineral interests.
- C. Jacksboro Settlement offer.

3.

The President announced that the Board has received notification from the Green/Sieben Joint Venture and from the Gifford-Hill-American, Inc., that the two concerns had reached an agreement for Gifford-Hill-American, Inc., to supply to Green/Sieben the pipe required to construct Section IV of the Richland-Chambers Reservoir Pipeline.

The President announced that the Board was prepared to consider approval of the proposed pipe supplier and to consider signing the contract for construction of Section IV of the Richland-Chambers Pipeline with Green/Sieben, subject to a decision concerning the claims of Green/Sieben asserted against the District arising from the delays attendant to issuing the Notice to Proceed on the Section IV Contract.

Mr. Joe Trio and Mr. Joe Sieben, representing the Green/Sieben Joint Venture, stated Green/Sieben has incurred provable losses of approximately \$1,300,000.00 since July 24, when, in their opinion, the Notice to Proceed should have been issued by the District to Green/Sieben. Mr. Trio and Mr. Sieben asserted that Green/Sieben had been misled by the ambiguity in the specifications for the Section IV Contract and also by the rejection of their original proposed pipe supplier.

After thorough discussion of the claims asserted by Green/Sieben, including Green/Sieben's request for an extension of the contract time of completion of 134 days, Director Shannon moved that:

1. Gifford-Hill-American, Inc. be accepted as the pipe supplier for the Section IV Contract;
2. That the District sign the Section IV Pipeline Contract with Green/Sieben.
3. That the time for completion of the Section IV Contract be extended by one hundred thirty four (134) days;
4. That \$425,000.00 be paid to Green/Sieben at the beginning of construction, in full release of any and all claims which Green/Sieben has to date against the District.
5. All of the above be contingent upon the execution by Green/Sieben of a full release of any and all claims which Green/Sieben has to date against the District.

The above Motion having been made by Director Shannon and seconded by Directors Newton and Henderson, the Directors voted unanimously to approve and adopt Director Shannon's Motion.

The Directors instructed Mr. George Christie, District General Counsel, to prepare a Release in proper form to be executed by Green/Sieben releasing all claims of Green/Sieben against the District, the basis of which originated prior to the date of the execution of the Release.

4.

With the recommendation of management and legal counsel, Director Henderson moved to approve a proposed settlement agreement and raw water supply contract with the City of Jacksboro. Director Newton seconded the motion and the vote in

favor was unanimous.

5.

With the recommendation of the Oil and Gas Committee, Director Shannon moved to approve a proposed settlement agreement with Bledsoe Petroleum Corporation. Director Henderson seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management, Director Henderson moved to authorize staff to acquire the following tract necessary for the construction of the Richland-Chambers Reservoir:

3.79 acres in fee at no more than \$1,700.00 per acre for a total of \$6,443.00 and 16.98 acres in easement @ no more than \$800.00 per acre for a total of \$13,584.00 from Nellie Williams Ingram etal, out of the J. Ammons Survey A-15, Navarro County, Texas, District Tract #190. Director Newton seconded the motion and the vote in favor was unanimous.

7.

President Thornton brought to the attention of the Board of Directors the matter of updating the District's boundaries. As a "Municipal District", Tarrant County Water Control and Improvement District Number One is by law caused to take into the District all areas annexed by the City of Fort Worth, Texas, and that since the last extension of the boundaries of the District, the following annexation ordinances have been finally passed and are now in effect with the City of Fort Worth;

9779, 9796, 9818, and 9914.

With the recommendation of Management, Director Shannon made the motion that the District comply with all laws governing the procedure for incorporation of such annexed areas to the territory of the District. Also, that the District properly advertise and establish a hearing date for persons to petition against the incorporation of any above described lands. Director Newton seconded the motion and all Directors present voted aye thereon.

9.

With the recommendation of management, Director Shannon moved to award the sale of concrete and soil testing equipment to the high bidder, Rone Engineers, for the amount of \$25,000.00. Director Henderson seconded the motion and the vote in favor was unanimous.

10.

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

George N. Shannon
Secretary

O. Victor Tromton
President