

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 29TH DAY OF MARCH, 1988 AT 9:30 A.M.

The call of the roll disclosed the presence of all the
Directors as follows:

Present

Burford I. King
George W. Shannon
Victor W. Henderson
Charles B. Campbell, Jr.
Hal S. Sparks III

Also present were James Oliver, General Manager; Robert Doby, Treasurer; Alan Thomas, Director of Administration and Operations; Madeline Robson, Management Services Manager; Steve Christian, Real Property Manager; Brian Gordon, Finance Manager; George Christie, General Counsel and Larry Wortham, Administrative Assistant. Viola Ohr and Bruce Johnston were also in attendance.

1.

On motion made by Director Shannon and seconded by Director Campbell and with assurance from management that all requirements of law relating to the "open meetings" law had been met, the Directors unanimously voted to approve the minutes from the meeting held February 18, 1988. 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 Benbrook Pipeline right-of-way easement and to consider a District policy on unauthorized filling around District reservoirs.

3.

Upon completion of executive session, the President reopened the meeting.

4.

The Board considered its policy concerning unauthorized filling around District Reservoirs. A group of homeowners from the Cedar Creek area were present to voice their opinions concerning the administration of this policy. The Board requested staff to research the matter further for discussion at a future meeting.

5.

With the recommendation of management, Director Henderson moved to commence with eminent domain proceedings to acquire the following land necessary for the construction of the Richland-Chambers Reservoir upon failure of the owner's acceptance of the offers listed below:

20.0 acres in fee for the appraised value of \$850/acre or \$17,000.00 total from the heirs of N. H. Brown, deceased, out of the W. W. McCanless Survey A-517, Navarro County, Texas, District Tract #196.

1.93 acres in fee for the appraised value of \$1,500/acre or \$2,895.00 total and 2.360 acres in easement for the appraised value of \$750/acre or \$1,770.00 total from Thomas Allen et ux, out of the J. White Survey A-818, Navarro County, Texas, District Tract #'s 375 and 385.

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

6.

With the recommendation of management and legal counsel, Director Shannon moved to authorize staff to settle cause #274-87, Tarrant County Water Control and Improvement District Number One vs. Caleb Jackson et ux, Cecelia Ann Jackson, Navarro County, District Court, for the additional sum of \$4,214.00. Director Campbell seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management and legal counsel, Director Sparks moved to authorize staff to settle cause #84-2, Tarrant County Water Control and Improvement District Number One vs. H. Donald Nicholson et ux, Navarro County District Court, for the additional sum of \$13,080.00. Director Shannon seconded the motion. Directors Sparks, Shannon and Henderson vote aye while Director Campbell voted no. The motion carried.

8.

Madeline Robson, Management Services Manager and Bruce Johnston of Risk Management Group, Inc., presented to the Board of Directors an insurance and risk management analysis report.

9.

With the recommendation of management, Director Campbell moved to accept Phase II of the risk management proposal. Phase II involves implementation of recommendations contained in Phase I of the risk management proposal. Director Henderson seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Shannon moved to adopt the following resolution for indemnifying officers, staff and directors:

RESOLUTION
FOR INDEMNIFYING
OFFICERS, STAFF AND DIRECTORS

"To the full extent permitted by law, the District agrees to pay all actual damages awarded against any person who serves as a Director, an officer, the General Manager or any member of the General Manager's staff if the damages result from an act or omission of the person serving as a Director, an officer, the General Manager or any member of the General Manager's staff in the course and scope of his or her service for the District and the damages arise from a cause of action for negligence. The District also agrees to pay the court cost and attorneys' fees awarded against such person in such action. The District further agrees to provide legal counsel to represent the person for whom the District is obligated to pay damages under this Resolution."

"The District will not pay damages awarded against a person who serves as a Director, an officer, the General Manager or any member of the General Manager's staff if the damages arise from a cause of willful or wrongful act or omission or an act or omission constituting gross negligence. Further, the District will not pay damages awarded against such a person to the extent that such damages are recoverable under an insurance contract."

"The foregoing right of indemnification shall not be exclusive of other rights to which any person who is a Director, an officer, the General Manager or any member of the General Manager's staff may be entitled as a matter of law or otherwise."

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

12.

With the recommendation of management, Director Campbell moved to adopt the deferred compensation plans from both the International City Management Association Retirement Corporation and the Public Employees Benefit Services Corporation. Director Henderson seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management, Director Henderson moved to accept proposals from banking institutions to act as a depository for the funds of the District for a period of two years. Director Sparks seconded the motion and the vote in favor was unanimous.

14.

With the recommendation of management, Director Campbell moved to approve change order number two. Change order number two calls for additional work to be performed on Section IV of the Richland-Chambers Pipeline at a cost of \$49,744.00 to the District. Director Henderson seconded the motion and the vote in favor was unanimous.

15.

With the recommendation of management, Director Henderson moved to approve change order number three. Change order number three calls for modification of the Richland-Chambers Pump Station at an additional cost of \$7,213.50 to the District. Director Shannon seconded the motion and the vote in favor was unanimous.

16.

With the recommendation of management and the District Advisory Committee, Director Shannon moved to authorize the District to become subscribers to the American Water Works Association Research Foundation. The cost to the District is \$.90 per million gallons of delivered water. This will result in an increase of \$.00084 in the base water rate from \$.43895 to \$.43979. Director Henderson seconded the motion and the vote in favor was unanimous.

17.

With the recommendation of management, Director Henderson moved to accept a bid from IRD Mechanalysis for one Model 890 Analyzer/Data Collector with Software System No. 7090 for the price of \$12,900.00. Director Campbell seconded the motion and the vote in favor was unanimous.

18.

With the recommendation of management, Director Shannon moved to approve the following list of check vouchers from the months of November and December 1987 and January and February 1988:

November 1987

Cedar Creek Construction Fund: Check numbers 2004 thru 2009, the total expense being \$15,040.70.

Capital Projects Fund: Check number 2007, the expense being \$1,474,975.00.

Debt Service Fund: Check numbers 2015 thru 2019, the total expense being \$407,016.67.

General Fund: Check numbers 20918 thru 21088, the total expense being \$698,324.90.

Interest & Redemption Fund: Check number 2013, the expense being \$1,620,435.21.

Richland-Chambers Construction Fund: Check numbers 10781 thru 10951, the total expense being \$49,205,717.06.

Revenue Fund: Check numbers 7434 thru 7565, the total expense being \$8,609,712.62.

December 1987

Cedar Creek Construction Fund: Check numbers 2010, thru 2011, the total expense being \$8,410.00.

Capital Projects Fund: Check numbers 2008, the total expense being \$1,112,558.56.

Debt Service Fund: Check numbers 2020 thru 2023, the total expense being \$1,149,833.62.

General Fund: Check numbers 21089 thru 21275, the total expense being \$1,626,784.92.

Interest & Redemption Fund: Check numbers 2014 thru 2015, the total expense being \$1,628,818.82.

Richland-Chambers Construction Fund: Check numbers 10952 thru 11118, the total expense being \$49,716,105.14.

Revenue Fund: Check numbers 7566 thru 7701, the total expense being \$3,375,561.13.

January 1988

Cedar Creek Construction Fund: Check numbers 2012 thru 2013, the total expense being \$145,245.25.

Capital Projects Fund: Check numbers 2009 thru 2013, the total expense being \$746,110.51.

Debt Service Fund: Check numbers 2024 thru 2028, the total expense being \$729,260.95.

General Fund: Check numbers 21276 thru 21582, the total expense being \$1,289,417.05.

Richland-Chambers Construction Fund: Check numbers 11119 thru 11239, the total expense being \$44,654,006.18.

Revenue Fund: Check numbers 7702 thru 7841 the total expense being \$2,499,191.73.

February 1988

Capital Projects Fund: Check numbers 2014 thru 2016, the total expense being \$1,501,328.00.

General Fund: Check numbers 21583 thru 21841, the total expense being \$4,268,090.40.

Interest & Redemption Fund: Check numbers 2016 thru 2023, the total expense being \$19,394,284.87.

Richland-Chambers Construction Fund: Check numbers 11240 thru 11431, the total expense being \$94,911,167.41.

Revenue Fund: Check numbers 7842 thru 3032, the total expense being \$19,809,115.13.

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

19.

With the recommendation of management, Director Shannon moved to approve an agreement with Yandell and Hiller Inc., for alterations and additions to the existing air conditioning and heating system. The cost of this project is \$8,850.00 plus expenses. Director Henderson seconded the motion and the vote in favor was unanimous.

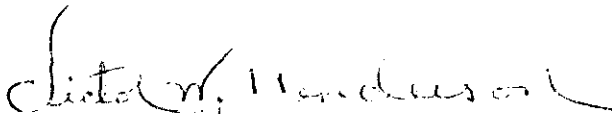
Ommission from the original minutes of the meeting held this date, March 29, 1988.

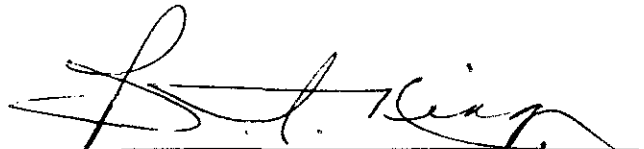
Correction to these minutes approved February 6, 1989.

Steve Christian presented a conceptual plan submitted by Judge H. Donald Nicholson for a proposed marina at Richland-Chambers Reservoir. Following a brief presentation of the plans, the Board of Directors instructed staff to inform Judge Nicholson that the concept of the marina as presented is approved subject to his compliance with all the terms of the District's marina ordinance as finally adopted. Application for the actual construction permit will be considered at a later date.

20.

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


Secretary


President