

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 26TH DAY OF SEPTEMBER, 1989 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 M. Oliver, General Manager; Alan
Thomas, Assistant General Manager; Steve Christian, Real Property
Manager; Brian Gordon, Finance Manager; Wayne Owen,
Administrative Coordinator and Skip Krause, Land Agent.

Also in attendance were Viola Ohr and Tim Stewart.

With the assurance from management that all requirements
relating to the "open meetings" law had been met, Director King
convened the meeting.

1.

On a motion made by Director Henderson and seconded by
Director Campbell, the Directors unanimously voted to approve the
minutes from the meeting held August 29, 1989. It was
accordingly ordered that such minutes be placed in the permanent
files of the District.

2.

On a motion made by Director Campbell and seconded by Director Henderson, the Directors unanimously voted to approve the minutes from the meeting held September 7, 1989. It was accordingly ordered that such minutes be placed in the permanent files of the District.

3.

With the recommendation of management, Director Henderson moved to appoint Wayne Owen to serve as District Election Officer. Director Sparks seconded the motion and the vote in favor was unanimous.

4.

President King 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.

	<u>Fort Worth</u>	
9992	9998	10236
9993	10101	
9994	10102	
9995	10103	
9996	10108	
9997	10109	

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

5.

With the recommendation of management, Director Campbell moved to approve the Fiscal Year 1990 Revenue Fund Budget in the amount of \$46,641,360. Director Henderson seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management, Director Henderson moved to approve the Fiscal Year 1990 General Fund Budget in the amount of \$5,287,999. Director Sparks seconded the motion and the vote in favor was unanimous.

7.

Management of the District next reviewed with the Board General Fund revenue and expenditure projections through the year 2000. A series of four (4) graphs and spreadsheets were presented outlining various revenue and expenditure assumptions. These graphs and spreadsheets are attached hereto as Exhibit "A" and are incorporated as a part of the minutes. After a general discussion, it was the consensus of the Board that funds on hand are sufficient, together with other anticipated revenues, to offset expenses for the fiscal year 1990. Further, the Board was in agreement that until such time as the District's unallocated

fund balance reached the level \$5 million to \$7 million, revenue from taxation should not be required. With the recommendation of management, Director Henderson moved to authorize the District to set an Ad Valorem tax rate of zero (0) cents per \$100 valuation for the tax year 1990. Director Shannon seconded the motion and the vote in favor was unanimous.

8.

Consideration of awarding the contract for the Eagle Mountain Dam repair was postponed.

9.

Steve Christian and Skip Krause next reviewed with the Directors the proposed revisions to the District's General Ordinance.

10.

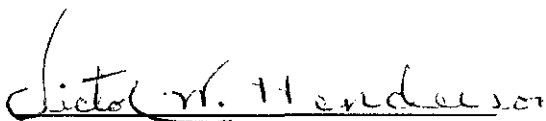
The President and presiding officer next called an executive session under section 2(e) of the Texas Open Meetings Act to consider personnel matters.

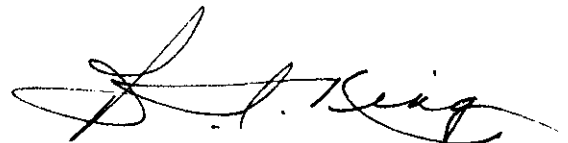
11.

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

12.

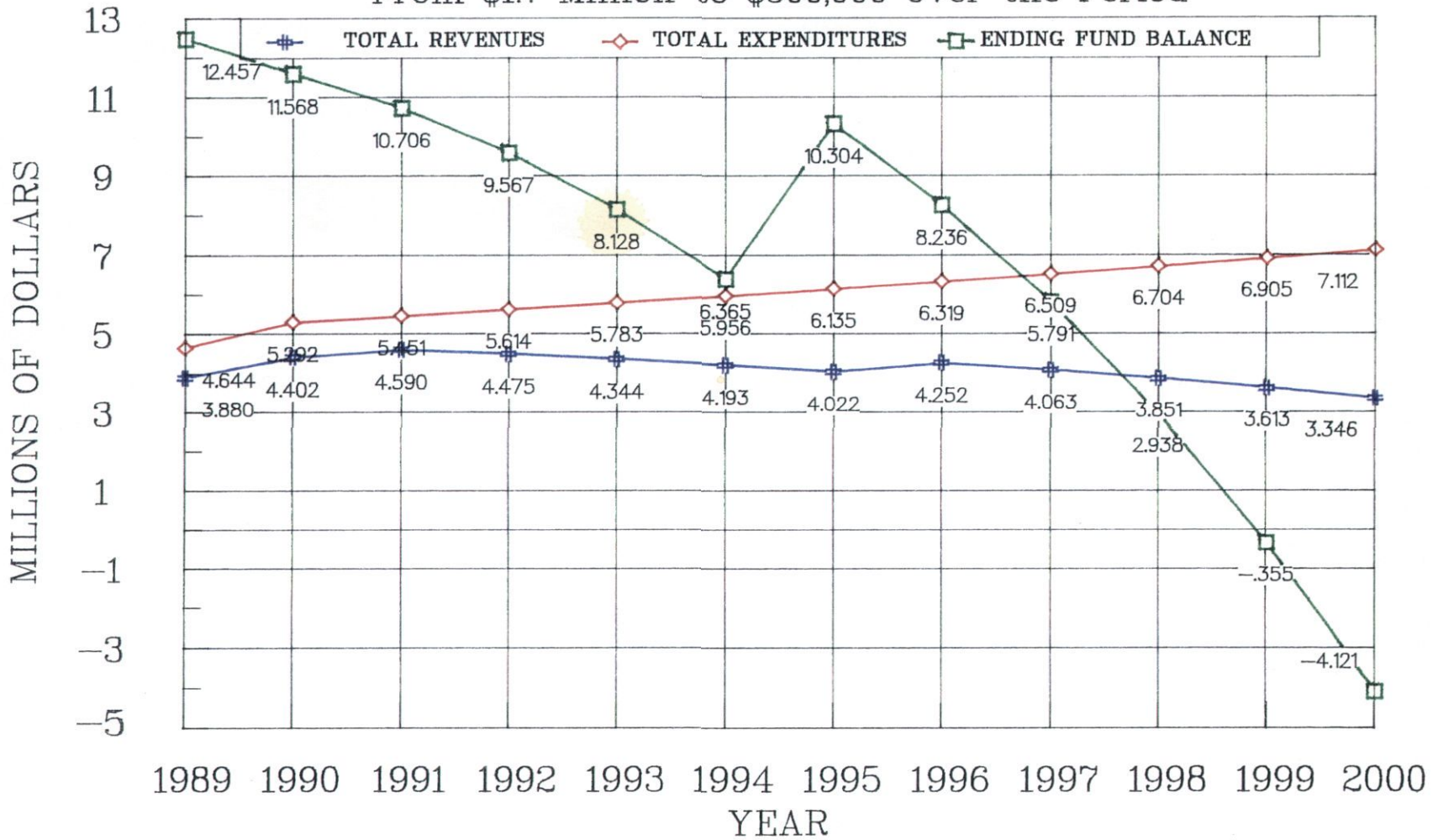
There being no further business before the Board of Directors, the meeting adjourned.


Secretary


President

TARRANT COUNTY WATER CONTROL Projection of General Fund Revenue, Expenditures and Fund Balance

Assumption #4: Oil & Gas Revenues Decreasing
From \$1.7 Million to \$500,000 Over the Period



1989 Projected Actual
1990 Budgeted
1991-2000 Projected

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE

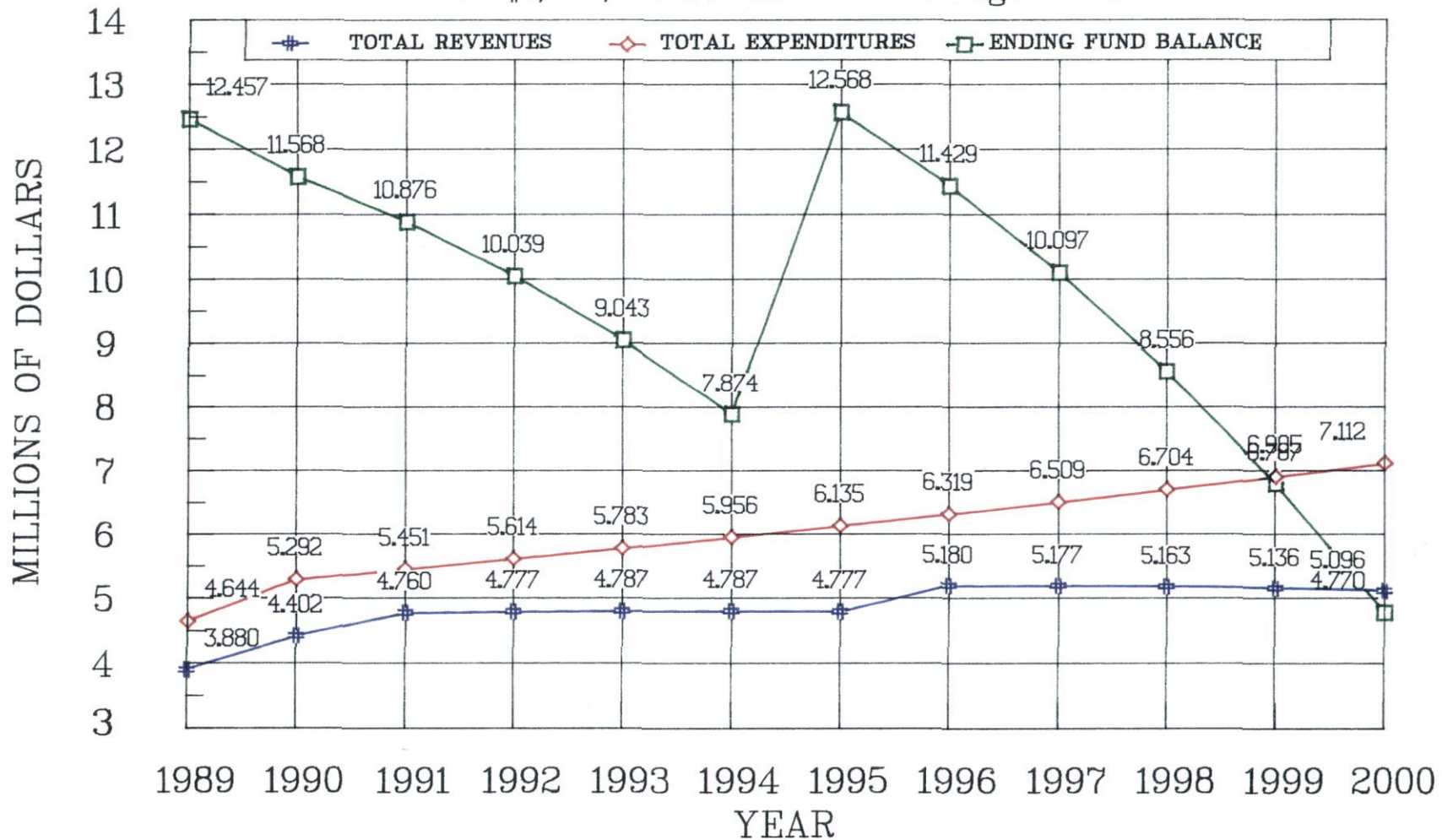
Projection of General Fund
Revenue, Expenditures and Fund Balance
Through the Year 2000

Based Upon The Following...
Assumption #4: Oil & Gas Revenue Incrementally Decreasing
From \$1,700,000 to \$500,000 Over the Period
1991 Through 2000

	1989 Projected Actual	1990 Budgeted	1991 Projected	1992 Projected	1993 Projected	1994 Projected	1995 Projected	1996 Projected	1997 Projected	1998 Projected	1999 Projected	2000 Projected
REVENUES												
Oil & Gas	\$1,619,155	\$1,700,000	\$1,580,000	\$1,460,000	\$1,340,000	\$1,220,000	\$1,100,000	\$980,000	\$860,000	\$740,000	\$620,000	\$500,000
Administrative Allocation	\$1,156,932	\$1,680,438	\$2,000,000	\$2,060,000	\$2,121,800	\$2,185,454	\$2,251,018	\$2,318,548	\$2,388,105	\$2,459,748	\$2,533,540	\$2,609,546
Interest On Investments	\$800,537	\$830,000	\$809,732	\$749,446	\$669,713	\$568,966	\$445,525	\$721,253	\$576,528	\$405,357	\$205,653	\$-24,827
Other	\$303,101	\$192,000	\$200,000	\$206,000	\$212,180	\$218,545	\$225,102	\$231,855	\$238,810	\$245,975	\$253,354	\$260,955
TOTAL REVENUES	\$3,879,725	\$4,402,438	\$4,589,732	\$4,475,446	\$4,343,693	\$4,192,966	\$4,021,644	\$4,251,656	\$4,063,443	\$3,851,080	\$3,612,547	\$3,345,674
TOTAL EXPENDITURES	\$4,643,984	\$5,292,199	\$5,450,965	\$5,614,494	\$5,782,929	\$5,956,417	\$6,135,109	\$6,319,162	\$6,508,737	\$6,703,999	\$6,905,119	\$7,112,273
Application of Fund Balance	\$-764,259	\$-889,761	\$-861,233	\$-1,139,048	\$-1,439,236	\$-1,763,451	\$-2,113,465	\$-2,067,506	\$-2,445,294	\$-2,852,920	\$-3,292,572	\$-3,766,599
Application of Capital Projects/Debt Service Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$6,052,446	\$0	\$0	\$0	\$0	\$0
Current Year Beginning Fund Balance	\$13,221,624	\$12,457,365	\$11,567,604	\$10,706,371	\$9,567,323	\$8,128,087	\$6,364,636	\$10,303,617	\$8,236,111	\$5,790,816	\$2,937,897	\$-354,676
Current Year Ending Fund Balance	\$12,457,365	\$11,567,604	\$10,706,371	\$9,567,323	\$8,128,087	\$6,364,636	\$10,303,617	\$8,236,111	\$5,790,816	\$2,937,897	\$-354,676	\$-4,121,275
Equivalent Tax Rate (Per \$100 Assessed Valuation) Necessary to Offset Application of Fund Balance	\$.004678	\$.005288	\$.004969	\$.006380	\$.007827	\$.009311	\$.010834	\$.010290	\$.011816	\$.013384	\$.014996	\$.016656

TARRANT COUNTY WATER CONTROL Projection of General Fund Revenue, Expenditures and Fund Balance

Assumption #1: Oil & Gas Revenue Constant
at \$1,750,000 From 1991 Through 2000



1989 Projected Actual
1990 Budgeted
1991-2000 Projected

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE

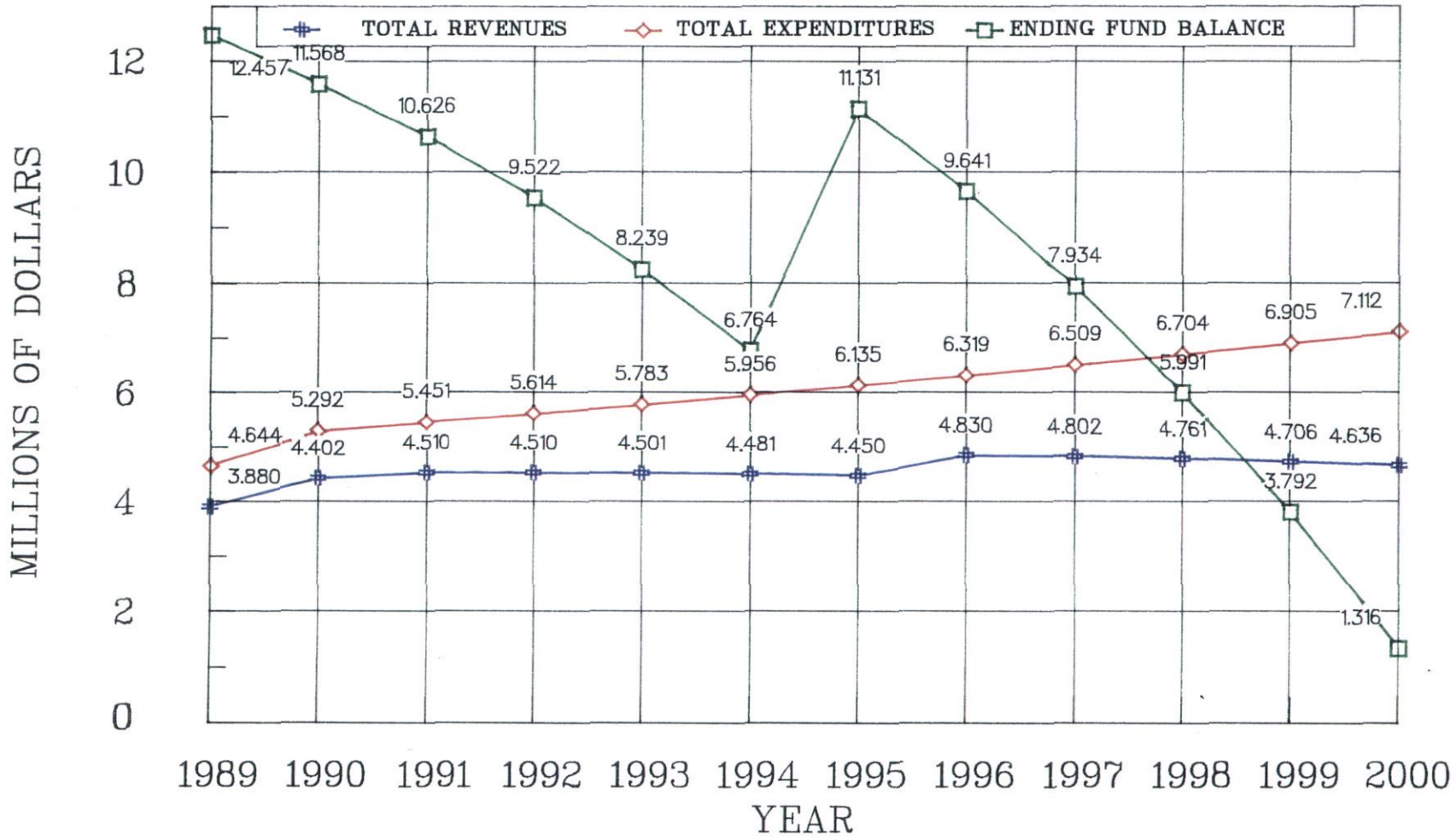
Projection of General Fund
Revenue, Expenditures and Fund Balance
Through the Year 2000

Based Upon The Following...
Assumption #1: Oil & Gas Revenue Constant
at \$1,750,000 from 1991 through 2000

	1989 Projected Actual	1990 Budgeted	1991 Projected	1992 Projected	1993 Projected	1994 Projected	1995 Projected	1996 Projected	1997 Projected	1998 Projected	1999 Projected	2000 Projected
REVENUES												
Oil & Gas	\$1,619,155	\$1,700,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
Administrative Allocation	\$1,156,932	\$1,680,438	\$2,000,000	\$2,060,000	\$2,121,800	\$2,185,454	\$2,251,018	\$2,318,548	\$2,388,105	\$2,459,748	\$2,533,540	\$2,609,546
Interest On Investments	\$800,537	\$830,000	\$809,732	\$761,346	\$702,746	\$633,011	\$551,153	\$879,776	\$800,047	\$706,823	\$598,921	\$475,069
Other	\$303,101	\$192,000	\$200,000	\$206,000	\$212,180	\$218,545	\$225,102	\$231,855	\$238,810	\$245,975	\$253,354	\$260,955
TOTAL REVENUES	\$3,879,725	\$4,402,438	\$4,759,732	\$4,777,346	\$4,786,726	\$4,787,011	\$4,777,272	\$5,180,179	\$5,176,962	\$5,162,545	\$5,135,815	\$5,095,570
TOTAL EXPENDITURES	\$4,643,984	\$5,292,199	\$5,450,965	\$5,614,494	\$5,782,929	\$5,956,417	\$6,135,109	\$6,319,162	\$6,508,737	\$6,703,999	\$6,905,119	\$7,112,273
Application of Fund Balance	\$-764,259	\$-889,761	\$-691,233	\$-837,148	\$-996,203	\$-1,169,406	\$-1,357,837	\$-1,138,984	\$-1,331,775	\$-1,541,454	\$-1,769,304	\$-2,016,703
Application of Capital Projects/Debt Service Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$6,052,446	\$0	\$0	\$0	\$0	\$0
Current Year Beginning Fund Balance	\$13,221,624	\$12,457,365	\$11,567,604	\$10,876,371	\$10,039,223	\$9,043,020	\$7,873,615	\$12,568,224	\$11,429,240	\$10,097,465	\$8,556,010	\$6,786,706
Current Year Ending Fund Balance	\$12,457,365	\$11,567,604	\$10,876,371	\$10,039,223	\$9,043,020	\$7,873,615	\$12,568,224	\$11,429,240	\$10,097,465	\$8,556,010	\$6,786,706	\$4,770,003
Equivalent Tax Rate ----- (Per \$100 Assessed Valuation) Necessary to Offset Application of Fund Balance	\$.004678	\$.005288	\$.003988	\$.004689	\$.005418	\$.006174	\$.006961	\$.005669	\$.006435	\$.007231	\$.008058	\$.008918

TARRANT COUNTY WATER CONTROL Projection of General Fund Revenue, Expenditures and Fund Balance

Assumption #2: Oil & Gas Revenue Constant
at \$1,500,000 From 1991 Through 2000



1989 Projected Actual
1990 Budgeted
1991-2000 Projected

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE

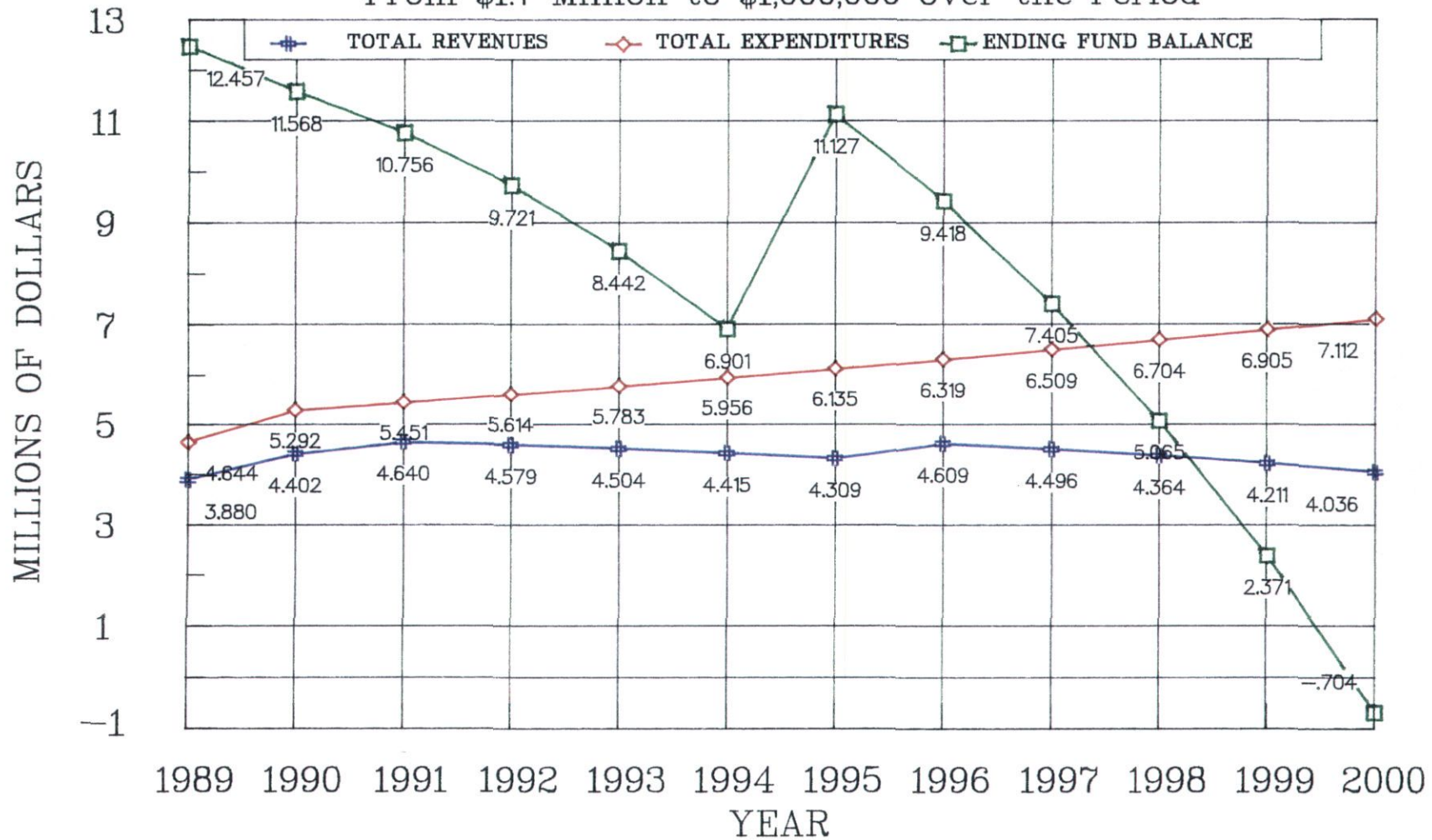
Projection of General Fund
Revenue, Expenditures and Fund Balance
Through the Year 2000

Based Upon The Following...
Assumption #2: Oil & Gas Revenue Constant
at \$1,500,000 from 1991 through 2000

	1989 Projected Actual	1990 Budgeted	1991 Projected	1992 Projected	1993 Projected	1994 Projected	1995 Projected	1996 Projected	1997 Projected	1998 Projected	1999 Projected	2000 Projected
REVENUES												
Oil & Gas	\$1,619,155	\$1,700,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Administrative Allocation	\$1,156,932	\$1,680,438	\$2,000,000	\$2,060,000	\$2,121,800	\$2,185,454	\$2,251,018	\$2,318,548	\$2,388,105	\$2,459,748	\$2,533,540	\$2,609,546
Interest On Investments	\$800,537	\$830,000	\$809,732	\$743,846	\$666,521	\$576,751	\$473,454	\$779,138	\$674,864	\$555,377	\$419,374	\$265,455
Other	\$303,101	\$192,000	\$200,000	\$206,000	\$212,180	\$218,545	\$225,102	\$231,855	\$238,810	\$245,975	\$253,354	\$260,955
TOTAL REVENUES	\$3,879,725	\$4,402,438	\$4,509,732	\$4,509,846	\$4,500,501	\$4,480,750	\$4,449,573	\$4,829,541	\$4,801,779	\$4,761,100	\$4,706,268	\$4,635,956
TOTAL EXPENDITURES	\$4,643,984	\$5,292,199	\$5,450,965	\$5,614,494	\$5,782,929	\$5,956,417	\$6,135,109	\$6,319,162	\$6,508,737	\$6,703,999	\$6,905,119	\$7,112,273
Application of Fund Balance	\$-764,259	\$-889,761	\$-941,233	\$-1,104,648	\$-1,282,428	\$-1,475,667	\$-1,685,536	\$-1,489,622	\$-1,706,958	\$-1,942,900	\$-2,198,851	\$-2,476,317
Application of Capital Projects/Debt Service Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$6,052,446	\$0	\$0	\$0	\$0	\$0
Current Year Beginning Fund Balance	\$13,221,624	\$12,457,365	\$11,567,604	\$10,626,371	\$9,521,723	\$8,239,295	\$6,763,629	\$11,130,539	\$9,640,917	\$7,933,959	\$5,991,060	\$3,792,209
Current Year Ending Fund Balance	\$12,457,365	\$11,567,604	\$10,626,371	\$9,521,723	\$8,239,295	\$6,763,629	\$11,130,539	\$9,640,917	\$7,933,959	\$5,991,060	\$3,792,209	\$1,315,891
Equivalent Tax Rate ----- (Per \$100 Assessed Valuation) Necessary to Offset Application of Fund Balance	\$.004678	\$.005288	\$.005431	\$.006188	\$.006974	\$.007792	\$.008640	\$.007414	\$.008248	\$.009115	\$.010015	\$.010950

TARRANT COUNTY WATER CONTROL Projection of General Fund Revenue, Expenditures and Fund Balance

Assumption #3: Oil & Gas Revenues Decreasing
From \$1.7 Million to \$1,000,000 Over the Period



1989 Projected Actual
1990 Budgeted
1991-2000 Projected

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE

Projection of General Fund
Revenue, Expenditures and Fund Balance
Through the Year 2000

Based Upon The Following...
Assumption #3: Oil & Gas Revenue Incrementally Decreasing
From \$1,700,000 to \$1,000,000 Over the Period
1991 Through 2000

	1989 Projected Actual	1990 Budgeted	1991 Projected	1992 Projected	1993 Projected	1994 Projected	1995 Projected	1996 Projected	1997 Projected	1998 Projected	1999 Projected	2000 Projected
REVENUES												
Oil & Gas	\$1,619,155	\$1,700,000	\$1,630,000	\$1,560,000	\$1,490,000	\$1,420,000	\$1,350,000	\$1,280,000	\$1,210,000	\$1,140,000	\$1,070,000	\$1,000,000
Administrative Allocation	\$1,156,932	\$1,680,438	\$2,000,000	\$2,060,000	\$2,121,800	\$2,185,454	\$2,251,018	\$2,318,548	\$2,388,105	\$2,459,748	\$2,533,540	\$2,609,546
Interest On Investments	\$800,537	\$830,000	\$809,732	\$752,946	\$680,458	\$590,963	\$483,061	\$778,918	\$659,229	\$518,347	\$354,552	\$165,995
Other	\$303,101	\$192,000	\$200,000	\$206,000	\$212,180	\$218,545	\$225,102	\$231,855	\$238,810	\$245,975	\$253,354	\$260,955
TOTAL REVENUES	\$3,879,725	\$4,402,438	\$4,639,732	\$4,578,946	\$4,504,438	\$4,414,963	\$4,309,181	\$4,609,321	\$4,496,144	\$4,364,070	\$4,211,446	\$4,036,496
TOTAL EXPENDITURES	\$4,643,984	\$5,292,199	\$5,450,965	\$5,614,494	\$5,782,929	\$5,956,417	\$6,135,109	\$6,319,162	\$6,508,737	\$6,703,999	\$6,905,119	\$7,112,273
Application of Fund Balance	\$-764,259	\$-889,761	\$-811,233	\$-1,035,548	\$-1,278,491	\$-1,541,454	\$-1,825,928	\$-1,709,842	\$-2,012,593	\$-2,339,930	\$-2,693,673	\$-3,075,777
Application of Capital Projects/Debt Service Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$6,052,446	\$0	\$0	\$0	\$0	\$0
Current Year Beginning Fund Balance	\$13,221,624	\$12,457,365	\$11,567,604	\$10,756,371	\$9,720,823	\$8,442,332	\$6,900,878	\$11,127,396	\$9,417,554	\$7,404,961	\$5,065,031	\$2,371,359
Current Year Ending Fund Balance	\$12,457,365	\$11,567,604	\$10,756,371	\$9,720,823	\$8,442,332	\$6,900,878	\$11,127,396	\$9,417,554	\$7,404,961	\$5,065,031	\$2,371,359	\$-704,418
Equivalent Tax Rate (Per \$100 Assessed Valuation) Necessary to Offset Application of Fund Balance	\$0.004678	\$0.005288	\$0.004680	\$0.005801	\$0.006953	\$0.008139	\$0.009360	\$0.008510	\$0.009725	\$0.010977	\$0.012269	\$0.013601