

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 20TH DAY OF SEPTEMBER, 1994 AT 9:30 A.M.**

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

Present

George W. Shannon
Victor W. Henderson
Charles B. Campbell, Jr.
Hal S. Sparks, III
Charles L. Geren

Also present were James M. Oliver, Alan Thomas, Brian Gordon, Wayne Owen, Madeline Robson, Steve Christian, Mike Meza, David Marshall, Mike Witthaus, Richard Ellis, Leroy Cook and Eddie Weaver.

Also in attendance were George Christie, legal counsel for the District, and Mike Stockard representing TU Electric.

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

1.

On a motion made by Director Henderson and seconded by Director Geren, the Directors unanimously voted to approve the minutes from the meeting held August 23, 1994. It was accordingly ordered that such minutes be placed in the permanent files of the District.

2.

There were no persons of the general public present requesting the opportunity to address the Board of Directors.

3.

The President and presiding officer next called an executive session under Chapters 551.071 and 551.074 of the Government Code to consider pending or contemplated litigation and personnel matters.

4.

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

5.

With the recommendation of management, Director Sparks moved to approve the proposed Fiscal Year 1995 General Fund Budget outlining \$6,200,062 in Revenues and Expenditures. Director Henderson seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management, Director Henderson moved to adopt a zero tax rate for 1995. Director Campbell seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management and the District's Customer Advisory Committee, Director Campbell moved to approve the proposed Fiscal Year 1995 Revenue Fund Budget outlining \$53,991,871 in Revenues and Expenditures and corresponding raw water rates as follows:

In-District	54.689¢
Outside District	62.189¢
Arlington	59.064¢

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

8.

With the recommendation of management, Director Henderson moved to accept the low bid submitted by Marock, Inc. for 800 tons of eight inch riprap rock for \$15.41 per ton delivered and 800 tons of 32 inch riprap rock for \$20.25 per ton delivered. Funding for the purchase of this material is allocated in the Fiscal Year 1994 Revenue Fund Budget. Director Geren seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Campbell moved to accept the low bid submitted by Chico Limestone, Inc. for 1,300 tons of 18 inch riprap rock for \$18,983 delivered. Funding for the purchase of this material is allocated in the Fiscal Year 1994 General Fund Budget. Director Henderson seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Geren moved to accept the bid submitted by Shermco Industries, Inc. for rehabilitation of Cedar Creek Lake Pump Station switchgears. The bid represented a \$52.00 per hour shop service rate, \$55.00 per hour field service rate and a 15 percent markup on materials. Director Sparks seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management, Director Henderson moved to accept the low bid of \$16,826.60 submitted by T&P Service for the upgrade of two (2) 10,000 gallon fuel storage tanks and fueling station at the Richland-Chambers Compound. Funding for this project is allocated in the Fiscal Year 1994 Revenue Fund Budget. Director Geren seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management, Director Sparks moved to approve the proposed contract with TU Electric outlining the District's participation in the Demand Side Management Program. Director Geren seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management, Director Henderson moved to approve the District entering into a contract with the Texas Water Development Board for the conduct of a hydrographic survey of Richland-Chambers Reservoir at a cost of \$62,700. Funding for this

project is allocated in the Fiscal Year 1995 Revenue Fund Budget. Director Campbell seconded the motion and the vote in favor was unanimous.

14.

With the recommendation of management, Director Sparks moved to approve the District entering into a contract with Corrosion Consultants Service Corporation for the design of the cathodic protection system for Sections Three and Four of the Cedar Creek Pipeline. Funding for this \$175,440 contract is allocated in the Fiscal Year 1995 Revenue Fund Budget. Director Henderson seconded the motion and the vote in favor was unanimous.

15.

With the recommendation of management, Director Campbell moved to adopt a resolution authorizing the District to participate in the Local Government Investment Cooperative. Director Henderson seconded the motion and the vote in favor was unanimous.

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF AN
INTERLOCAL AGREEMENT FOR PARTICIPATION IN A PUBLIC FUNDS
INVESTMENT COOPERATIVE (THE "COOPERATIVE"), DESIGNATING
THE BOARD OF DIRECTORS OF THE COOPERATIVE AS AN AGENCY
AND INSTRUMENTALITY TO SUPERVISE THE COOPERATIVE,
APPROVING INVESTMENT POLICIES OF THE COOPERATIVE,
APPOINTING AUTHORIZED REPRESENTATIVES AND DESIGNATING
INVESTMENT OFFICERS**

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, as amended (the "Interlocal Act"), permits any "local government" to contract with one or more other "local governments" to perform "governmental functions and services", including investment of public funds (as such phrases are defined in the Interlocal Act);

WHEREAS, the Interlocal Act authorizes the contracting parties to any interlocal agreement to contract with agencies of the State of Texas, within the meaning of Chapter 771 of the Government Code;

WHEREAS, the Act permits the contracting parties to any interlocal agreement to create an administrative agency to supervise the performance of such interlocal agreement and to employ personnel and engage in other administrative activities and provide other administrative services necessary to execute the terms of such interlocal agreement;

WHEREAS, the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended (the "PFIA"), authorizes the entities described in Subsection (a) of the PFIA to invest their funds in an eligible public funds investment pool, and the intends to become and

remain an eligible public funds investment pool, under the terms and conditions set forth in PFIA;

WHEREAS, Tarrant County Water Control and Improvement District Number One (the "Government Entity") desires to enter into that certain Interlocal Agreement (the "Agreement"), a copy of which is presented with this Resolution and is incorporated herein by reference, and to become a participant in a public funds investment pool created thereunder and under PFIA, to be known as Local Government Investment Cooperative (the "Cooperative");

WHEREAS, the Government Entity is a Government Entity as defined in the Agreement;
and

WHEREAS, the Government Entity desires to cause administration of the Cooperative to be performed by a board of directors (the "Board"), which shall be an administrative agency created under the Interlocal Act; and

WHEREAS, the Government Entity desires to designate the Board as its agency and instrumentality with authority to supervise performance of the Agreement, employ personnel and engage in other administrative activities and provide other administrative services necessary to execute the terms of the Agreement;

WHEREAS, each capitalized term used in this Resolution and not otherwise defined has the same meaning assigned to it in the Agreement;

NOW, THEREFORE, BE IT RESOLVED:

1. The Agreement is hereby approved and adopted and, upon execution thereof by an Authorized Representative (defined below) and receipt of the Government Entity's application to join the Cooperative by the Administrator, the Government Entity shall become a Participant in the Cooperative for the purpose of investing its available funds therein from time to time in accordance with its terms.
2. The Board is hereby designated as an agency and instrumentality of the Government Entity, and the Board shall have the authority to supervise performance of the Agreement and the Cooperative, employ personnel and engage in other administrative activities and provide other administrative services necessary to execute the terms of the Agreement.
3. The investment policies of the Cooperative, as set forth in the document entitled Investment Policies, as summarized in the Information Statement, and as may be amended from time to time by the Board, are hereby adopted as investment policies of the Government Entity with respect to money invested in the Cooperative, and any existing investment policies of the Government Entity in conflict therewith shall not apply to investments in the Cooperative.
4. The following officers, officials or employees of the Government Entity are hereby designated as "Authorized Representatives" within the meaning of the Agreement, with full power and authority to: execute the Agreement, an application to join the Cooperative and any other documents required to become a Participant; deposit money to and withdraw money from the Government Entity's Cooperative account from

time to time in accordance with the Agreement and the Information Statement; and take all other actions deemed necessary or appropriate for the investment of funds of the Government Entity:

Signature: Brian Gordon

Printed Name: Brian Gordon

Title: Finance Manager

Signature: Sandy Swinnea

Printed Name: Sandy Swinnea

Title: Accounting Manager

Signature: Alan Thomas

Printed Name: Alan Thomas

Title: Assistant General Manager

In accordance with Cooperative procedures, an Authorized Representative shall promptly notify the Cooperative in writing of any changes in who is serving as Authorized Representatives.

5. In addition to the foregoing Authorized Representatives, each Investment Officer of the Cooperative appointed by the Board from time to time is hereby designated as an investment officer of the Government Entity and, as such, shall have responsibility for investing the share of Cooperative assets representing funds of the Government Entity. Each depository and custodian appointed by the Board from time to time are hereby designated as a depository and custodian of the Government Entity for purposes of holding the share of Cooperative assets representing funds of the Government Entity.

PASSED AND APPROVED this 20th day of September, 1994.

ATTEST:

By: George N. Shannon

George Shannon, President

By: Charles Campbell

Charles Campbell, Secretary

16.

With the recommendation of management, Director Campbell moved to approve the following list of vouchers for the month of August, 1994.

General Fund: Check numbers 43553 through 43813, the total expenditure being \$246,133.74.

Debt Service Fund: Debit number 876630, the total expenditure being \$62,739.45.

Capital Projects Fund: Debit number 876640, the total expenditure being \$809,441.80.

Revenue Fund: Check numbers 24265 through 24473 and debit numbers 871540, 875280, 875290, 876660 and 876670, the total expenditure being \$7,625,403.28.

Richland-Chambers Fund: Check numbers 15331 through 15346, the total expenditure being \$93,586.68.

Interest and Redemption Fund: Check number 2247, the total expenditure being \$11,615,500.00.

1985 Reserve Fund: Debit number 876610, the total expenditure being \$234,522.82.

1992 Reserve Fund: Debit number 876620, the total expenditure being \$286,417.23.

Benbrook/RC Construction Fund: Debit number 876600, the total expenditure being \$658,634.90.

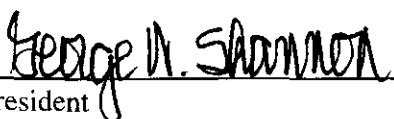
Director Geren seconded the motion and the vote in favor was unanimous.

17.

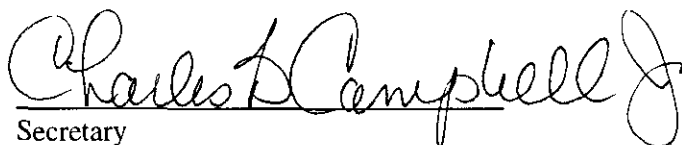
Staff reports were next presented concerning the recent sale of surplus equipment by auction, purchase of a production digger, seepage between Alligator Creek and Highway 287 at the Richland-Chambers Reservoir, a video update on maintenance projects was presented and a report was presented on the Chip Seal of roads at the Cedar Creek maintenance compound.

18.

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



President



Secretary