

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 17TH DAY OF DECEMBER, 1996 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
Brian C. Newby

Also present were James M. Oliver, Alan Thomas, Wayne Owen, Brian Gordon, David Marshall, Woody Frossard, Mike Witthaus, Wesley Cleveland, Eddie Weaver, Steve Christian, Leroy Cook, Mike Williams, Louie Verreault and Ken Brummett.

Also in attendance were George F. Christie, legal counsel for the District; Lee Freese representing Freese and Nichols, Inc.; David Polly and Anita Baker.

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

1.

On a motion made by Director Campbell and seconded by Director Henderson, the Directors unanimously voted to approve the minutes from the meeting held November 19, 1996. 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 requesting the opportunity to address the Board of Directors.

3.

The Executive Session on the meeting agenda was canceled.

4.

With the recommendation of management, Director Henderson moved to award the \$18,964,831.35 contract for the construction of the open cut section of the Benbrook Pipeline Project to the low bidder H.B. Zachry. Funding for this contract shall be allocated from the Benbrook Construction Fund. Director Newby seconded the motion and the vote in favor was unanimous.

5.

With the recommendation of management, Director Sparks moved to award the \$2,168,583.00 contract for the pump station mechanical equipment required for the construction of the Benbrook Pipeline Project to the low bidder Johnston Pump Company contingent upon final approval of Construction Committee. Funding for this contract shall be allocated from the Benbrook Construction Fund. Director Henderson seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management, Director Sparks moved to approve Amendment Number Six to the 1990 Benbrook Pipeline Engineering Services Agreement between the District and Freese and Nichols, Inc. The amendment provides for resident representation during the construction of both the open cut section of the pipeline and the pump station. The amendment will increase the overall contract amount by \$485,000.00. Funding for this contract shall continue to be allocated from the Benbrook Construction Fund. Director Henderson seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management, Director Campbell moved to authorize the relocation of the Corps of Engineers Benbrook Weather Station. Construction shall be performed

by L.D. Osborne Company for an amount not to exceed \$13,375.00. Electrical work shall be performed by Parrish Electric, Inc. for an amount not to exceed \$4,125.00. Funding for this project shall be allocated from the Benbrook Construction Fund. Director Henderson seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management, Director Campbell moved to adopt a resolution authorizing application for permits in furtherance of diversion and use of flow from the Trinity River. Director Henderson seconded the motion and the vote in favor was unanimous.

**RESOLUTION OF BOARD OF DIRECTORS
OF TARRANT REGIONAL WATER DISTRICT, A WATER CONTROL AND
IMPROVEMENT DISTRICT
AUTHORIZING APPLICATION
FOR PERMITS IN FURTHERANCE OF DIVERSION AND USE OF FLOW
FROM THE TRINITY RIVER**

WHEREAS, Tarrant Regional Water District, a Water Control and Improvement District (“District”) supplies wholesale raw water for distribution to a population of approximately 1.2 million persons;

WHEREAS, the District is fully authorized under numerous existing water rights to divert and use water for the purpose of providing water supply for these persons and for other purposes;

WHEREAS, in order to make its water rights firm, the District’s customers have borne the expense of providing an extensive reservoir and pipeline system;

WHEREAS, customers of the District likewise have made significant investment in facilities for treating, storing, distributing, recollecting, retreating such water after its initial use;

WHEREAS, it is possible to account for the portion of the District’s water that is used but not fully consumed by these persons and returned to the Trinity River;

WHEREAS, the District has long considered developing a water project based on use of return flows in the Trinity River;

WHEREAS, the District's Wholesale Customer Advisory Committee, consisting of representatives of the Cities of Arlington, Fort Worth, and Mansfield and the Trinity River Authority, voted in 1990 to proceed with a Pilot Reuse Study to investigate the viability of diverting flow from the Trinity River, treating those flows in a constructed wetlands, and subsequently storing them for diversion and use from the District's existing reservoirs;

WHEREAS, results of the Pilot Reuse Study demonstrate that diversion of flows from the Trinity River may be a viable additional water supply for the District;

WHEREAS, population growth and water use projections show that the District needs to take steps now to secure additional water supplies for the future;

WHEREAS, long-term operation of a field-scale wetland project is necessary to demonstrate the ultimate effectiveness of the proposed system of diverting and treating flows from the Trinity River for protecting water quality in the District's reservoirs;

WHEREAS, the first phase of construction and operation of the field scale wetlands project will require a major commitment of resources such that the District must ensure that water rights for the total project are obtained;

WHEREAS, it is in the District's and its customers' best interests to pursue, to the extent allowed by law, the full benefits of the District's existing water rights and existing storage projects;

WHEREAS, the District's customers are supportive of the District's efforts to secure such benefits;

WHEREAS, the District has negotiated a Memorandum of Understanding with the Texas Parks and Wildlife Department to facilitate the diversion and treatment of flow from the Trinity River.

NOW, THEREFORE, be it resolved by the Board of Directors of the District that:

The General Manager of the District is hereby authorized on behalf of the Board of Directors to direct the preparation and filing of all applications to state and federal agencies necessary to secure the rights and approvals for the District's diversion and use of flow from the Trinity River. This authorization specifically includes, but is not limited to, applying for term water rights for a field-scale study of treatment potentials, applying for conveyance and redirection authority based on return flows from water previously stored in the District's reservoirs under existing water rights, seeking new water rights, and increasing the storage and diversion authorization from existing reservoirs to accommodate additional yield;

That the General Manager is authorized and directed to approve and sign such applications on behalf of the District and to provide for District payment of all necessary fees for application, water use, notice, and similar regulatory requirements; and

That the General Manager is authorized further to appear and arrange for the appearance of persons representing the District at administrative hearings, appeals if necessary, and other legal proceedings on such applications, and on behalf of the Board of Directors to otherwise pursue authorization for diversion and use of water from the Trinity River.

ADOPTED AND APPROVED this 17th day of December, 1996.

TARRANT REGIONAL WATER DISTRICT,
A WATER CONTROL AND IMPROVEMENT
DISTRICT

By: George A. Shannon
President, Board of Directors

ATTEST:

Charles D. Campbell Jr.
Secretary, Board of Directors

9.

With the recommendation of management, Director Sparks moved to approve the Memorandum of Understanding between the District and the Texas Parks and Wildlife Department concerning the District's Water Reuse Program. Director Newby seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Newby moved to authorize the repair of retaining walls at Cedar Creek Reservoir by Imperial Retaining Walls, Inc. for the low bid of \$24,994.00. Funding for this project is to be appropriated from the Revenue Fund. Director Henderson seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management, Director Campbell moved to authorize the deepening of relief well in the Richland - Chambers Reservoir Spillway structure to be performed by Pier-A-Mid Rehabilitation, Inc. for the low bid of \$49,187.00. Funding for this project shall be allocated from the Richland - Chambers Construction Fund. Director Sparks seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management, Director Sparks moved to authorize the General Manager to execute Modification Number One to the 1992 Agreement with the Corps of Engineers regarding the operation and maintenance of the Benbrook Reservoir Outfall Structure. Director Newby seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management, Director Sparks moved to authorize the sale of 0.036 acre in easement in the Garrett G. Cole Survey, A-142, in Greenbriar Cove Addition at Cedar Creek Reservoir, Henderson County, Texas; being a part of the 15.78 acre "First Tract"

conveyed to the District by Robert Tarleton by deed recorded in volume 543, page 367, Henderson County Deed Records to David Polly for the appraised value of \$392.00. The sale shall be subject to the reservation of all minerals, the reservation of a flood flowage easement and the purchaser shall pay all closing costs. In addition, R. Steve Christian is authorized to execute any documents to close this conveyance on behalf of the District. Director Henderson seconded the motion and the vote in favor was unanimous.

14.

With the recommendation of management, Director Henderson moved to authorize the acquisition of the following described easements from Louis R. McClain for the appraised value of \$800.00:

- 1.) 0.99 acre in easement in the R.S. Smith Survey, A-993, Ellis County, Texas; being a portion of the 313 acre tract conveyed to Sidna Rea McClain as recorded in volume 431, page 159, Ellis County Deed Records.
- 2.) 0.63 acre in easement in the R.S. Smith Survey, A-993, Ellis County, Texas; being a portion of the 313 acre tract conveyed to Sidna Rea McClain as recorded in volume 431, page 159, Ellis County Deed Records.

In addition, R. Steve Christian is authorized to execute any documents to close this conveyance on behalf of the District. Director Newby seconded the motion and the vote in favor was unanimous.

15.

With the recommendation of management, Director Campbell moved to adopt resolutions to establish a trust for the deferred compensation Plan (457) as required by law effective January 1, 1997 and updating the district's name for the Retirement Plan (401a). Director Henderson seconded the motion and the vote in favor was unanimous.

**RESOLUTION FOR TARRANT REGIONAL WATER DISTRICT
(formerly Tarrant County Water Control and Improvement District Number One)
RELATING TO A MONEY PURCHASE PLAN
PLAN NUMBER 10-9435**

Resolution of the above named Tarrant Regional Water District ("Employer").

WHEREAS, the Employer has employees rendering valuable services; and

WHEREAS, the establishment of a money purchase retirement plan benefits employees by providing funds for retirement and funds for their beneficiaries in the event of death; and

WHEREAS, the Employer desires that its money purchase retirement plan be administered by the ICMA Retirement Corporation and that the funds held under such plan be invested in the ICMA Retirement Trust, a trust established by public employers for the collective investment of funds held under their retirement and deferred compensation plans:

NOW THEREFORE BE IT RESOLVED that the Employer hereby establishes or has established a money purchase retirement plan (the "Plan") in the form of:

The ICMA Retirement Corporation Prototype Money Purchase Plan and Trust, pursuant to the specific provisions of the Adoption Agreement.

The Plan shall be maintained for the exclusive benefit of eligible employees and their beneficiaries; and

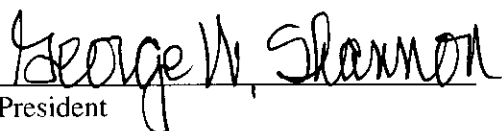
BE IT FURTHER RESOLVED that the Employer hereby executes the Declaration of Trust of the ICMA Retirement Trust, attached hereto, intending this execution to be operative with respect to any retirement or deferred compensation plan subsequently established by the Employer, if the assets of the plan are to be invested in the ICMA Retirement Trust; and

BE IT FURTHER RESOLVED that the Employer hereby agrees to serve as trustee under the Plan and to invest funds held under the plan in the ICMA Retirement Trust; and

BE IT FURTHER RESOLVED that the Manager of Administrative Services shall be the coordinator for the Plan; shall receive necessary reports, notices, etc., from the ICMA Retirement Corporation or the ICMA Retirement Trust; shall cast, on behalf of the Employer, any required votes under the ICMA Retirement Trust; may delegate any administrative duties relating to the Plan to appropriate departments; and

BE IT FURTHER RESOLVED that the Employer hereby authorizes Madeline Robson to execute all necessary agreements with the ICMA Retirement Corporation incidental to the administration of the Plan.

ADOPTED AND PASSED THIS the 17th day of December, 1996.


President


Secretary

**RESOLUTION FOR TARRANT REGIONAL WATER DISTRICT
(formerly Tarrant County Water Control and Improvement District Number One)
RELATING TO AMENDING A DEFERRED COMPENSATION PLAN
EMPLOYER PLAN NUMBER 30-2838**

Resolution of the above named Tarrant Regional Water District ("Employer").

WHEREAS, the Employer has employees rendering valuable services; and

WHEREAS, the Employer has established a deferred compensation plan for such employees that services the interest of the Employer by enabling it to provide reasonable retirement security for its employees, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the Employer has determined that the continuance of the deferred compensation plan will serve these objectives; and

WHEREAS, amendments to the Internal Revenue Code have been enacted that require changes to the structure of and allow enhancements of the benefits of the deferred compensation plan:

NOW THEREFORE BE IT RESOLVED that the Employer hereby amends and restates the deferred compensation plan (the "Plan") in the form of the "ICMA Retirement Corporation Deferred Compensation Plan and Trust;

BE IT FURTHER RESOLVED that the assets of the Plan shall be held in trust, with the Employer serving as trustee, for the exclusive benefit of the Plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose. The Trustee's beneficial ownership of Plan assets held in the ICMA Retirement Trust shall be held for the further exclusive benefit of the Plan participants and their beneficiaries;

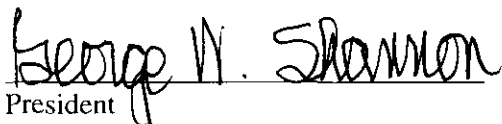
BE IT FURTHER RESOLVED that the Plan will not permit loans;

BE IT FURTHER RESOLVED that the Employer hereby agrees to serve as trustee under the Plan; and

BE IT FURTHER RESOLVED that the Manager of Administrative Services shall be the coordinator for the plan; shall receive necessary reports, notices, etc., from the ICMA Retirement Corporation; and

BE IT FURTHER RESOLVED that the Employer hereby authorizes Madeline Robson to execute all necessary agreements with the ICMA Retirement Corporation incidental to the administration of the Plan.

ADOPTED AND PASSED THIS the 17th day of December, 1996.


President


Secretary

16.

With the recommendation of management, Director Campbell moved to approve the following list of vouchers for the month of November 1996.

General Fund: Check numbers 50936 through 51179, the total expenditure being \$582,839.99.

Revenue Fund: Check numbers 30104 through 30287, the total expenditure being \$7,364,726.77.

Cedar Creek Construction Fund: Check numbers 2179, 2181 - 2185, 2187 - 2193, the total expenditure being \$5,421.16.

Richland-Chambers Construction Fund: Check numbers 16181, 16183, 16184, 16188, and debit numbers 119041 and 119082, the total expenditure being \$1,413,049.32.

Benbrook/Richland-Chambers Construction Fund: Debit numbers 119032, 119045, and 119324, and check numbers 16178 - 16179, 16186, 16189, 16190, the total expenditure being \$3,028,495.16.

Capital Projects Fund: Debit number 119037, the total expenditure being \$500,072.74.

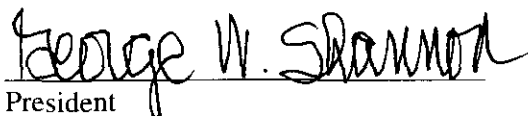
Director Henderson seconded the motion and the vote in favor was unanimous.

17.

Staff reports were next presented regarding Management Audit proposals, surface water study update, floodway sump study options and legislative issues.

18.

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


President


Secretary