

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 22ND DAY OF SEPTEMBER, 1997 AT 9:00 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, Madeline Robson, Linda Hawkins, Leroy Cook, Nancy King and David Marshall.

Also in attendance were Randy Rogers and Richard Sawey representing CDM, Inc. and Wayne Usry representing Arthur Andersen, Inc.

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

1.

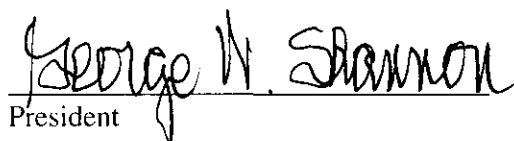
At this time, the Board of Directors discussed in detail the findings of the 1997 Management Audit performed by the consultant team of CDM, Inc. and Arthur Andersen, Inc.

2.

The Board of Directors next reviewed revisions to the proposed Fiscal Year 1998 Revenue and General Fund Budget documents.

3.

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



President



Secretary