

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 21st DAY OF DECEMBER 1999 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, Ken Brummett, Steve Christian, Wesley Cleveland, Woody Frossard, David Marshall, Wayne P. Owen, Sandy Swinnea, Mike Williams and Mike Witthaus.

Also in attendance was George Christie, legal counsel for the District, Lee Christie, representing Pope, Hardwicke, Christie, Harrell, Schell & Kelly, L.L.P., and John Roddy representing Tractebel.

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 Henderson and seconded by Director Campbell, the Directors unanimously voted to approve the minutes from the meeting held November 16, 1999. 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 President and presiding officer next called an executive session under Chapter 551.071 of the Government Code to consider pending or contemplated litigation.

4.

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

5.

With the recommendation of management, Director Sparks moved to approve the contract with Linebarger Heard Goggan Blair Peña & Sampson, LLP for collection of delinquent taxes. Director Campbell seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management, Director Henderson moved to adopt a resolution authorizing additional penalties on delinquent taxes under Section 33.07 and 33.08 of the Texas Property Tax Code. Director Newby seconded the motion and the vote in favor was unanimous.

RESOLUTION AUTHORIZING ADDITIONAL PENALTIES

ON DELINQUENT TAXES UNDER SECTIONS 33.07 AND 33.08, TEXAS TAX CODE

WHEREAS, Tarrant Regional Water District (“the Water District”) has contracted with Tarrant county, Texas, to collect delinquent property taxes for the Water District; and

WHEREAS, Tarrant County has contracted with private legal counsel to enforce collection of such delinquent property taxes pursuant to Section 6.30, Texas Tax Code; and

WHEREAS, such private legal counsel so employed by Tarrant County is entitled to 15% of the delinquent taxes, penalties and interest which are collected and subject to their contract, and Tarrant County and the Water District have previously imposed the additional penalty for collection costs under Section 33.07, Texas Tax Code, which the Water District hereby readopts, republishes, confirms and ratifies; and

WHEREAS, Section 33.08 of the Texas Tax Code authorizes the Water District, a taxing unit, to further provide that taxes that become delinquent on or after June 1 of the year in which

they become delinquent shall incur an additional penalty not to exceed 15% of the tax, regular penalty and interest, in order to defray costs of collection;

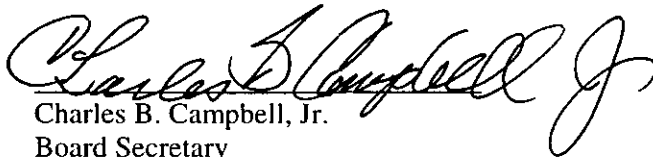
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Tarrant Regional Water District that all 1998 taxes and taxes for all subsequent years which become delinquent on or after June 1 of the year in which they become delinquent shall, in order to defray costs of collection, incur an additional penalty of 15% of the tax, regular penalty and interest.

PASSED AND APPROVED this 21st day of December, 1999.



George W. Shannon, President
Board of Directors
Tarrant Regional Water District

ATTEST:



Charles B. Campbell, Jr.
Board Secretary

7.

With the recommendation of management, Director Campbell moved to authorize the sale of 697.40 square feet of land (0.02 acre), located adjacent to Lot 230 of the Baywood Estates Subdivision, J.P. Brown Survey, A-59, Henderson County, Texas to the adjoining owner, Lawrence B. Pate, for the appraised value of \$1,917.85. Additionally, Steve Christian was granted authority to execute the deed and all other documents necessary to complete this transaction. Director Newby seconded the motion and the vote to approve the motion passed with Director Sparks abstaining from the vote.

8.

With the recommendation of management, Director Sparks moved to authorize entering into additional party raw water supply contracts with Duke Energy North America, L.L.C. for a maximum annual usage of 4,257 acre feet and Tractebel Power, Inc. for a maximum annual usage of 3,584 acre feet of industrial use water for gas-fired merchant power plants proposed for

construction at Bridgeport Lake. In addition, James M. Oliver was granted authority to execute the contract and all other documents necessary to complete this transaction in accordance with the Amendatory Contract. Director Henderson seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Campbell moved to (a) appoint election judges to serve at the January 15, 2000 Board of Directors Election; (b) designate Tarrant County Elections Administrator, Bob Parten, to serve as the Centralized County Station Manager; and (c) appoint Jeanne Lyons to serve as Early Voting Ballot Board Judge. Director Newby seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Henderson moved to approve amendments to the June 1999 version of the Water Conservation and Emergency Demand Management Plan. Director Sparks seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management, Director Newby moved to approve the purchase and installation of Nortel Local Area Network Equipment from the State Department of Information Resources for Fort Worth, Eagle, Mountain, Cedar Creek and Richland-Chambers in the amount of \$74,095. Funding for this project is included in the FY 2000 General and Revenue Fund Budgets. Director Henderson seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management, Director Henderson moved to approve the purchase of capital equipment as follows: One (1) 1999/00 one ton crew cab & chassis for the lowest conforming bid in the amount of \$25,349 submitted by Village Ford with anticipated additional make-ready expenses of \$2,750; one (1) 1999/00 four door utility vehicle for the low bid in the amount of \$20,664 submitted by Village Ford; One (1) 1999/00 half ton 4WD extended cab pickup for the low bid in the amount of \$21,888 submitted by Village Ford; One (1) 1999/00

one ton 4WD cab & chassis for the lowest conforming bid in the amount of \$29,739 submitted by Village Ford with anticipated additional make-ready expenses of \$10,500; Two (2) 1999/00 four door utility vehicles for the low bid in the amount of \$20,094 each submitted by Village Ford; and One (1) diesel powered forklift for the low bid in the amount of \$16,425 submitted by Clarklift of Fort Worth. Funding for this equipment is included in the FY 2000 General and Revenue Funds. Director Campbell seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management, Director Campbell moved to approve the purchase of up to 8,000 prepackaged anodes and up to 8,000 bags of 50/50 bentonite/gypsum backfill for the low bid in the amount of \$75.30 per unit submitted by Corrpro Companies, Inc. Funding for this project is included in the Richland-Chambers Construction Fund. Director Newby seconded the motion and the vote in favor was unanimous.

14.

With the recommendation of management, Director Newby moved to approve the contract with U.S. Underwater Services, Inc. in the amount of \$350/hour for underwater cleaning of the Richland-/Chambers Lake Pump Station and above ground tank at Waxahachie. Funding of \$31,500 for this project is included in the FY 2000 Revenue Fund. The Directors instructed staff to bring a budget change to them if the project is near completion when the budget amount has been depleted. Director Sparks seconded the motion and the vote in favor was unanimous.

15.

With the recommendation of management, Director Newby moved to approve the contract with Pressure Pipe Inspection Company for testing fifty (50) miles of the pipeline over the next three (3) years in five (5) separate inspections for a total not to exceed \$600,000 with the stipulation that staff review the contract every budget year. Funding for the first year of this project is included in the FY 2000 Revenue Fund. Director Henderson seconded the motion. The vote in favor was unanimous.

16.

With the recommendation of management, Director Sparks moved to approve the Letter of Agreement and Reimbursement Agreement between Koch Midstream Services Co. and the District to relocate an existing 8-inch pipeline that crosses through the proposed Field Scale Wetlands for a total cost of \$39,900. Funding for this project is included in the Construction and Improvement Fund. In addition, James M. Oliver was granted authority to execute these agreements. Director Newby seconded the motion and the vote in favor was unanimous.

17.

With the recommendation of management, Director Campbell moved to approve the contract close out and release of final retainage to North Texas Municipal Construction Company on the Waxahachie VFD project in the amount of \$38,868.15. Funding for this project was included in the Revenue Fund Budget. Director Henderson seconded the motion and the vote in favor was unanimous.

18.

With the recommendation of management, Director Campbell moved to authorize issuance of periodic progress payments to Eagle Construction and Environmental Services for the work completed under Work Change Directive No. 1 on the Balancing Reservoir Project with the stipulation that a cap be placed on these payments for a total of \$500,000. Funding for this project is included in the Benbrook Construction Fund. Director Sparks seconded the motion and the vote in favor was unanimous.

19.

Staff reports were next given to update the Board on the reporting of their director's fee earnings, the Fourth Street Low Water Dam, and the Y2K status.

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

George W. Shannon
President

Charles D. Campbell Jr
Secretary