

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 20th DAY OF FEBRUARY 2001 AT 9:30 A.M.

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

<u>Present</u>	<u>Absent</u>
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, Pam Conders, Woody Frossard, Nancy L. King, Dave Marshall, Wayne P. Owen, Sandy Swinnea, Ed Weaver, and Mike Witthaus.

Also in attendance was George Christie, legal counsel for the District; Lee Christie and Jim Bennett representing Pope, Hardwicke, Christie, Harrell, Schell & Kelly, LLP; Laura Alexander and David Medanich representing First Southwest Company; and Pete Tart representing McCall, Parkhurst, & Horton, LLP.

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

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 January 16, 2001. 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.

With the recommendation of management, Director Campbell moved to authorize the sale of Series 2001 Water Revenue Refunding Bonds to Morgan Keegan in the amount of \$15,890,000 with an interest rate of 3.98%. Director Henderson seconded the motion and the vote in favor was unanimous.

4.

The President and presiding officer next called an executive session at 9:40 a.m. under Chapter 551.071 of the Government Code to consider pending or contemplated litigation and Chapter 551.072 to consider purchase and value of real property.

5.

Upon completion of the executive session at 10:18 a.m., the President reopened the meeting.

6.

With the recommendation of management, Director Campbell moved to approve the changes to the District's Ethics Policy. Director Henderson seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management, Director Campbell moved to adopt a resolution regarding the investment policy and strategies for the Tarrant Regional Water District. Director Henderson seconded the motion and the vote in favor was unanimous.

**RESOLUTION
OF
THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
REVIEWING AND RECORDING CHANGES MADE TO THE DISTRICT'S
INVESTMENT POLICY AND INVESTMENT STRATEGIES**

WHEREAS, TARRANT REGIONAL WATER DISTRICT ("the District") is a political subdivision of the State of Texas, created under authority of Article XVI, § 59 of the Texas Constitution; and

WHEREAS, the District as a political subdivision of the State of Texas has legal authority to invest local funds (which are public funds in the custody of the District that are not required by law to be deposited in the State treasury and that the District has legal authority to invest); and

WHEREAS, TEX. GOV'T CODE ANN. § 2256, Subchapter A, requires the District, as a political subdivision, to adopt rules governing the investment of the local funds of the District and to specify and scope of authority of officers and employees of the District that are designated to invest local funds; and

WHEREAS, the District has heretofore adopted a written Investment Policy governing the investment of local funds; and

WHEREAS, the District has heretofore adopted a written Resolution designating the Investment Officers of the District in compliance with the requirement of TEX. GOV'T CODE ANN. § 2256, Subchapter A, authorizing such persons to deposit, withdraw, invest, transfer and manage in any other manner such funds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TARRANT REGIONAL WATER DISTRICT that notice is hereby given that the Board of Directors has on this date reviewed the District's investment policy and investment strategies. All changes made to either the District's investment policy or investment strategies following such review are as set forth herein below:

None

Passed and approved this _____ day of _____, 2001.

George W. Shannon, President

ATTEST:

Charles B. Campbell, Jr., Secretary

8.

With the recommendation of management, Director Sparks moved to approve the purchase of a 25 foot wide utility easement being a parcel off the south end of Lot 11, Northpark Business Center, an addition to the City of Fort Worth, Tarrant County, Texas, according to plat recorded in Volume 388-109, Page 59, Plat Records, Tarrant County, Texas. Further, R. Steve Christian was granted authority to execute all documents necessary to complete this transaction. Funding for this project is included in the FY 2001 General Fund budget. Director Henderson seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Henderson moved to approve the conveyance to Freestone County of 1.925 acres and 10.056 acres, both tracts being a portion of that certain tract of land conveyed by Anderson Development Corporation to Tarrant County Water Control and Improvement District Number One, dated April 30, 1982 recorded in Volume 613, Page 652 Deed Records of Freestone County, Texas. Said 1.925 acres and 10.056 acres also being out of the H.E. & W.T.R.R. Survey, A-735 and A-832, Freestone County, Texas. Further, R. Steve Christian is granted authority to execute the deed and all other documents necessary to complete the transaction. Director Sparks seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Campbell moved to approve the low bid in the amount of \$15,418 submitted by A&C Industries for a 72" commercial mower. Funding for this purchase is included in the fiscal year 2001 General Fund. Director Sparks seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management, Director Henderson moved to approve a three-year lease of three (3) Dell 4400 servers for the amount of \$11,276.06 per year. Funding for this project is included in the fiscal year 2001 General and Revenue Fund budgets. Director Campbell seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management, Director Sparks moved to authorize an agreement with TXU Energy Services to maintain four substations at Cedar Creek (1), Waxahachie (2) and Benbrook (1) for \$59,532 for the first year of the agreement and \$44,004 for the second year and third year. Funding for this project is included in the fiscal year 2001 Revenue Fund budget. Director Campbell seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management, Director Henderson moved to approve an agreement with Corrosion Consulting Service Corporation for a cost not to exceed \$150,000 to provide engineering assistance to evaluate the current protection system and provide guidance for continued operation and maintenance of the system. Funding for this project is included in the fiscal year 2001 Revenue Fund budget. Director Sparks seconded the motion and the vote in favor was unanimous.

14.

With the recommendation of management, Director Sparks moved to approve an agreement with PVNGS, Calleguas Municipal Water District, Central Arizona Project, and Metropolitan Water District of Southern California to fund a study to determine the strength of pre-stressed cylinder concrete pipe (PCCP) containing broken wire at a cost not to exceed \$25,000. There is a possibility of a sixth entity coming into the group. Funding for this project is

included in the fiscal year 2001 Revenue Fund budget. Director Henderson seconded the motion and the vote in favor was unanimous.

15.


With the recommendation of management, Director Sparks moved to approve an agreement with GDS Associates, Inc. at a cost not to exceed \$148,700 to develop contract alternatives with retail electrical providers for power in the deregulated market. Funding for this project is included in the FY 2001 Revenue Fund budget. Director Henderson seconded the motion and the vote in favor was unanimous.

16.

The Board was next updated on the Administrative Office Building Project and proposed legislation. Additionally, the Board viewed the quarterly video update.

17.

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


President


Secretary