

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD IN THE DISTRICT OFFICE IN FORT WORTH, TEXAS, ON THE
12TH DAY OF JULY, 1948, AT 2:00 P.M.

The call of the roll disclosed the presence or absence of
Directors, as follows:

PRESENT

Joe B. Hogsett
Houston Hill
Dan H. Priest
W. L. Pier

ABSENT

Gaylord J. Stone

Also present were Sidney L. Samuels, General Attorney, and C. L.
McNair, General Manager.

Director Hogsett acted in his capacity as President, and
Director Priest acted in his capacity as Secretary, whereupon pro-
ceedings were had and done as follows:

1.

The Directors had previously received copies of the
Minutes of a Regular Meeting held on June 22, 1948, at 1:00 P.M.
Having found no objections thereto, it was ordered that they be
approved, signed and placed of record.

2.

Attached to these Minutes as EXHIBIT "A" is a statement
of the financial condition of this District to which reference is
made. Exhibit "A" shows that interim voucher-checks #284 to #301,
inclusive, for the total sum \$152,129.04 had been issued since the
last meeting; also proposed voucher-checks #302 to #324, inclusive,
for the total sum \$3,774.01. There was full consideration of the

proposed voucher-checks and the data to support same, whereupon Director Hill moved, seconded by Director Pier, that the listed interim voucher-checks be confirmed, and the accounts payable, covered by the proposed voucher-checks be issued and delivered to the respective persons entitled to receive them. It was so ordered, subject to the usual audit.

3.

The monthly report of the Auditors, Pitner & Adams, for the month of May, 1948, was ordered received and filed.

4.

Mr. McNair presented and recommended three land lease proposals as follows:

- (a) One from T. L. Gibson, in which he proposed to pay \$25.00 for 0.86 acres out of the District's Tract #324, purchased from E. A. Corbett, and known as Lot No. 6 of Subdivision, for the period July 1, 1948 to December 31, 1948, with option of renewal of lease annually January 1st, to December 31st, for each of the years 1949, 1950 and 1951, at an annual rental of \$50.00 per year, rent payable annually in advance.
- (b) One from C. B. Howard, in which he proposed to pay \$25.00 for 0.54 acres out of the District's Tract #310, purchased from Fred Eustace, and known as Lot No. 6 of Subdivision, for the period July 1, 1948 to December 31, 1948, with option of renewal of lease annually January 1st, to December 31st, for each of the years 1949, 1950 and 1951, at an annual rental of \$50.00 per year, rent payable annually in advance.
- (c) One from V. L. Jeffreys, in which he proposed to pay \$62.50 for approximately 20.00 acres out of the District's Tract #283, purchased from O. L. Marshall, to be used for commercial purposes for the period August 1, 1948 to December 31, 1948, with option of renewal of lease annually, January 1, to December 31,

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for each of the years 1949, 1950, 1951 and 1952, at an annual rental of \$200.00 each year, rent payable annually in advance.

Upon consideration of each of the above lease proposals, Director Hill moved, seconded by Director Priest, that the said proposals be approved and closed in the usual manner, subject to the payment of the agreed rentals and execution of written contracts in the form required by the District. It was so ordered.

5.

The written report dated July 12, 1948, of Mr. C. L. McNair, General Manager, for the month of June, 1948, was received, presented and ordered filed as EXHIBIT "B" to these Minutes.

6.

There came before the Board for consideration the action of Maryland Casualty Company, Surety on the bond of John Bourland in his official capacity as Tax Assessor and Collector of Tarrant County Water Control and Improvement District Number One, in returning to the Board, Cashier's check on Fort Worth National Bank, dated April 1, 1948, in the amount of \$445.00, payable to the order of Tarrant County Water Control and Improvement District Number One, executed by J. A. Cozby, Vice-President and Cashier, which purported to represent the return to the District the pro rata part of the premium paid by the District to Maryland Casualty Company for the issuance of the surety bond for the faithful performance of the duties of the said John Bourland as such Tax Assessor and Collector of the District.

Under date of April 22, 1948, the District returned this check to Maryland Casualty Company because, as appears from the letter of the District, dated April 22, 1948, addressed to Maryland Casualty Company, the bond of the said John Bourland, as such Assessor and Collector, was still in effect and the said Maryland Casualty Company could not legally exonerate itself from liability thereof; as more fully appears from said letter of April 22, 1948, which is made a part by reference to these Minutes.

Under date of May 27, 1948, the attorneys for the Maryland Casualty Company, acting through Mr. J. A. Gooch, once again returned the check to the District insisting that the Maryland Casualty Company was released from liability on the bond; which contention set forth in such letter of May 27, 1948, to which reference is expressly here made. In answer to said letter of May 27, 1948, the District, in a written communication dated June 22, 1948, addressed to said Maryland Casualty Company, took issue with the contention of the attorneys, for said Maryland Casualty Company and maintained that the Maryland Casualty Company was still liable on said bond and that nothing legally had occurred to relieve it from such liability; and in said letter of June 22, 1948, the District concluded its communication by saying: "We have heretofore tendered the check which you had sent and the tender still holds good."

A copy of said letter of June 22, 1948, which sets out at length the position of the District is here referred to and made a part of these Minutes for express reference.

It was the advice of the attorney of the District, that the tender was still good and was a continuing tender and that, therefore, there was nothing more to be done in the premises by the District to make its position valid in respect to the aforesaid check.

The Directors having heard the discussion of the matter approved the same, and it was accordingly so ordered. Meanwhile, the check is retained in the custody of the District with the tender to said Maryland Casualty Company still holding good.

7.

At this stage, the Auditor of the District, Mr. Ed B. Cheatham, called to the attention of the Board the feature of the Minutes of the Meeting held on the 22nd day of June, 1948, in which the Board, by unanimous vote, authorized the President to purchase United States Bonds, known as Series "G", in the following amounts and for the following purposes:

\$50,000.00 of the investment to be taken out of the Interest and Sinking Fund and such bonds to be held for that fund in lieu of such moneys; and that \$100,000.00 not now needed be taken and appropriated from the Maintenance Fund in the purchase of such bonds.

The Auditor presented for the consideration of the Board a communication from the Federal Reserve Bank of Dallas, Texas, dated July 9, 1948, addressed to Mr. L. E. Holcomb, Assistant Cashier of the Continental National Bank of Fort Worth, Texas, which communication reads as follows:

"Reference is made to the enclosed application, dated July 6, for Series G Bonds in the amount of \$150,000, issue price, to be inscribed "Tarrant County Water Control and Improvement District Number One, 502 Danciger Bldg., Fort Worth, 2, Texas."

Our records indicate that the Tarrant County Water Control and Improvement purchased in January, 1948, Series G Bonds in the amount of \$100,000, issue price. The January purchase would represent the limit which they could purchase during the calendar year of 1948.

We are returning the application, as we do not think the district would be eligible to purchase bonds under the special offering which has been granted to certain institutions during the period of July 1 through July 15, 1948. If, however, in your opinion, the applicant is one of those classes of investors which are eligible to participate in the special offering, please advise us."

The Board, after having read and discussed this communication, voted to rescind the action taken at the meeting on the 22nd day of June, 1948, wherein the purchase of Series G United States Bonds was authorized as above mentioned and in lieu of such action, motion was made by Director Pier, seconded by Director Priest, that the District appropriate the necessary funds out of the Interest and Sinking Fund, with which to purchase \$50,000.00 par value, United States Certificates of Indebtedness, and that such certificates become part of the Sinking Fund in substitution of the moneys taken therefrom and invested in such certificates; also that the District appropriate the necessary funds out of the Maintenance Fund with which to purchase \$100,000.00 par value, United States Certificates of Indebtedness, and that such certificates become part of the Maintenance Fund in substitution of the moneys taken therefrom and invested in such certificates.

Discussion having ensued on the matter and it appearing to the Board that such moneys so to be taken out of the two funds were not now drawing interest and that by utilizing such moneys for such

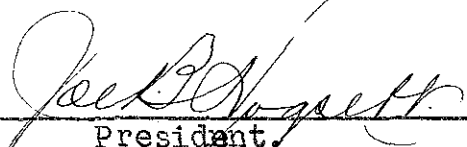
Certificates of Indebtedness, interest would accrue from such Certificates of Indebtedness, and, moreover, that in the event the moneys so appropriated from the Maintenance Fund should in the future be needed for maintenance purposes, then, and in such event, the Certificates of Indebtedness or so much thereof as would be necessary, could be sold and the proceeds put back in the Maintenance Fund.

It was further moved and seconded that the President be authorized to make such investments for the respective funds herein specified in the amounts hereinbefore set out. The President submitted the motion, the motion was unanimously adopted and carried, all the Directors present voting "aye" thereon.

It was further moved and seconded, and was ordered that said Certificates of Indebtedness, when purchased, be placed with the Trust Department of the Fort Worth National Bank to be held by said bank in trust for the District and for the two funds hereinbefore specified.

8.

There being no further business before the Board, the Meeting thereupon adjourned.



President.



Secretary.

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.

VOUCHER-CHECKS ISSUED JUNE 23, 1948 TO JULY 2, 1948, INCLUSIVE.

<u>NO.</u>	<u>I S S U E D</u>	<u>T O</u>	<u>C O V E R I N G</u>	<u>AMOUNT</u>
284	G. R. Lipsey		(6-19-48, Labor and equipment: { Building dam across New River } { 10 hrs. @ \$8.00 per hr. \$80.00 } { 6-21-48: Maintenance } { River Straightening job } { 6 hrs. @ \$8.00 per hr. 48.00 } \$	128.00
285	Sidney L. Samuels		(Legal Services, as General { attorney, June, 1948. }	300.00
286	C. L. McNair		(Salary, June, 1948 \$500.00) (Less: Withholding Tax 34.70)	465.30
287	E. B. Cheatham		(Salary, June, 1948 \$300.00) (Less: Withholding Tax 19.90)	280.10
288	Myrtle Hartmeister		(Salary, June, 1948 \$160.00) (Less: Withholding Tax 15.90)	144.10
289	B.W. Bintliff		(Salary, June, 1948 \$200.00) (Less: Withholding Tax 13.60)	186.40
290	Will Massingill		(Salary, June, 1948 \$150.00) (Less: Withholding Tax None)	150.00
291	W. H. Hutcheson		(Salary, June, 1948 \$150.00) (Less: Withholding Tax 5.80)	144.20
292	Southwestern Bell Telephone Co.		(Phone Service: 3-2848 from { 6-11-48 to 7-11-48 \$ 12.30 } { Phone Service: 6-16-48 } { to 7-16-48, E.M. Phone } { Number 6-3398. . . . 18.20 }	30.50
293	Texas Electric Service Company		(Elec. Service: E. M. Custo- { dian's Residence \$ 8.50 } { E. M. Range Lights 5.24 }	13.74
294	Harve Morrow		(Misc. Labor at B. P. { 133 hrs. @ .60¢ per hr. \$79.80 } (Less: Withholding Tax 2.55)	77.25
295	C. W. Earp		(Misc. Labor at Bridgeport: { 145 hrs. @ .60¢ per hr. \$87.00 } (Less: Withholding Tax 7.60)	79.40
296	Joe B. Hogsett		Director's Fees, June, 1948	10.00
297	Dan H. Priest		Director's Fees, June, 1948	10.00
298	W. L. Pier		Director's Fees, June, 1948	10.00
299	Continental National Bank, Fort Worth, Texas.		Deposit Withholding Tax	100.05
300	Continental National Bank, Fort Worth, Texas.		(In payment for \$100,000.00 U.S.) { 2½% Series "G" Savings Bonds, } { purchased as an investment for } { the Maintenance Fund of the } { District. }	100,000.00

Continued.

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.

VOUCHER-CHECKS ISSUED JUNE 23, 1948 TO JULY 2, 1948, INCLUSIVE. Cont.

<u>NO.</u>	<u>I S S U E D</u>	<u>T O</u>	<u>C O V E R I N G</u>	<u>A M O U N T</u>
301	Continental National Bank, Fort Worth, Texas.		(In payment for \$50,000.00) (U. S. 2½% Series "G" (Savings Bonds, purchased (as an investment for the (Interest & Sinking Fund (of the District.	\$ 50,000.00
T O T A L				\$ 152,129.04

DISTRIBUTION OF VOUCHER-CHECKS #284 TO #301, INCL.

Directors	30.00
General Manager	500.00
Legal	300.00
Office	472.30
Land Department	22.20

INVESTMENT IN SERIES "G" SAVINGS BONDS:

For Maintenance Fund	\$ 100,000.00	
For Interest & Sinking Fund	50,000.00	150,000.00

EAGLE MOUNTAIN LAKE:

Custodian's Salary	\$ 200.00	
Assistant Custodian's Salary	150.00	
Phone Service	18.20	
Electric Service (Custodian's Residence	\$8.50	
(Range Lights	5.24	13.74
		381.94

LAKE BRIDGEPORT:

Temporary Dam across New River	\$ 80.00	
Maintenance River Straightening Job	48.00	
Custodian's Salary	150.00	
Labor: (Camphouse	\$69.60	
(General Maintenance	46.80	
(River Maintenance	28.20	144.60
		422.60

T O T A L \$ 152,129.04

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE

VOUCHER-CHECKS #302 TO # 324, INCLUSIVE.

<u>NO.</u>	<u>I S S U E D T O</u>	<u>C O V E R I N G</u>	<u>AMOUNT</u>
302	Danciger Building	Office Rent, July, 1948	\$ 75.00
303	Leonard's Department Store	(2 gal. Weed Killer at \$10.95 per gal. \$ 21.90) (1 Sprayer at 10.95) (Eagle Mountain	32.85
304	Owen T. Funk	(Engineering Services June 1, 1948 to June 30, 1948. Incl.)	433.82
305	Jones Hardware	(Misc. Supplies for B. P. Camphouse \$ 3.65) (B.P. Maintenance .35)	4.00
306	VOID	VOID	VOID
307	Stafford-Lowden Company	Miscellaneous Office Supplies	8.75
308	Rex H. Bird Motor Company	(Oil & Gas, Chev. Sedan \$ 7.60) (Battery-Wellhouse Motor 11.00) (Tire Repair, B.P. (Dodge Pickup .50)	19.10
309	Majestic Reproduction Company	Miscellaneous Engineering Prints	22.73
310	J. L. Lacewell	Jacksboro Weather Reports	3.50
311	J. C. Roberts	Antelope Weather Reports	3.25
312	Marion Herring Boat Works, Inc.	Gas for E. M. Patrol Bosts	20.74
313	Frank Kent Motor Company	(One 1948 Ford F-2,122" Pickup \$1601.00) (Less: Excise Tax Exmp. 56.25) 1544.75 (Heater installed \$43.00 Grill Guard 35.00 78.00 (2 qts. Maxoil 2.00 \$ 1624.75) (Less: C/M 6-10-48 (one 1942 Ford Pickup 150.00)	1,474.75
314	The Babcock Company, Inc.	(1 M Punched Sheets \$ 3.50) (500 Custodian's Daily Reports for Bridgeport 20.00)	23.50
315	Horace H. Bennett	(Maintainer & Operator. Fire Guards-Rominger Ranch: (16 hrs. @ \$6.00 per hr. \$96.00)	96.00
316	Gary-Nees Company	Misc. Supplies, B. P. Camphouse	32.50
317	Banner Service Station	(Oil & Gas & Repair for Dis- trict's Chevrolet Sedan.)	30.41
318	Tri-County Electric Cooperative	(Electricity for E.M. Range Lights. . . . \$ 6.06) (Light Bulbs for Range Lights. . . . 5.28)	11.34
319	Shotts Electric Company	Electric Fixtures, B.P. Camphouse	31.00

Continued.

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.

VOUCHER-CHECKS #302 TO #324, INCLUSIVE.

Cont.

NO.	ISSUED TO	COVERING	AMOUNT
320	Glen Walker, Collett & Rigg	(Premium: 6-4-48 to 6-4-49 Central Surety & Ins. Corp. Policy-non-Ownership Liability on automobiles \$ 18.20) (Premium: 6-12-48 to 6-12-49 Federal Ins. Company Chevrolet Sedan \$ 46.00 1948 Ford Pickup 87.00 Dodge Pickup 55.50 188.50) (Premium: 6-12-48 to 6-12-49 American Motorists Ins. Co. Chevrolet \$ 31.80 1948 Ford Pickup 58.64 Dodge Pickup 58.64 \$149.08) (Less: Savings Policy #13478757 Exp. 6-12-48 12.32 136.76)	\$ 343.46
321	John Bourland Tax Assessor and Collector	(Payment due July 15, 1948, for) (Assessing and collecting taxes) (of this District as per signed) Agreement.	1,000.00
322	Magnolia Petroleum Company	(E. M. Gas & Oil: Boats \$19.70 Truck 23.26 \$42.96) (B. P. Gas & Oil: Boat \$ 7.65 Truck 9.35 17.00)	59.90
323	J. Edwin McKee, Postmaster	200 - Three-cent Postage Stamps	6.00
324	C. L. McNair	(Reimbursement for moneys expended by him for account of the District, June 16, 1948, to July 12, 1948, Incl.)	41.30
TOTAL			\$ 3,774.00

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.

DISTRIBUTION OF VOUCHER-CHECKS #302 TO #324, INCL.

General Manager	\$	44.31
Legal Office		2.80
Engineering		93.25
Insurance		456.55
Assessing and Collecting Taxes		343.46
		1,000.00
Land Department: Fire Guards, Rominger Ranch		96.00

EAGLE MOUNTAIN LAKE:

Work Supplies	\$	65.10	
Gas (Boats)	\$40.44		
Gas (Truck)	23.26	63.70	
Electricity (Range Lights)	\$ 6.06		
Electricity (Light Bulbs)	5.28	11.34	
One 1948 Ford Pickup		<u>1,474.75</u>	1,614.89

LAKE BRIDGEPORT:

Battery for Wellhouse Motor	\$	11.00	
Gas (Boat)	\$7.65		
Gas (Truck)	9.35	17.00	
Camp House		67.15	
500 Custodian's Daily Reports		20.00	
Maintenance Supplies		.35	
Dodge Pickup		.50	
Weather Reporting		<u>6.75</u>	<u>122.75</u>

T O T A L \$ 3,774.01

CONDITION OF FUNDS

	<u>MAINTENANCE FUND</u>	<u>INTEREST AND SINKING FUND</u>
BOOK BALANCE: June 21, 1948, Cash	\$ 182,363.02	\$ 185,809.49
Receipts: Land Rentals	197.26	---
Interest from Series G Bonds	---	1,250.00
Boat Licenses	196.00	---
Miscellaneous	<u>31.10</u>	---
	\$182,787.38	\$187,059.49
Less: Disbursed by Vo-cks. #284 to #301, Inclusive	<u>102,129.04</u>	<u>50,000.00</u>
	\$ 80,658.34	\$ 137,059.49
Less: Disbursed by Vo-cks. #302 to #324, Inclusive	<u>2,774.01</u>	<u>1,000.00</u>
BOOK BALANCE: July 12, 1948, Cash	\$ 77,884.33	\$ 136,059.49

- NOTE: (a) The Interest and Sinking Fund now has \$300,000.00 invested in United States Government Securities.
- (b) In accordance with an order passed by the Directors at a Regular Meeting held on June 22, 1948, an application was filed on July 6, 1948, with the Continental National Bank of Fort Worth, Texas, for an additional purchase of \$50,000.00 Series "G" Bonds for the Interest & Sinking Fund and for the purchase of \$100,000.00 Series "G" Bonds for the Maintenance Fund.

BOARD OF DIRECTORS

JOE B. HOGSETT, PRES.
HOUSTON HILL, VICE-PRES.
DAN H. PRIEST, SEC'Y
GAYLORD J. STONE
W. L. PIER

TARRANT COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NUMBER ONE

DANCIGER BUILDING - COR. 5TH AND THROCKMORTON STS.

PHONE 3-2848

SIDNEY L. SAMUELS,
GENERAL ATTORNEY

C. L. MCNAIR, GENERAL MANAGER

ED. B. CHEATHAM,
OFFICE MANAGER

FORT WORTH 2, TEXAS.

July 12, 1948

Exhibit "B" to Minutes
July 12, 1948, at 2:00 P.M.

To: The Board of Directors,
Tarrant County Water Control and
Improvement District Number One.

Gentlemen:

REPORT FOR JUNE, 1948.

Most of my time from June 1st to June 12th, was spent assembling material for defense of the Casperson damage suit against the District which was set for trial June 14th. The case was postponed, and it is the opinion of the attorneys that it will not be tried.

I was advised by the attorneys that before releasing water from Bridgeport Lake that an earthen fill should be made across New River. This was completed at 4:30 P.M. June 19th. One 48" valve was opened at Bridgeport at 10:00 A.M. on the 19th. The fill in New River will probably wash out the first time the river overflows in this area.

Fire guards on the Rominger Ranch were bladed June 22nd. Hereafter, it will only be necessary to prevent vegetation growing in the fire lanes.

Two people drowned in Eagle Mountain Lake during the month of June.

From June 22nd to July 1st, 3,461 acre feet of water was released from Eagle Mountain Reservoir to supply Lake Worth and to flush the river channel through the City of Fort Worth. During this period storage in both lakes increased approximately 11,700 acre feet due to run-off on the respective watersheds.

Respectfully,

C. L. McNair
General Manager.

CLM;Mh

C O P Y.

TO BE ATTACHED TO
MINUTES OF JULY 12, 1948.
held AT 2:00 P.M.

June 22, 1948

Maryland Casualty Company,
Honorable J. A. Gooch, Attorney therefor:
1603 Fort Worth National Bank Building,
Fort Worth 2, Texas.

Gentlemen:

We wish to make answer to letter dated May 27, 1948,
written and signed on behalf of Maryland Casualty Company by
Honorable J. A. Gooch.

It is very evident that there is a wide gulf that
divides the opinion of Mr. Gooch from that entertained by the
law department of the District. If there had been a breach of
the bond by the Principal, Mr. Bourland, and notice thereof
addressed to some other Body, it would not bind the District.
The fact that the members of the Board were unofficially aware
of the occurrence of certain events would no more bind the District
than if a Judge of a District Court were talking along the streets
of the city and should personally observe a motor car collision.
Certainly the fact that the Judge observed it would not dispense
with proof of the collision in the trial of the case before his
court.

We may further say that the statute concerning the
opening of the Tax collector's office had no relevance to the
Water District, but related solely to the State and County.
A breach of the bond must occur before a surety could legally
withdraw therefrom. Decisions of the courts are in concert on
this question.

We have heretofore tendered the check which you had
sent and the tender still holds good.

Very truly yours,

TARRANT COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NUMBER ONE.

By /S/ JOE B. HOGSETT
President.

CC: Honorable J. A. Gooch,
Sinclair Bldg.,
Fort Worth, Texas.