

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD IN THE DISTRICT OFFICE AT FORT WORTH, TEXAS, ON
THE 14TH DAY OF FEBRUARY, 1958 AT 9:30 A.M.

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Vice-President Hill stated to those present, being Messrs. Simon Freese, engineer for the District, William Brown, Attorney for the District, Bill Augren, representing the Fort Worth Press, and Ben Hickey, General Manager of the District, that President Hogsett had called and stated that due to an appointment with his physician it was doubtful if he, President Hogsett, could attend this meeting, also that it was his understanding that Director Pier probably could not attend; however, Vice-President Hill stated that inasmuch as he and Directors Seymour and Boggess were present, constituting a quorum, that routine business could be disposed of at this time.

1.

On motion of Director Seymour, seconded by Director Boggess, voucher-checks #11295 to #11380 inclusive, were approved and ordered paid, having theretofore received the approval and verification of Mr. J. M. Williams, County Auditor, who by virtue of the Statutes is the Auditor of this District as well. All the Directors present voted aye thereon.

2.

Mr. Simon Freese, engineer for the District stated to the

Directors that due to his being in court as a witness the past week, his report on the feasibility of the proposed Little Wichita project as a future water supply would be delayed for approximately a week.

3.

Director Seymour stated that he and Director Boggess, working as a Committee appointed by the Directors to study and make recommendation towards the selection, by the Directors, of a financial consultant to aid and assist in the proposed bond issue for the financing of a future water supply for this area, would now report that since the inception of this study which began in October, 1957, at a joint meeting of the Board of Directors of the District and Financiers of Fort Worth who were asked to furnish a selected list of prospective consultants, many conferences had been held interviewing the various representatives of prospective consultants, hearing their oral presentations and then studying their offered contracts, and at this time he (Director Seymour) would like to recapitulate his and Director Boggess' findings. That all the consultants interviewed were capable men in their field; however, as in all fields there are specialists, who participate on a concentrated basis of operating in the highly specialized competitive field of acting as financial advisors for proposed municipal bond issues who have no interest by association or otherwise in the

initial bidding on the Bonds to be offered for sale. That of all the Investment Bankers, Bond Houses, Consultants or Fiscal Agents interviewed as of this date, the firm of Wainwright and Ramsey, Inc. was found to be one of two firms submitting proposals to the District, specializing in the one basic policy of functioning as an independent financial consultant to municipalities, and who did not participate in the bidding or purchasing of bonds offered, initially or in the future, thereby serving as an independent financial consultant. That bond issues designed and presented by independent financial consultants probably would create a more competitive bidding between bond buying syndicates because the independent consultant certainly would have no profit motive, other than their fee for a job well done, that being obtaining the lowest possible rate for the proposed issue. Director Seymour further stated that while Wainwright and Ramsey, Inc.'s fee was not the highest submitted, although the lowest of those acting solely as independent consultant, there was some momentary difference in their proposal against that of the lowest price proposal offered by a large Bond House offering its services as financial consultant. That serious consideration had to be given to the fact that even a small fraction of 1% saving in interest costs projected over the life of the issue would amount to many hundreds of thousands of dollars in fact, a saving of just 1/10 of 1% on the interest cost would represent a saving to the tax payers of over \$1,000,000. over the life of the Bonds. That if a bond underwriter of natural reputation

was selected with the understanding they would not bid on the bonds when offered, it would eliminate a desirable bidder. That because of the advantages cited the selection of an independent financial advisor would probably result in savings many many times greater than the difference of cost in the proposal offerings made the District. There was a general discussion following Director Seymour's report and it was the unanimous opinion of the Directors that it would be to the best interest of the tax payers of the District to engage the services of an independent financial consultant recognized as a specialist in that field, rather than a consultant who normally acts in a dual capacity as consultant, bidder and buyer of bonds. Because there now existed many problems which required the services of a qualified financial consultant whose advice, if obtained now, could save the water district hundreds of thousands of dollars later, Director Seymour moved that the firm of Wainwright and Ramsey, Inc. of New York be engaged by the District as financial consultant for financing the proposed water program on the basic conditions as outlined in their proposal to the District and that the fee for such service be in the amount equal to 1/10 of 1% of principal amount of obligations issued during the life of the agreement, with a \$5,000.00 retainer fee to be paid Wainwright and Ramsey, Inc. upon execution of the agreement, with provision that said \$5,000.00 be deducted from first amount due under the 1/10 of 1% payment of principal amount,

and in event of any unforeseen reason beyond the control of District or consultant that the obligations to finance the proposed future water supply are not issued, negotiations for the services rendered will be had, but shall not exceed \$5,000.00; and further that the attorneys for the District, using the proposed agreement for a basis, prepare a contract and include in detail those various oral proposals made by Mr. J. B. Ramsey of Wainwright and Ramsey, Inc. Director Boggess seconded this motion, and at this time Director Hogsett entered, and after a resume of the motion by Director Seymour, a vote was taken with all present voting aye thereon.

4.

Vice-President Hill turned the meeting over to President Hogsett who stated that the next order of business would be that of the Financial Report of January, 1958, from the Auditor of the District, regarding receipts and disbursements, which was ordered accepted and placed on file in District Records.

5.

The Audit of the District for the year 1957, as prepared by the County Auditor who by virtue of the statutes is the Auditor of the District, was presented to each Director for their study towards further discussion at the next Board of Directors meeting.

6.

The Directors had previously been furnished with a copy

of a report prepared by Booz-Allen and Hamilton, Management Consultants, entitled Capitol and Fiscal Budget Report - Volume 5. This report was sponsored jointly by the City of Fort Worth, Chamber of Commerce and Fort Worth Independent School District, and while this District did not participate financially, it had contributed much data and research to the said firm; however in reviewing the Report, several errors of fact were found, and it was the unanimous opinion of the Directors that the report not be acknowledged until a letter written by Director Seymour, citing the errors, had been answered.

7.

President Hogsett presented to the Directors, a wage Scale Schedule, with cover letter dated January 31, 1958 from the District Engineers, Freese and Nichols, outlining the various wage scales, for the Directors consideration, to be used during the proposed core trench project at the Eagle Mountain Dam, and upon the recommendation of Mr. Ben Hickey, General Manager of the District, that the wage schedule was in line with those now being used by independent contractors of this area, Director Boggess, seconded by Director Hill, moved that the wage schedule as presented by the Engineers for the District be approved and be used in developing the plans and specifications for the core trench bid proposal on the Eagle Mountain Dam, which will be submitted to the Directors at a later date for their study and consideration. All Directors voting aye thereon.

8.

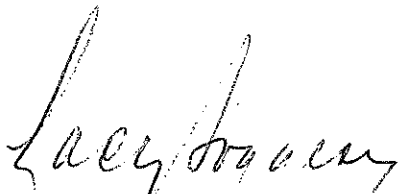
The Directors, having heretofore received copies of proposed Permit Applications to be submitted to the State Board of Water Engineers, and which will be Permit Application No. 2058 for the proposed Cedar Creek site, and Permit Application No. 2059 for the proposed Richland-Chambers Creeks site, unanimously stated, that upon approval by the attorneys for the District and the Engineers for the District, that said proposed Permit Applications No. 2058 and No. 2059 be submitted to the State Board of Water Engineers. And it was so ordered.

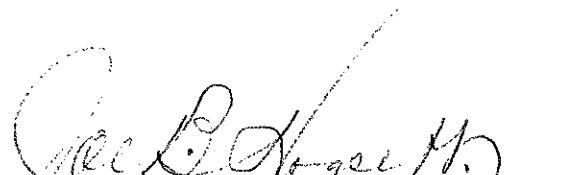
9.

Director Pier having arrived after the call of the roll, his presence was recognized and his concurring vote of aye in all things done and proceedings had is here recorded.

10.

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


Secretary


President