

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 28TH DAY OF JUNE, 1978 AT 10:30 A. M.

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

<u>PRESENT</u>	<u>ABSENT</u>
Clyde A. Penry	Wayne E. Newton
C. Victor Thornton	J. Oliver Shannon
Preston M. Geren	

Also present were Messrs. John M. Scott, General Counsel for the
District and Ben Hickey, General Manager of the District.

Director Penry acted as President and Director Thornton
acted as Secretary, whereupon proceedings were had and done as
follows:

1.

On motion duly made and seconded, and with assurance from
management that all requirements of law relating to the "open meeting"
law had been met, the minutes of the meeting held May 24, 1978 were
read and approved by the Directors and it was accordingly ordered that
such minutes be placed in the permanent files of the District.

2.

Director Geren moved and the motion was seconded by Director
Thornton and unanimously approved that the following list of vouchers
be approved and paid: voucher-checks #21042 thru #21182 inclusive,
Maintenance Fund, in the amount of \$116,028.36; voucher-checks #6413
thru #6468 inclusive, Revenue Fund, in the amount of \$320,360.32;
voucher-checks #3563 and #3564, Construction Fund, in the amount of
\$799,500.00 and voucher-check #608, Interest and Sinking Fund, in the

amount of \$2,545.78.

3.

Vice-President Penry stated that prior to this meeting all Directors had been presented, for their consideration, a recommended Preliminary Budget, by Manager of the District, as required by the Bond Resolution, for the Cedar Creek Project and following a review Director Geren moved and the motion was seconded by Director Thornton and unanimously approved that the following preliminary budget be now adopted to wit:

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
CEDAR CREEK PROJECT
PRELIMINARY BUDGET FOR THE YEAR, 1979

CASH AND INVESTMENTS AS OF JANUARY 1, 1979		\$ 2,550,000.00
ADD: Projected Income		
Water Sales	\$4,250,000.00	
Interest on Investments	350,000.00	
Installment on Notes Receivable	120,000.00	
Other Income	<u>40,000.00</u>	<u>4,760,000.00</u>
		\$ 7,310,000.00
LESS: Projected Expenditures		
Capital Expenditures	\$ 50,000.00	
Maintenance Expenses	350,000.00	
Pipeline Operations	1,025,000.00	
Debt Service	<u>3,799,140.00</u>	<u>5,224,140.00</u>
CASH & INVESTMENTS December 31, 1979		<u>\$ 2,085,860.00</u>

4.

Vice-President Penry stated that prior to this meeting all Directors had been furnished information, relative to the establishing of the tax rate for 1979, reflecting a detailed breakdown of expenditures estimated to be required for the Interest and Sinking and Maintenance Funds; following a general discussion, and with the

recommendation of management of the District, Director Geren moved and the motion was seconded by Director Thornton and unanimously approved, that the current ad valorem tax rate of TWENTY-FIVE (25¢) CENTS per each \$100.00 valuation applicable to the properties within the taxing jurisdiction of the District as placed on the tax rolls of Tarrant County by its Assessor-Collector be adopted for 1979, and that the revenues produced by said rate be allocated as follows:

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
PROGRAM "A", "B" AND "D"

1978 TAX ROLL	\$ 884,284,316.00
ADD: Estimated Increase in Valuation	<u>50,000,000.00</u>
	\$ 934,284,316.00
LESS: 5.5% Estimated Delinquency	<u>51,385,637.00</u>
	<u>\$ 882,898,679.00</u>

TAX RATE - 25¢

Estimated Current Collection for the year 1979	\$ 2,207,247.00
Delinquent Collections	<u>75,000.00</u>
	<u>\$ 2,282,247.00</u>

	CURRENT	DELINQUENT	TOTAL
15¢ Maintenance	\$ 1,324,348.00	\$ 45,000.00	\$ 1,369,348.00
10¢ Interest & Sinking	<u>882,899.00</u>	<u>30,000.00</u>	<u>912,899.00</u>
	<u>\$ 2,207,247.00</u>	<u>\$ 75,000.00</u>	<u>\$ 2,282,247.00</u>

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
PROGRAM "A", "B" AND "D"
MAINTENANCE FUND
BUDGET FOR THE YEAR, 1979

JANUARY 1, 1979 - CASH AND INVESTMENTS	\$ 1,988,000.00
INCOME	
Tax Collections	\$ 1,369,348.00
Lease Rentals	50,000.00
Oil and Gas Royalty	300,000.00
Sale of Water	100,000.00
Interest Income	150,000.00
Miscellaneous	25,000.00
	<u>1,994,348.00</u>
	3,982,348.00

EXPENDITURES

Administrative Expense	\$ 390,000.00	
Maintenance Expense	1,100,000.00	
Eagle Mountain	95,000.00	
Bridgeport	79,000.00	
Insurance	91,000.00	
F. I. C. A. Taxes	73,000.00	
Retirement Plan	125,000.00	
Unemployment Taxes	8,250.00	
Capital Expenditures	<u>150,000.00</u>	<u>2,111,250.00</u>

JANUARY 1, 1979 - CASH AND INVESTMENTS \$ 1,871,098.00

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
PROGRAM "A", "B" AND "D"
INTEREST AND SINKING FUND
BUDGET FOR THE YEAR, 1979

JANUARY 1, 1979 CASH AND INVESTMENTS \$ 2,300,000.00

INCOME

Tax Collections	\$ 912,899.00	
Installment on Notes Receivable	143,000.00	
Interest	<u>175,000.00</u>	<u>1,230,899.00</u>

\$ 3,530,899.00

EXPENDITURES

Assessing & Collecting Fees	68,000.00	
Debt Service		
Interest		
Series 1950	10,541.25	
Series 1965	61,055.00	
Second Series 1965	165,430.00	
Series 1950	10,541.25	
Series 1965	61,055.00	
Second Series 1965	165,430.00	
Bonds		
Series 1950	484,000.00	
Series 1965	110,000.00	
Second Series 1965	<u>300,000.00</u>	<u>\$ 1,436,052.50</u>

DECEMBER 31, 1979 CASH AND INVESTMENTS \$ 2,094,846.50

5.

Director Penry presented the following letter for consideration, to wit:

TO: Board of Directors
Tarrant County Water Control and
Improvement District Number One

SUBJECT: Rate increase in Raw Water Prices for "OUTSIDE THE
DISTRICT" Users of Water purchased from this District.

I. BACKGROUND: In June, 1976, the District received the final report and recommendations from a rate study conducted by the firm of Alvord, Burdick and Howson, Consulting Engineers, to determine a fair and equitable raw water rate to be charged to purchasers of water from the District through the year 1990. That report contained the following recommendation:

"It is recommended that the District charge a rate of 16.0¢ per 1,000 gallons, beginning not later than January 1, 1977, for Municipal water used outside the District boundaries except in the special case of the City of Arlington. The basis of this recommendation is presented in Chapter VII - Development of District Annual Costs and Water Rates, of this Study."

As you know, the District has deferred implementing this recommendation in the interest of maintaining the lowest possible rates for users of water supplied by the District. Based upon the recently published Financial Report for fiscal year 1977 and a projection of future operation and maintenance costs, the management believes that implementation of the recommended new rate of 16 cents per 1,000 gallons for water sold outside the District is now necessary and required in order to continue adequate service to our customers and maintain the financial integrity of the District.

Water sales outside the District have increased 32 times in volume over the past tne years while water sales within the District, primarily to the City of Fort Worth, have increased by only 1/3 of 1968 volume. While water sales outside the District represented a fraction over 2 percent of total water sales in 1968, outside District sales now represent about 35 percent of total sales. As a further indicator of growth and its consequent water demand, the ad valorem property tax valuation has increased by 105% outside the District since 1968 while property valuations within the District have increased by only 67 percent.

Two outside the District customers represent special instances which must be addressed on an individual basis. The increased rate will not apply to raw water sold to the City of Arlington because of contract with the District to allow use of Lake Arlington as terminal storage for Cedar Creek water. The values of the terminal storage, and percent of the yield produced by Lake Arlington now "owned" by District as per contract, offset the increased cost applicable to Arlington.

The Trinity River Authority purchased water through Lake Arlington for Distribution to the cities of Euless and Bedford. This contract is effective for 35 years at a price of 9¢ per one thousand gallons and can be altered by mutual consent. The cities of Euless and Bedford have elected, to date, not to amend the contract. Unless the contract is amended the limitations on quantity of water which the cities of Bedford and Euless may take must be enforced; also a record maintained of out of pocket losses in furnishing raw water for such cities, to be recouped in future water sales to Bedford and Euless.

II. RECOMMENDATIONS:

- A. That the agreement between the District and the City of Fort Worth dated January 1, 1978 be amended to establish a raw water rate of no less than 16¢ per one thousand gallons to City customers outside the District.
- B. That no future raw water sales be made outside the District, either directly by the District or through others at a rate of no less than 16¢ per one thousand gallons;
- C. That the peaking limitation of 1.4 times average annual usage in the contract with the Trinity River Authority be enforced.

Yours very truly,

TARRANT COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NUMBER ONE

By /s/ Ben Hickey
Ben Hickey, General Manager

Following a lengthy detailed discussion Director Thornton moved, seconded by Director Geren and unanimously approved. that recommendations of management of the District be adopted, to wit:

- A. That the agreement between the District and the City of Fort Worth dated January 1, 1968 be amended to establish a raw water rate of no less than 16¢ per one thousand gallons to City customers outside the District;
- B. That no future raw water sales be made outside the District, either directly by the District or through others at a rate of no less than 16¢ per one thousand gallons;

C. That the peaking limitation of 1.4 times average annual usage in the contract with the Trinity River Authority be enforced.

6.

Director Penry stated that copies of District's Financial Report for May, 1978 had heretofore been furnished the Directors for their study; and following a general discussion of the Report, Director Geren moved and the motion was seconded by Director Thornton and unanimously approved, that the Report be accepted and placed in the District's files.

7.

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

J. D. Shannon
Secretary

Clare Almy
Vice-President