

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 2ND DAY OF FEBRUARY, 1981 AT 10:00 A. M.

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

PRESENT

Wayne E. Newton
C. Victor Thornton
Robert D. Alexander
Preston M. Geren, Jr.
Burford I. King

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

Director Newton acted in his capacity as President and
Director Alexander acted in his capacity 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
January 27, 1981 were read and approved, as corrected, by the
Directors and it was accordingly ordered that such minutes be
placed in the permanent files of the District.

2.

President Newton stated that this meeting would be
devoted primarily to a report from representatives of management
of the District pertaining to that phase of District's operation
by management personnel responsible for same; and called upon Mr.

James Strawn who, among other matters relating to the Richland Project, reported in detail the status of the "Arlington vs. District" water rate hearing now being held by the Texas Water Rights Commission. Mr. Strawn stated, following a lengthy discussion involving all present, that in his opinion an interim rate to be paid by the City of Arlington to the District would, in the very near future, be established by the Water Rights Commission that would be favorable to the District.

(b) President Newton then called upon Mr. Bill Hilliard who spoke to the matter of land acquisition and relocations relating to the Richland Project, stating that 22% of reservoir land had been acquired within the appraisal limits, and time schedule; also discussed and reviewed in a preliminary manner were the various types of improvements that will require relocation or protection.

(c) Mr. Woody Frossard gave a lengthy and detailed review of the progress toward obtaining Permits from the Corps of Engineers, Environment Protection Agency, State Historical Preservation Commission, Archeological Society, Fish and Wildlife Commission and others prior to obtaining a "404" Permit that is required before any construction can begin on the reservoir project, and estimated that the District would receive the necessary permit probably in December, 1981.

(d) Mr. Robert Doby gave a report on fiscal matters relating to the Richland Creek Project summarizing as of December 31, 1980:

QUARTERLY REPORT
SUMMARY OF EXPENDITURES AND LAND ACQUISITION
RICHLAND CREEK PROJECT
AS OF DECEMBER 31, 1980

<u>LAND ACQUIRED</u>	<u>Dec. 31, 1980-10-812 Acres</u>
Land Acquisition	\$ 7,647,787.00
Relocations	93,226.00
Engineering	979,591.00
Reservoir Construction	-----
Pipeline Construction	-----
Contingencies	-----
Miscellaneous	423,606.00
TOTAL	<u>\$ 9,144,210.00</u>
Additional Funds Committed	<u>370,000.00</u>
	<u><u>\$ 9,514,210.00</u></u>

3.

President Newton presented the following self-explanatory letter, to wit:

January 28, 1981

Mr. Ben Hickey
Tarrant County Water Control and
Improvement District Number One
P. O. Box 4508
Fort Worth, Texas 76106

Re: Lake Benbrook Terminal Storage

Dear Mr. Hickey:

In our letter to the District, dated November 24, 1980, we reviewed some of the studies that are underway to determine the feasibility of using Lake Benbrook as terminal storage in connection with the operation of the Cedar Creek and the proposed Richland Creek pipelines which deliver raw water into the Rolling Hills Water Treatment Plant operated by the City of Fort Worth. These studies are now in the evaluation stage to make final determinations on the engineering criteria, the economics of the proposal and the appropriate scheduling. All our results to date indicate that use of Lake Bengrook for terminal storage would be very advantageous in terms of operational flexibility and economy.

We believe, however, that preparation of detailed designs, plans, and specifications for the pipeline and pump station between Lake Benbrook and the Rolling Hills plant can and should be deferred

until negotiations with the U. S. Army Corps of Engineers for the available storage in Lake Benbrook are completed. In addition to a contract with the Corps for use of the 48,790 acre-feet of presently uncommitted navigation storage, it will be necessary for the water rights to be granted by the Texas Water Commission. This project cannot become a reality until those two matters have been resolved. In the unlikely event that the contract could not be negotiated or the water rights were unattainable then engineering designs performed up to that point would be of no value to the District. For these reasons we recommend that the preparation of an amendment to the Engineering Report and finalization of detailed designs be deferred at this time.

The current dry conditions first began in the summer of 1977, and the over-all severity of the present drought has been closely comparable to the first 3-1/2 years of the critical drought of record, which occurred in the 1950's. The water supply from the West Fork Reservoirs and Cedar Creek Reservoir is adequate to carry the District and its customers through a drought fully equivalent to the historical critical period, which lasted 5-3/4 years in all. The delivery capability of the Cedar Creek pipeline system (approximately 151 MGD) is enough to supply the necessary releases into Lake Arlington plus full operation of the existing Rolling Hills Plant. Thus, the proposed terminal storage at Lake Benbrook is not a factor in your ability to supply water requirements through a continuing drought equal in severity to the critical drought of the 1950's.

Water can be released from Lake Benbrook into the Clear Fork of the Trinity River and utilized at the Holly Water Treatment Plant by the City of Fort Worth. This was done, to a limited degree, during the summer of 1980 and certainly could be available at some future time providing the proper water rights are secured. Thus, water from Lake Benbrook can be used with or without a pipeline link between Lake Benbrook and Rolling Hills.

In conclusion, the following recommendations are made for your consideration:

1. Continue as expeditiously as possible negotiations with the U. S. Army Corps of Engineers for use of the remaining available storage in Lake Benbrook which amounts to 48,790 acre feet. The contract should allow for variations in amounts of annual withdrawal, in order to obtain the maximum yield from the reservoir.
2. Make application to the Texas Water Commission for water rights in Lake Benbrook.
3. Be prepared to apply for emergency water from Lake Benbrook during the coming summers, as was done in 1980, if conditions warrant such action.
4. Continue to observe water levels in the existing lakes

and update operating procedures if necessary.

We will continue to work closely with the District in order to assure adequate water supplies for all its customers during this critical period.

Yours very truly,

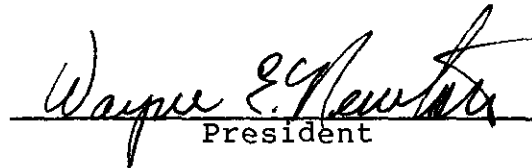
FREESE AND NICHOLS, INC.

/s/ James R. Nichols, P.E.

4.

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


Secretary


President