

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 MAY, 1983 AT 10:00 A. M.

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

<u>PRESENT</u>	<u>ABSENT</u>
Wayne E. Newton	Preston M. Geren
C. Victor Thornton	
Robert D. Alexander	
Burford I. King	

Also present were Messrs. Ben Hickey, General Manager; Bill Hilliard, Assistant General Manager; Robert M. Doby, Manager of Fiscal Affairs and James Strawn, Manager of Planning and Development.

Director Newton acted in his capacity as President and Director Alexander acted as Secretary, whereupon proceedings were had and done as follows:

1.

On motion 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 meetings held April 13, 1983 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 Thornton moved and the motion was seconded by Director Alexander and unanimously approved that the following list of vouchers be approved and paid:

GENERAL FUND: Voucher-checks #2937 thru #3097 inclusive, in the amount of \$1,187,609.69.

DEBT SERVICE: Voucher-checks #233 thru #237 inclusive, in the amount of \$106,866.50.

REVENUE FUND: Voucher-checks #1588 thru #1670 inclusive, in the amount of \$741,055.15.

RICHLAND CHAMBERS PROJECT - CONSTRUCTION FUND: Voucher-checks #1949 thru #2030 inclusive, in the amount of \$3,001,357.50.

CEDAR CREEK PROJECT - CONSTRUCTION FUND: Voucher-check #139 in the amount of \$335,000.00.

CAPITAL PROJECTS: Voucher-check #120 in the amount of \$100,000.00.

3.

(a) Messrs. Robert Doby and James Strawn reported to the Directors on a recommended plan for financing the settlement of the Cedar Creek Spillway damage claims. The first recommended action was the engagement of the First Southwest Company as financial advisor to the District for a term of five years. Mr. Strawn stated that is quite important for the District to have a financial advisor with such a long term project underway with the bonded debt of the Richland Creek Project. Mr. Doby also pointed out that at the time Richland funds lose arbitrage status, (May - October, 1984) the District will need advise on the placement of interest bearing investments complying with I.R.S. rules and regulations. It was also stated that although First Southwest is being employed to handle the sale for the damage claims Bond Issue, and as advisor as a secondary service, the contract can be cancelled on thirty days notice.

A schedule showing comparative costs of issuance to

D.F.W. Airport and the District was presented. Under the proposed contract the cost for a four million dollar issue is less than under the terms of the D.F.W. contract.

Following discussion and with the recommendation of the general manager, Director Thornton moved, Director King seconded the motion to authorize the District to enter into contract with the First Southwest Company of Dallas, Texas as financial advisor to the District on the basis submitted. This meeting with the approval of all Directors present it was so ordered. A copy of said contract is to be placed in the permanent files of the District.

(b) The staff next presented a schedule for the issuance of four million dollars in water revenue bonds for the spillway claims settlement. The estimated interest rate is 8.75% for a ten year term. Mr. Doby advised the Directors that time is of the essence, both from a consideration of funding the claim settlements and issuing before July 1, 1983, to avoid the new registration procedures. He stated that registration will result in higher interest rates and higher issuance costs.

Ben Hickey recommended that the Board authorize the District and its' financial advisor to proceed with preparation for the bond issue as presented. Director King moved to approve the issue, Director Thornton seconded the motion and all present voted aye.

4.

Mr. Doby presented a draft of the format for the computer generated Progress Report for the Richland Creek Project.

Several suggestions were noted and will be included in a draft to be presented at a later date. No action was recommended or taken.

5.

Mr. Ben Hickey presented a proposed general pipeline right-of-way agreement, as prepared by Counsel for the District in conjunction with recommendation from Director Geren for use on the Richland Creek line. Following discussion and with the recommendation of management, Director Thornton made a motion to adopt the proposed pipeline right-of-way easement agreement as presented. Director Alexander seconded the motion and with the approval of all Directors present it was so ordered.

6.

Mr. Bill Hilliard presented an agreement for initial modifications and line relocations for Texas Power and Light Company facilities at the Richland Creek Project. He stated that the engineers and counsel for the District had both approved of and recommended the execution of the agreement. The \$400,000 dollar estimate is expected to cover the cost of adjustments. Mr. Hilliard said that although modifications covered under this agreement were not budgeted in the 1979 report, change of the service spillway location had resulted in savings that more than cover these costs. After discussion and with the recommendation for approval by the general manager, Director Thornton moved, Director King seconded the motion to approve the agreement/ contract between the District and Texas Power and Light Company as submitted. All Directors present voted aye, and the District is now authorized to execute said agreement.

7.

President Newton stated that copies of the Financial Report for the month of March, 1983 has previously been furnished the Directors.

8.

(a) Mr. Hilliard told the Board that considerable interest has again been shown in leasing acreage at the upper end of Eagle Mountain Lake, more particularly described by metes and bounds, for oil and gas exploration; and asked the Board for authorization to advertise for sealed bid proposal agreements, as recommended by Counsel and Director King. Director Alexander moved, Director Thornton seconded and with the approval of all Directors present, the District is now authorized to advertise for sealed bid proposal agreements on mineral properties owned by the District.

(b) Mr. Ben Hickey submitted a memorandum to the Directors concerning retainage on construction contracts, to wit:

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE

INTER-OFFICE CORRESPONDENCE

DATE: April 29, 1983
TO: Board of Directors
FROM: Ben Hickey
SUBJECT: Director Geren's letter of 4-18-83 regarding - Retainage Construction Contract

Management of the the District was requested to study and make recommendations to the two (2) questions raised, which were largely of a legal nature; and the opinion of General Counsel was requested - a copy of same is attached.

Management recommends that the practice now being carried out by District be continued, that of the initial, and each following retainage, be deposited in an interest bearing account for Contractor, at a rate of interest as would be provided as a U. S. Treasury bill would bear from the "deposit date of retainage - and maturing on the Arbitrage agreement date" (May 1, 1984).

Management recommended that any time after 50% of the work has been completed, and approved by District Engineers and Bond Agents, the District may discontinue retainage in a plan mutually agreed with contractor.

Following a lengthy discussion it was the unanimous opinion of the Directors to accept management's recommendation.

(c) Mr. James Strawn reviewed for the Directors several pieces of pending legislation. The staff will continue to monitor the progress of legislation affecting District interests.

9.

Close Meeting.

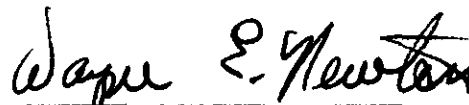
Open Meeting.

Directors were advised and agreed with the general Manager's selection and employment of Mr. James Oliver as Administrative Coordinator within the Fiscal Affairs Division.

10.

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


Secretary


President