

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 AUGUST, 1985 AT 9:30 A. M.

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

<u>PRESENT</u>	<u>ABSENT</u>
C. Victor Thornton	Wayne E. Newton
Burford I. King	
George W. Shannon	
Robert D. Alexander	

Also present were Messrs. Ben Hickey, General Manager for the District; James Strawn, Manager of Planning and Development; Bill Hilliard, Manager of Special Services; Robert Alan Thomas, Manager of Fiscal Affairs and Jim Oliver, Manager of Administration.

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

1.

Director Shannon suggested that Item #8 of the Minutes of August 5, 1985, concerning Change Order #8, Contract Number One - H. B. Zachry Company - Richland Chambers project be rewritten to more clearly reflect the total savings to the project and the complete scope of the change order.

Director Alexander moved the minutes be approved with the noted corrections. Director Shannon seconded the motion and the vote was unanimous.

Director King moved and the motion was seconded by Director Alexander and unanimously approved that the following list of vouchers be approved:

GENERAL FUND: Voucher-checks #7876 thru #8014 inclusive inclusive, in the amount of \$1,256,665.74.

REVENUE FUND: Voucher-checks #3903 thru #3987 inclusive, in the amount of \$2,008,066.49.

RICHLAND-CHAMBERS PROJECT - CONSTRUCTION FUND: Voucher-checks #4791 thru #4906 inclusive, in the amount of \$14,494,420.17.

CAPITAL PROJECTS: Voucher-check #157 in the amount of \$2,600,000.00.

CEDAR CREEK PROJECT - INTEREST AND REDEMPTION FUND: Voucher-check #172 thru #174 inclusive, in the amount of \$1,135,700.09.

DEBT SERVICE: Voucher-check #363 in the amount of \$1,300,000.00.

3.

James Strawn reviewed a proposal from Black & Veatch for a comprehensive study concerning water service policy considerations. The purpose of the study is to formulate a standardized service area policy to be applied as requests for water service are received by the District. Included in the study will be an in-depth analysis of legal, operating and pricing considerations. The cost of the study is estimated not to exceed \$94,000.00. The Advisory Committee requested the study be performed and recommends it to the Board. The General Manager advised that management could also recommend the study. Director Alexander moved and the motion was seconded by Director King that Black & Veatch be retained to perform the study. The vote in favor was unanimous.

4.

Alan Thomas presented the 1985-86 Revenue Fund Budget. Under the proposed Budget the in-district water rate will increase from 14.341¢ to 28.328¢. The out-of-district rate will increase from 26.723¢ to 40.272¢. The rate increase is primarily due to the increased debt service payments, construction drawdown and declining interest due to arbitrage regulations on the Richland Creek Project. Total Revenue Fund Budget is \$37,722,650.00. Director Shannon moved that the 1985-86 Revenue Fund Budget be adopted. Director Alexander seconded and the vote in favor was unanimous.

Alan Thomas presented the 1985 General and Debt Service Fund Budget. The General Fund total budget is \$4,068,160.00. The Debt Service Fund budget is \$1,182,550.00. Director King moved that the 1985-86 General and Debt Service Fund Budget be adopted. Director Shannon seconded and the voted in favor was unanimous.

Upon staff's recommendation, Director Shannon moved to authorize transfer of \$3,500,000.00 from the Capital Project Fund to the Debt Service Fund. Director King seconded and the vote in favor was unanimous.

5.

Robert Doby presented District Management's proposal to reduce the District tax rate from 1.6¢ to 0¢, in effect, cancelling District ad valorem taxes. After a brief discussion, Director King moved that the District's ad valorem tax be cancelled. Director Shannon seconded and the vote in favor was unanimous.

6.

Bill Hilliard presented a crop damage schedule for compensation of landowners along the Richland/Chambers Pipeline. The schedule was devised by staff with consultation from various experts in the field of agriculture. Director King moved to adopt the crop damage schedule. Director Shannon seconded and the vote in favor was unanimous.

Management of the District requested authority for the District to enter into contract for the purchase of the following described tract of land required for Program E - Richland Creek Project, on the following basis for payment to wit:

Tract No. 66 - Approximately 260 acres in fee @ \$975.00 per acre; approximately 18 acres in easement @ \$650.00 per acre from C. E. Neal, Jr., Trustee and A. A. Jones, Trustee, Freestone and Navarro Counties.

Following a detailed presentation of the tracts, and upon recommendation of management of the District, Director Shannon moved, seconded by Director King, that the District be now authorized to enter into contract for the purchase of the above described tract on the basis as shown. This meeting with the approval of all Directors present, it was so ordered.

District management requested authorization from the Board to extend an offer not to exceed \$1,500.00 per acre for the J. A. Breithaupt, Jr., et al property located at the Richland Chambers Reservoir consisting of 1559-743/1000 acres in fee and \$1,000.00 per acre for 142-761/1000 acres in easement. Director Alexander moved to approve authorization of the offer. Director King seconded and the vote in favor was unanimous.

Management of the District requested authority to sell the following tracts of land now surplus to the requirements of the District to wit:

<u>BIDDER</u>	<u>DESCRIPTION AND APPRAISED VALUE</u>	<u>CONSIDERATION</u>
Norman M. Walsh et ux	Lot 1, Block 3 (\$5,000.00)	\$ 5,002.00
David L. Clary	Lot 89, Block 1 (\$5,500.00)	\$ 5,750.00
Truman F. Maples	Lot 1, Block 2 (\$4,000.00)	\$ 4,001.00

Following a discussion and upon the recommendation of management and its assurance that the land had been properly advertised and that the price listed above had been appraised by a reputable appraiser; Director King moved, seconded by Director Shannon and unanimously approved, that as recommended by management the District now be authorized to sell in fee, the above listed tract at not less than the appraised price as shown and upon terms and conditions theretofore adopted by the District.

7.

Jim Oliver presented a retirement plan study proposal from the Wyatt Company. The study is designed to develop a new or revised District Retirement Plan for District employees. The Wyatt Company's fee range is \$11,250.00 to \$15,500.00. Director King moved to accept the Wyatt Company's proposal and authorize them to proceed. Director Alexander seconded and the vote was unanimous in favor.

8.

James Strawn presented the following resolution for Board consideration:

RESOLUTION  
OF  
TARRANT COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NUMBER ONE  
IN OPPOSITION TO THE PRESIDENT'S  
TAX PROPOSALS FOR MUNICIPAL BONDS

WHEREAS, on May 29, 1985, President Reagan submitted his tax proposal for "fairness, growth and simplicity" to Congress; and

WHEREAS, included in the President's tax proposals are provisions which would eliminate or limit the tax-exemption of state and local government bonds including bonds issued by the Tarrant County Water Control and Improvement District Number One (hereinafter "The District) and

WHEREAS, the President's proposals would deny tax-exempt status to bonds where the private sector benefits directly or indirectly from the use of more than one percent of the proceeds of the bond issue; would eliminate all advance refundings of tax-exempt bonds; would restrict the investment of bond proceeds; would require that certain earnings from the investment of bond proceeds be paid to the U. S. Treasury Department; would require that an Internal Revenue Service information report be filed for every bond issue; and would impose additional taxes on banks that purchase tax-exempt bonds; and

WHEREAS, each of the President's proposed limitations on tax-exempt municipal bonds would adversely affect the District by increasing borrowing costs, requiring continuous administrative review of bond issues and the use made of facilities financed with such issues, requiring filings with the Internal Revenue Service and review by the Internal Revenue Service of each bond issue, and jeopardizing the tax-exemption on bonds where the private sector benefits directly or indirectly from the use of more than one percent of a project financed by such bonds; and

WHEREAS, the President's municipal bond proposals will result in an increase in costs which must be passed on to the residents of the District, will reduce the ability of the District to provide vital public services to such residents and will impose added federal bureaucratic controls over the provision of such services;

BE IT, THEREFORE, RESOLVED, that the Tarrant County Water Control and Improvement District Number One goes on record as opposing the limitations and restrictions on municipal bonds proposed by the President, which, if enacted into law would adversely affect all tax-exempt municipal bonds, including bonds issued by the District; and

BE IT FURTHER RESOLVED, that copies of this resolution shall be sent to members of Congress urging them to oppose the provisions of the President's tax proposals which would impose new limitations on the issuers and purchasers of municipal bonds.

PASSED AND APPROVED THIS 28th DAY OF AUGUST, 1985.

Director King moved the resolution be adopted. Director Alexander seconded and the vote in favor was unanimous.

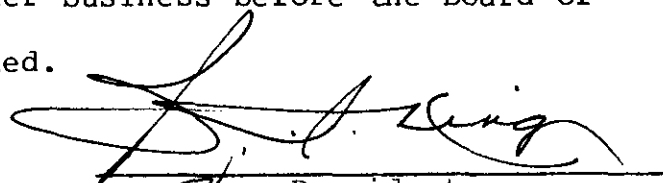
10.

Director Alexander moved that the Board of Directors formally endorse the Texas Water Plan. Director Shannon seconded. Director King abstained from the vote and Directors Shannon and Alexander voted aye, the motion carried.

11.

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

George W. Shannon  
Secretary

  
Vice President