

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 24TH DAY OF MARCH, 1986, AT 9:30 A.M.

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

PRESENT

C. Victor Thornton
Burford I. King
George Shannon
Wayne E. Newton
Victor W. Henderson

Also present were Messrs. James M. Oliver, General
Manager; Robert M. Doby, Comptroller; James Strawn, Manager of
Planning and Development; Alan Thomas, Fiscal Manager; Woody
Frossard, Environmental Manager; Michael J. Meza, Manager of
Operations and George F. Christie, Legal Counsel for the District.
Director Thornton acted as President and Director Shannon acted as
Secretary, whereupon proceedings were had and done as follows:

1.

On a motion made by Director Shannon and seconded by
Director Newton, and with the assurance from management that all
requirements relating to the "open meetings" law had been
followed, the minutes of the meeting held March 5, 1986, were
unanimously approved by the Directors and it was accordingly
ordered that such minutes be placed in the permanent files of the
District.

2.

Mr. Woody Frossard, Environmental Manager for the
District, requested approval of the equipment lease proposal
submitted by Pool Well Servicing Company of Longview, Texas.
Management recommended approval of the proposal based upon the

following stipulations to wit:

1. Bids were solicited from Pool Well Servicing, Brooks Well Service and Copeland Well Service.
2. Between two bids submitted, it was determined that Pool could provide the best equipment and service at the best price.
3. Pool's proposal is centered around a flat rate of \$138,850.00 fee per month. This is based upon 10 hours per day, 6 days per week, 30 days per month.
4. Pool feels certain that they can plug between 35 and 40 wells per month.
5. Monthly fees will be adjusted downward for bad weather days.
6. Hours over 60 per week will be billed at only \$20.00 per man hour.

Based upon the stipulations presented, Director King motioned with a second by Director Henderson for approval of the proposal submitted by Pool Well Servicing Company; also that the District draft a lease outlining the same to be executed by both parties. This meeting with the approval of all Directors present, it was so ordered.

3.

Recognizing the need for the District to be represented by a Director on the Advisory Committee as sanctioned by the Amendatory Contract of 1982, President Thornton appointed Director Shannon to represent the District as its voting member.

4.

The Board of Directors authorized the management of the District to proceed with preparations for the issuance of additional Revenue Bonds necessary for the completion of the Richland-Chambers Project. Management was requested to confer with the Advisory Committee on the matter of said issuance and report to the Board prior to determination of the amount of issuance.

CLOSED MEETING

OPENED MEETING

President Thornton next brought before the meeting a letter dated December 4, 1985, from H. B. Zachry Company to Freese and Nichols, Inc., and the proposals of H. B. Zachry Company therein contained for the resolution of the following issues:

1. Quality Control - Korean Gates.
2. Claims for "290 Hold" delays.
3. Release of retainage.
4. Closure, Phase I.
5. Standby costs between Phase I and II of Closure.
6. Closure, Phase II.

After thorough discussion by the staff of the above issues, and upon motion duly made by Director Newton and seconded by Director Shannon, the Directors unanimously voted to accept as presented, Zachry's proposals for the satisfaction of issues 4, 5 and 6 (Closure, Phases I and II, and standby costs) if Zachry will agree to the District's rejection in total the claims connected with issues 1 and 2 (Quality Control - Korean Gates and Claims for "290 Hold" delays). Also the District agrees to immediately release \$1,500,000.00 of retainage to Zachry, and upon completion of Phase I of closure, to release to Zachry all retainage except \$500,000.00; provided, that no additional retainage is to be released to Zachry until an agreement is reached regarding the claims of Zachry and closure. The staff was instructed to present such a proposal to Zachry and report Zachry's response to the Board.

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

George N. Shannon

Secretary

P. Victor Thornton

President