

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 23RD DAY OF APRIL, 1986 AT 9:30 A.M.

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

PRESENT

C. Victor Thornton
Wayne E. Newton
Victor W. Henderson

ABSENT

Burford I. King
George W. Shannon

Also present were Messrs. James M. Oliver, General
Manager; Robert M. Doby, Comptroller and Wayne Owen, Jr.,
Administrative Assistant.

Staff members who coordinated presentations were Messrs.
James L. Strawn, Manager of Planning and Development; Woody
Frossard, Environmental Manager; Michael J. Meza, Manager of Oper-
ations; Bill Hilliard, Manager of Special Projects and Alan Thomas,
Fiscal Manager. Guests included Mr. Hal Sparks, Mr. Gilmore
Lauderdale and Mr. Bill Lucas.

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

1.

On motion made by Director Henderson 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 April 7, 1986 were unanimously
approved by all Directors present and it was accordingly ordered
that such minutes be placed in the permanent files of the District.

2.

President Thornton next welcomed Mr. Hal Sparks and Mr. Gilmore Lauderdale, who represent the Save Eagle Mountain Lake organization. Mr. Sparks and Mr. Lauderdale focused their presentation before the Board on two main areas. The first being the proposed water quality study and the second being the potential septic tank ordinance being considered by the Water Commission.

In regard to the water quality study, Mr. Sparks stated that the scope of the proposed study has increased dramatically. As a result, the cost has virtually doubled to more than \$100,000.00. The scope of the study has enlarged to include investigation of non-point source runoff, cove modeling and increased water sampling. Mr. Sparks requested that the District commit to paying for twenty five percent of the actual cost. Cost is proposed to be shared equally between the City of Fort Worth, the District, the State of Texas and Save Eagle Mountain Lake. Mr. Sparks further requested that the District contact the City of Fort Worth to inquire as to their desired form of participation.

Regarding the issue of a Septic Tank ordinance, Mr. James L. Strawn, Manager of Planning and Development for the District, stated that one possible result of the waste discharge permit moratorium would be the issuance of a waste control order on Eagle Mountain Lake. Mr. Strawn stated that the District currently possesses this type of order on its two eastern division reservoirs. The order allows the District to enforce waste control measures within 2,000 feet of the spillway level of the lake.

President Thornton thanked Mr. Sparks and Mr. Lauderdale for their presentation and instructed the staff to define the extent to which the District can assist with the water quality study.

3.

Mr. Robert M. Doby, Comptroller for the District, initiated discussion in review of the proposals submitted for the District Depository. At this time, President Thornton presented proposals submitted by Texas Commerce Bank and Texas American Bank for Depository Services.

Following a detailed review of both proposals, President Thornton presented the following proposal from Texas American Bank-Fort Worth to act as Depository for District Funds.

April 17, 1986

Board of Directors
Tarrant County Water Control and
Improvement District Number One
Fort Worth, Texas

Gentlemen:

In response to invitation contained in your letter of March 18, 1986, we are pleased to submit our proposal to act as depository for the District for a two year period commencing on or about May 1, 1986 and terminating on or about May 1, 1988 as follows:

1. The District shall maintain non interest bearing demand balances with the Bank in an aggregate amount of not less than \$750,000 and the Bank shall maintain the necessary number of accounts and perform all activities associated therewith without charge.

2. Time deposits in the form of certificates of deposit in denomination of \$100,000 or more shall be maintained in a total amount not more than \$15,000,000 except as may be mutually agreed on.
3. For the time deposits referred to in number two (2) above, this Bank offers to pay interest at the following rates for the term of the contract:

original term	14 - 29 days	- 6.60%
original term	30 - 89 days	- 6.60%
original term	90 - 179 days	- 6.60%
original term	180 - 269 days	- 6.60%
original term	270 - 359 days	- 6.60%
original term	360 - 1 year	- 6.60%
4. Safekeeping services for District investments shall be offered without charge.
5. The Investment Department of the Bank will assist and advise the District on the investment of funds that may exceed those deposited with the Bank. There will be no charge for these services.
6. All balances (time or demand) maintained with the Bank will be secured as required by law. In this regard, collateral in the form of U.S. government securities, securities of federal agencies and/or obligations of political subdivisions or obligations of political corporations created by political subdivisions (all as permitted by applicable statutes) will be used. Industrial Development Bonds so pledged may not exceed 25% of all deposits.
7. All of the above shall be subject to compliance with appropriate banking laws and regulations.

We appreciate having been invited to make this proposal to you.

Very truly yours.

/s/

B. W. Lucas
Executive Vice President

Director Newton then moved that the District accept the proposal submitted by Texas American Bank-Fort Worth and that a Depository Contract be prepared for consideration by the Directors at the earliest possible date. The motion was seconded by Director Henderson and the vote was unanimously in favor by all Directors present.

4.

Woody Frossard, Environmental Manager for the District, briefed Board members on the status of two items involved with oil and gas matters at Richland-Chambers. The Delhi Pipeline Corporation retained their demand for advance payment prior to any encumbrance for work necessitated by the Richland-Chambers project. However, Delhi moved off of their demand for a flat \$1,300,000.00 advance payment and agreed to incremental advance payments to cover any encumbrance. The opinion of the Directors present was that this was much more reasonable than prior demands and instructed management to proceed.

Secondly, Mr. Frossard updated the Directors on efforts to obtain the services of a pipeline engineering firm. Comparable proposals have been submitted from Wilcrest Engineering and Gulf State Engineering for said services. The Board instructed management to proceed with establishing an agreement with the best suited firm for the needs of the District.

5.

Mr. Bill Hilliard, Manager of Special Projects for the District, presented the following land matters for Board consideration:

5A.

Mr. Hilliard requested approval of the acquisition of right-of-way easements over the following tracts on the basis of payment, to wit:

- I. 80.7 acres in pipeline right-of-way easement @ \$800.00 per acre from Roy C. Hughes, Navarro County, Texas.
- II. 10.62 acres in pipeline right-of-way easement @ \$800.00 per acre from Ed Formby and wife, Joanne Formby, Navarro County, Texas. Liquidated damages to be \$2,211.20.

III. 6.35 acres in pipeline right-of-way easement @ \$1,496.00 per acre from Carl Mirus, Jr., Navarro County, Texas.

IV. 12.64 acres in pipeline right-of-way easement @ 1,582.28 per acre as established by appraisal from Wayne Burkhalter, Ellis County, Texas.

Following discussion and upon the recommendation of management, Director Newton moved with a second by Director Henderson that the District be authorized to acquire the above listed easements for the construction of the Richland-Chambers Pipeline as presented above. The vote was unanimous in favor by all Directors present.

5B.

Mr. Hilliard further requested approval of the commencement of eminent domain proceedings to acquire a pipeline right-of-way easement over the following tract upon the failure of the corresponding not to exceed offers.

I. 6.58 acres in pipeline right-of-way easement @ \$1,000.00 per acre from Gene T. Ruhl, Ellis County, Texas.

II. 11.20 acres in pipeline right-of-way easement @ \$1,000.00 per acre from Ruella B. Reynolds, et vir, E. I. Reynolds, Ellis and Navarro Counties.

With the recommendation of management, Director Henderson moved with a second by Director Newton to approve commencement of eminent domain proceedings to acquire pipeline right-of-way easements over the above listed tracts following the failure of the above stated not to exceed offers. This meeting with the approval of all Directors present, it was so ordered.

5C.

Also, Mr. Hilliard requested authorization for the District to acquire the following parcel of land required by the Richland-Chambers Reservoir project according to a basis of payment, to wit:

- I. .08 acre in fee and .12 acre in easement for a total consideration of \$200.00 from Mrs. Grace Knox, W. P. Lane Survey, Navarro County, Texas - Tract No. 302.

Following discussion and with the recommendation of management, Director Newton moved to authorize the District to acquire the above list parcel as presented above. Director Henderson seconded the motion and the vote in favor was unanimous by all Directors present.

6.

Legal Counsel in coordination with management staff prepared a resolution for Board consideration providing indemnity for Officers, Staff and Directors. After discussion, Director Henderson moved to approve the resolution. Director Newton seconded the motion and the vote in favor was unanimous by all Directors present. Attached herewith is an executed copy of said Resolution.

RESOLUTION
FOR
INDEMNITY FOR OFFICERS, STAFF AND DIRECTORS

"To the full extent permitted by law, the District agrees to pay all actual damages awarded against any person who serves as a Director, an officer, the General Manager or any member of the General Manager's staff if the damages result from an act or omission of the person serving as a Director, an officer, the General manager or any member of the General Manager's staff in the course and scope of his or her service for the District and the damages arise from a cause of action for negligence. The District also agrees to pay the court cost and attorneys' fees awarded against such person in such action. The District further agrees to provide legal counsel to represent the person for whom the District is obligated to pay damages under this Resolution."

"The District will not pay damages awarded against a person who serves as a Director, an officer, the General Manager or any member of the General Manager's staff if the damages arise from a cause of willful or wrongful act or omission or an act or omission constituting gross negligence. Further, the District will not pay damages awarded against such a person to the extent that such damages are recoverable under an insurance contract."

"The foregoing right of indemnification shall not be exclusive of other rights to which any person who is a Director, an officer, the General Manager or any member of the General Manager's staff may be entitled as a matter of law or otherwise."

7.

Mr. Michael J. Meza, Manager of Operations for the District, presented Change Order Number One of the Richland Creek Pipeline - Section Two Contract between the District and John D. Stephens Construction Company. This Change Order encompasses the work and materials required for additional liner plate installation at four highway crossings. The Texas State Department of Highways and Public Transportation required the additional liner plate installation at the following highway crossings:

1) F.M. 664	- 15 additional feet	- \$16,290.00
2) F.M. 813	- 5 additional feet	- \$ 5,430.00
3) F.M. 878	- 10 additional feet	- \$10,860.00
4) U.S. Highway 77	- 9 additional feet	- <u>\$ 9,774.00</u>
Net increase in contract amount		- <u>\$42,354.00</u>

Following discussion and with the recommendation of management, Director Newton moved that the District approve Change Order Number One of the Richland Creek Pipeline-Section Two Contract. Director Henderson seconded the motion and the vote in favor was unanimous by all Directors present.

8.

Mr. Meza next presented for Board consideration a proposed contract for electrical service at the Richland Lake Pump Station between the District and Navarro County Electric Cooperative. Mr. Meza explained that the contract establishes a frame work for service to be provided for the Lake Pump Station as well as persons isolated by the northeast side of the Chambers arm of the reservoir. The contract also provides for a system of monthly minimum payments that will allow the Cooperative to recoup their capital investments necessitated by the Richland Project.

MINIMUM PAYMENTS

\$ 7,425.00 per month - (June 1, 1987 - February 1, 1988)
\$17,968.00 per month - (February 1, 1988 - June 1, 2012)

Following discussion and with the recommendation of management, and by motion duly made by Director Henderson seconded by Director Newton, all of the Directors present voted unanimously in favor of approving the proposed contract between the District and Navarro County Electric Cooperative.

9.

Mr. Meza next presented plans for the proposed Oak Harbor Marina on Eagle Mountain Lake. The proposed location is on the southeast side of the mouth of Walnut Creek Slough. Mr. Meza stated that several other items would have to be completed prior to any construction.

- 1) Acquisition of a 401 permit from the Corps of Engineers by the marina developer that will allow dredging.
- 2) Execution of a concession agreement between the marina owner and the District.
- 3) Approval by District operational staff of specific construction details.

Following discussion and with the recommendation of management, Director Newton moved for approval of the concept for the development of Oak Harbor Marina on Eagle Mountain Lake; also that further approval be required by the District of dredging plans, marina construction plans and that an executed concession agreement be in effect in advance of the marina becoming operational. Director Henderson seconded the motion and the vote in favor was unanimous by all Directors present.

10.

Motion was made by Director Newton and seconded by Director Henderson and unanimously approved by all Directors present that the following list of vouchers be approved:

Capital Projects: Voucher-check #167, in the amount of \$599,508.00.

Debt Service: Voucher-checks #386 thru #389 inclusive, in the amount of \$796,601.52.

General Fund: Voucher-checks #8923 thru #9153 inclusive except for voided checks, #8924, 8969, 9019, 9042, 9085, 9132, 9147. Total General Fund expenditures for this approval period being \$2,424,074.97.

Interest and Redemption: Voucher-checks #195 thru #198 in the amount of \$1,534,249.16. Check #196 was voided.

Richland-Chambers Construction Fund: Voucher-checks #5508 thru #5569 in the amount of \$19,000,005.12. Check #5524, 5525, 5526, 5537, 5558, 5560, were voided.

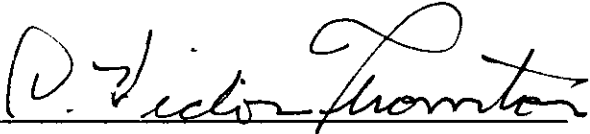
Revenue Fund: Voucher-checks #4396 thru #4452 in the amount of \$3,848,991.06. Checks #4397, 4398, 4415, 4440 and 4445 were voided.

11.

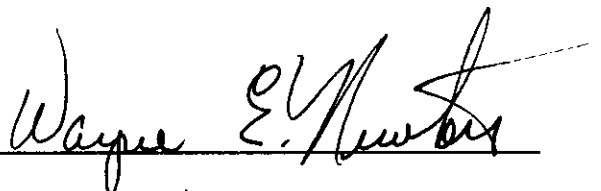
Mr. Oliver and Mr. Meza next briefed Directors on an upcoming issue involving the proposed development of flood control appurtenances along the West Fork of Trinity River east of where

existing District Flood Control improvements cease in the eastern part of Tarrant County. The development centers around the River-bend development and could impact District operations. President Thornton requested that staff keep the Board apprised of any developments concerning this issue.

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



President



Acting Secretary