

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 22ND DAY OF AUGUST, 1989 AT 9:30 A.M.

The call of the roll disclosed the presence of all the
Directors as follows:

Present
Burford I. King
George W. Shannon
Victor W. Henderson
Charles B. Campbell, Jr.
Hal S. Sparks III

Also present were James M. Oliver, General Manager; Woody
Frossard, Environmental Manager; George Christie, Legal Counsel
for the District and Robert Doby.

With the assurance from management that all requirements
relating to the "open meetings" law had been met, Director King
convened the meeting.

1.

The President and presiding officer next called an executive
session under section 2e of the Texas Open Meetings Act to
consider pending litigation.

2.

Upon completion of the executive session, the President
reopened the meeting.

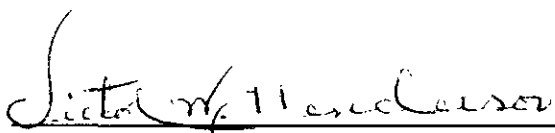
3.

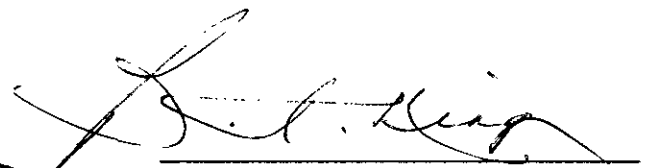
After thorough discussion as to the merits of the D. H.
Davis litigation, and based upon the recommendations of the
staff, general counsel and the engineering firm of Cawley,

Gillespie & Associates, and upon motion by Director Campbell and seconded by Director Henderson, the Board unanimously voted to settle the D. H. Davis litigation by authorizing payment to the plaintiffs of \$1,250,000 in return for a release of all of the plaintiffs' rights of access, ingress and egress to all of the plaintiffs' minerals below elevation 315 msl and release of all of plaintiffs' damage claims, past and future, based in any way on the construction of Richland-Chambers Reservoir or the plugging of plaintiffs' wells by the District, including claims of inverse condemnation, damages to access rights to plaintiffs' minerals, failure to furnish plaintiffs an on-shore drilling site or any other such claims, including all claims plead by plaintiffs herein, subject to the approval at the next Board meeting of actual settlement documents.

4.

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


Secretary


President