

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 20TH DAY OF JULY 2004 AT 9:30 A.M.

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

Present

George W. Shannon
Victor W. Henderson
Hal S. Sparks III
Brian Newby
Jack R. Stevens

Also present were, James M. Oliver Alan Thomas, Ken Brummett, Steve Christian, Wesley Cleveland, David Marshall, Wayne Owen, Madeline Robson, Sandra Swinnea and Mike Witthaus.

Also in attendance were George Christie, legal counsel for the District; Dick Fish of Save Eagle Mountain Lake and Earl Alexander. Director Shannon convened the meeting with the assurance from management that all requirements of the "open meetings" laws had been met.

1.

On a motion made by Director Henderson and seconded by Director Sparks, the Directors unanimously voted to approve the minutes from the meeting held June 15, 2004. It was accordingly ordered that such minutes be placed in the permanent files of the District.

2.

Dick Fish of Save Eagle Mountain Lake and Lake Country Homeowners commented that due to higher lake levels there is an increase in boat ramp permit sales.

3.

The President and presiding officer next called an executive session at 9:35 a.m. under Chapter 551.071 of the Government Code to consider pending or contemplated litigation - Gragg lawsuit and under Chapter 551.072 of the Government Code to consider real property issues - Eagle Mountain Connection and oil and gas leases at Eagle Mountain Lake.

4.

Upon completion of the executive session at 10:49 a.m., the President reopened the meeting.

With the recommendation of management, Director Henderson moved to approve a lease of the District's mineral rights to those lands described below to Antero Resources I, LP, for the high bonus bid of \$7,501,377.46.

EXHIBIT "A"

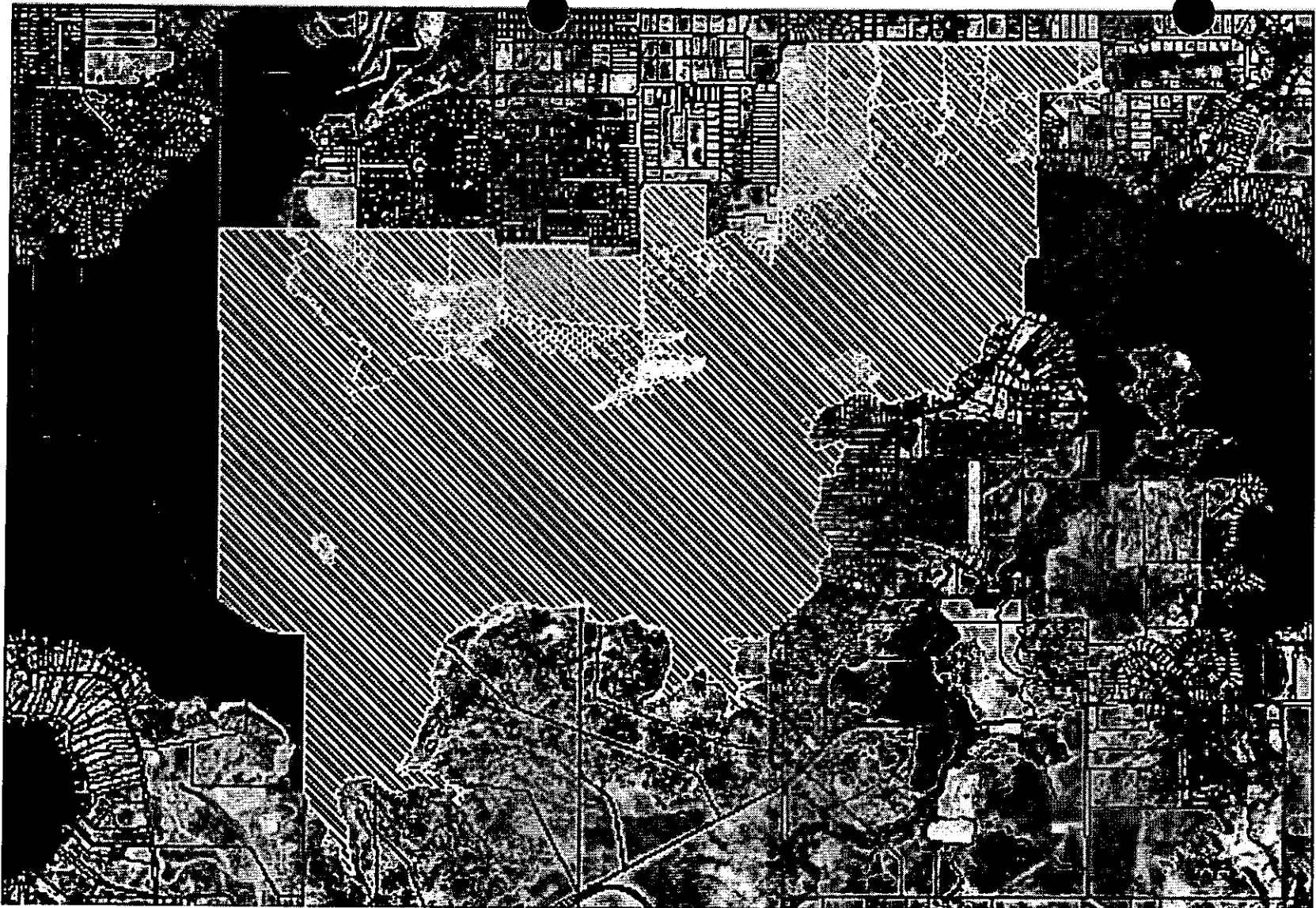
SUMMER 2004 EAGLE MOUNTAIN OIL AND GAS LEASE

(Attached to Oil, Gas and Mineral Lease from the Tarrant Regional Water District,
a Water Control and Improvement District to Antero Resources I, LP)

GRANTOR	VOL.	PAGE	DATE	COUNTY	ACRES
M. B. MCREE, et al	1108	121	12/27/29	Tarrant	47.36 *(1)
W. N. YOUNGER, et ux	1071	467	12/21/29	Tarrant	274.50 *(2)
I. W. COLE, et ux	1071	551	12/26/29	Tarrant	255 *(3)
MARY HICKS	1106	459	12/30/29	Tarrant	847.78
FOSTER STANFIELD, et ux	1119	89	5/8/30	Tarrant	221.28 *(4)
FRED EUSTACE, et ux	1111	31	12/24/29	Tarrant	50.75 *(5)
L. H. HILL, et ux	1095	486	5/14/30	Tarrant	83.66 *(6)
T. M. DUNAWAY, et ux	1113	523	4/23/29	Tarrant	123.60 *(7)
W. M. DUNAWAY, et ux	1071	291	10/4/29	Tarrant	138.00 *(8)
J. A. CULVER, et ux	1071	343	10/30/29	Tarrant	225.76 *(9)
J. C. CULVER, et ux	1081	599	10/30/29	Tarrant	108.82
KNOX REED, et ux	1071	469	12/24/29	Tarrant	333.17
L. C. HOLT, et ux	1071	409	11/26/29	Tarrant	57.56
S. E. WILTON, et al	1108	197	1/6/30	Tarrant	111.18
P. R. WEATHERFORD, et ux	1141	134	2/9/31	Tarrant	3.40
				TOTAL	2,881.82

ACRES

- *(1) First Tract ONLY.
- *(2) Surface use restricted (PARTIAL).
- *(3) First Tract IN Vol. 1071 Pg. 551 ONLY.
- *(4) Surface use restricted (PARTIAL).
- *(5) Surface use restricted.
- *(6) Surface use restricted (PARTIAL).
- *(7) Surface use restricted (PARTIAL).
- *(8) Surface use restricted (PARTIAL).
- *(9) Surface use restricted (North 50 Acres).



Layers

<input type="checkbox"/>	TRIVIA PARKS OVERLAYS
<input type="checkbox"/>	TRIVIA MAPS/ROADS
<input type="checkbox"/>	TAD PARTIALS

Engle Mountain Lake



In addition, Ken Brummett is granted authority to execute the lease and all other documents necessary to complete this transaction. Director Sparks seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management, Director Sparks moved to approve a contract with Shermco Industries, Inc. to maintain District electrical substations at Cedar Creek, Waxahachie (2) and Benbrook for the low bid of \$62,012 for the initial year with fluctuating rates of \$45,204 for the second year, \$51,740 for the third year, \$55,476 for the fourth year and \$51,740 for the fifth year. Funding for this contract is included in the FY 2004 Revenue Fund Budget. Director Newby seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management, Director Stevens moved to approve the purchase of a 20' batwing mower for the bid of \$15,296.45 submitted by AG-Power Inc. This purchase is unbudgeted, however funds are available in the FY 2004 Capital Equipment Budget. Director Henderson seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management, Director Henderson moved to approve Change Order Number 6 to the contract with Archer Western for the Richland-Chambers High-Capacity Expansion Project in the amount of \$151,244.42. Funding for this purchase is included in the 2002 Bond Issue. Director Newby seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Newby moved to approve a contract for value engineering on the Eagle Mountain Connection Project with Black & Veatch at a cost not to exceed \$300,000. Funding for this contract is included in the 2002 Bond Issue. Director Henderson seconded the motion and the vote in favor was unanimous.

With the recommendation of management, Director Henderson moved to approve the purchase of the following easements necessary for construction of the Eagle Mountain Connection Project from Don M. Broom, Jr. and wife, Margaret A. Broom for the negotiated purchase price of \$34,762. Should owner(s) of such land decline to accept the authorized purchase offer, staff was given authority to commence eminent domain proceedings.

3.218 acres (140,184 square feet) in permanent easement and approximately 1.16 acres (50,530 square feet) in temporary construction easement out of the J. Wilcox Survey, A-1728, Tarrant County, Texas and being a portion of that certain tract of land described as Tract # 6 by deed to Don M. Broom, Jr. and wife, Margaret A. Broom in Volume 13759, Page 0262, Deed Records, Tarrant County, Texas.

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director Henderson moved to authorize the commencement of eminent domain proceedings to acquire 3.218 acres (140,184 square feet) in permanent easement and approximately 1.16 acres (50,530 square feet) in temporary construction easement out of the J. Wilcox Survey, A-1728, Tarrant County, Texas and being a portion of that certain tract of land described as Tract # 6 by deed to Don M. Broom, Jr. and wife, Margaret A. Broom in Volume 13759, Page 0262, Deed Records, Tarrant County, Texas (such lands being determined by management and the Board to be necessary to construct the Eagle Mountain Connection Pipeline), if the owners of such land, Don M. Broom and wife, Margaret A. Broom, decline to accept the Board-authorized purchase offer of \$34,762.00. Further, R. Steve Christian is granted authority to execute all documents necessary to acquire this land, whether by eminent domain or by purchase. Director Newby seconded the motion and the vote in favor was unanimous.

In addition, R. Steve Christian is granted authority to execute all documents necessary to complete this transaction. Funding for this purchase is included in the 2002 Bond Issue. Director Newby seconded the motion and the vote in favor was unanimous.

10b.

With the recommendation of management, Director Sparks moved to approve the purchase of the following easements for construction of the Eagle Mountain Connection Project from Gary D. Buchanan, Jr. and wife Dianna K. Buchanan for the total negotiated price of \$4,790.

0.51 acre (22,215.60 square feet) in permanent easement and approximately 0.04 acre (1,742.40 square feet) in temporary construction easement, being a portion of that certain tract of land located in the J. Wilcox Survey, A-1704, Tarrant County, Texas and described in a deed dated February 4, 2004 to Gary D. Buchanan, Jr. and wife Dianna K. Buchanan recorded as Document Number D2040488801 of the Deed Records of Tarrant County, Texas.

In addition, R. Steve Christian is granted authority to execute all documents necessary to complete this transaction. Funding for this purchase is included in the 2002 Bond Issue. Director Newby seconded the motion and the vote in favor was unanimous.

10c.

With the recommendation of management, Director Sparks moved to approve the purchase of the following easements necessary for construction of the Eagle Mountain Connection Project from James Garcia and Angela Garcia for the total negotiated price of \$2,500. Should owner(s) of such land decline to accept the authorized purchase offer, staff was given authority to commence eminent domain proceedings.

0.173 acre (7,525 square feet) in permanent easement and approximately 0.065 acre (2,831.40 square feet) in temporary construction easement, situated in the J. Wilcox Survey, A-1726, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to James Garcia and Angela Garcia and described as Lot 1, Block 1, Strawberry Creek Estates in Volume 14107, Page 0129, Deed Records, Tarrant County, Texas, said Lot 1 being shown on the Plat recorded in Cabinet A, Slide 2642, Plat Records, Tarrant County, Texas.

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director _____ Sparks _____ moved to authorize the commencement of eminent domain proceedings to acquire 0.173 acre (7,525 square feet) in permanent easement and approximately 0.065 acre (2,831.40 square feet) in temporary construction easement, situated in the J. Wilcox Survey, A-1726, Tarrant County, Texas, also

being a portion of that certain tract of land conveyed by deed to James Garcia and Angela Garcia and described as Lot 1, Block 1, Strawberry Creek Estates in Volume 14107, Page 0129, Deed Records, Tarrant County, Texas, said Lot 1 being shown on the Plat recorded in Cabinet A, Slide 2642, Plat Records, Tarrant County, Texas (such lands being determined by management and the Board to be necessary to construct the Eagle Mountain Connection Pipeline), if the owners of such land, James Garcia and Angela Garcia, decline to accept the Board-authorized purchase offer of \$2,500.00. Further, R. Steve Christian is granted authority to execute all documents necessary to acquire this land, whether by eminent domain or by purchase. Director Stevens seconded the motion and the vote in favor was unanimous.

In addition, R. Steve Christian is granted authority to execute all documents necessary to complete this transaction. Funding for this purchase is included in the 2002 Bond Issue. Director Stevens seconded the motion and the vote in favor was unanimous.

10d.

With the recommendation of management, Director Stevens moved to approve the purchase of the following easements necessary for construction of the Eagle Mountain Connection Project from LAH III FAMILY SPECIFIC INTEREST, LTD. for the total appraised value of \$62,953. Should owner(s) of such land decline to accept the authorized purchase offer, staff was given authority to commence eminent domain proceedings.

12.064 acres (525,515 square feet) in permanent easement and 4.035 acres (175,769 square feet) in temporary construction easement, situated in the G. Isbell Survey, A-838, and the J. Wilcox Survey, A-1704, Tarrant County, Texas, also being a portion of that certain 556.30 acre tract of land conveyed by deed to LAH III FAMILY SPECIFIC INTEREST, LTD. in volume 17416, Page 322, Deed Records, Tarrant County, Texas.

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director Stevens moved to authorize the commencement of eminent domain proceedings to acquire 12.064 acres (525,515 square feet) in permanent easement and 4.035 acres (175,769 square feet) in temporary construction easement, situated in the G. Isbell Survey, A-838, and the J. Wilcox Survey, A-1704, Tarrant County, Texas, also being a portion of that certain 556.30 acre tract of land conveyed by deed to LAH III FAMILY SPECIFIC INTEREST, LTD. in volume 17416, Page 322, Deed Records, Tarrant County, Texas (such lands being determined by management and the Board to

be necessary to construct the Eagle Mountain Connection Pipeline), if the owners of such land, LAH III FAMILY SPECIFIC INTEREST, LTD., decline to accept the Board-authorized purchase offer of \$62,953.00. Further, R. Steve Christian is granted authority to execute all documents necessary to acquire this land, whether by eminent domain or by purchase. Director _____ Sparks _____ seconded the motion and the vote in favor was unanimous.

In addition, R. Steve Christian is granted authority to execute all documents necessary to complete this transaction. Funding for this purchase is included in the 2002 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous.

10e.

With the recommendation of management, Director Henderson moved to approve the purchase of the following easements necessary for construction of the Eagle Mountain Connection Project from Tabernacle of Praise of Fort Worth, Inc. for the total negotiated price of \$238,588. Should owner(s) of such land decline to accept the authorized purchase offer, staff was given authority to commence eminent domain proceedings.

4.14 acres (180,338.40 sq. ft.) in permanent easement, being a portion of Lots 1 through 8, Block 2 of Rolling Hills Estates, An Addition to the City of Benbrook, Tarrant County, Texas, according to a final corrected Plat of Phase 1, recorded in Volume 388-178, Page 81, of the Plat Records of Tarrant County, Texas.

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director _____ Henderson _____ moved to authorize the commencement of eminent domain proceedings to acquire 4.14 acres (180,338.40 sq. ft.) in permanent easement, being a portion of Lots 1 through 8, Block 2 of Rolling Hills Estates, An Addition to the City of Benbrook, Tarrant County, Texas, according to a final corrected Plat of Phase 1, recorded in Volume 388-178, Page 81, of the Plat Records of Tarrant County, Texas (such lands being determined by management and the Board to be necessary to construct the Eagle Mountain Connection Pipeline), if the owner of such land, Tabernacle of Praise of Fort Worth, Inc., declines to accept the Board-authorized purchase offer of \$238,588.00. Further, R. Steve Christian is granted authority to execute all documents necessary to acquire this land, whether by eminent domain or by purchase. Director _____ Newby _____ seconded the motion and the vote in favor was unanimous.

In addition, R. Steve Christian is granted authority to execute all documents necessary to complete this transaction. Funding for this purchase is included in the 2002 Bond Issue. Director Newby seconded the motion and the vote in favor was unanimous.

10f.

With the recommendation of management, Director Stevens moved to approve the purchase of the following easements necessary for construction of the Eagle Mountain Connection Project from Dwayne E. Whitmarsh for the total appraised value of \$23,256. Should owner(s) of such land decline to accept the authorized purchase offer, staff was given authority to commence eminent domain proceedings.

1.197 acres (52,149 square feet) in permanent easement out of the J. Wilcox Survey, A-1726, Tarrant County, Texas also being a portion of that certain tract of land described as Lot 10, Block 1, Strawberry Creek Estates, per plat recorded in Cabinet A, Slide 2642, Plat Records, Tarrant County, Texas, said Lot 10 being conveyed by deed to Dwayne E. Whitmarsh in Volume 16030, Page 0351, Deed Records, Tarrant County, Texas.

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director _____Stevens_____ moved to authorize the commencement of eminent domain proceedings to acquire 1.197 acres (52,149 square feet) in permanent easement out of the J. Wilcox Survey, A-1726, Tarrant County, Texas also being a portion of that certain tract of land described as Lot 10, Block 1, Strawberry Creek Estates, per plat recorded in Cabinet A, Slide 2642, Plat Records, Tarrant County, Texas, said Lot 10 being conveyed by deed to Dwayne E. Whitmarsh in Volume 16030, Page 0351, Deed Records, Tarrant County, Texas (such lands being determined by management and the Board to be necessary to construct the Eagle Mountain Connection Pipeline), if the owner of such land, Dwayne E. Whitmarsh, declines to accept the Board-authorized purchase offer of \$23,256.00. Further, R. Steve Christian is granted authority to execute all documents necessary to acquire this land, whether by eminent domain or by purchase. Director _____Henderson_____ seconded the motion and the vote in favor was unanimous.

In addition, R. Steve Christian is granted authority to execute all documents necessary to complete this transaction. Funding for this purchase is included in the 2002 Bond Issue. Director Henderson seconded the motion and the vote in favor was unanimous.

With the recommendation of management, Director Sparks moved to approve the purchase of the following easements necessary for construction of the Eagle Mountain Connection Project from Bruce Wilkinson, Elna Wilkinson, Beryl Wilkinson and Carolyn Wilkinson Fierer for the total negotiated price of \$63,436. Should owner(s) of such land decline to accept the authorized purchase offer, staff was given authority to commence eminent domain proceedings.

PARCEL # 1: 2.823 acres (122,948 square feet) in permanent easement and 0.942 acre (41,036 square feet) in temporary construction easement out of the F.W. Schoeverling Survey, A-1398, Tarrant County, Texas, being a portion of that certain tract of land known as TRACT 8 and conveyed by deed to Bruce Wilkinson and Carolyn Wilkinson Fierer in Volume 7800, Page 2290 and in Volume 7800, Page 2293, of the deed records of Tarrant County, Texas;

PARCEL # 2: 4.870 acres (212,125 square feet) in permanent easement and 1.622 acres (70,670 square feet) in temporary construction easement situated in the W. Houston Survey, A-744, Tarrant County, Texas, also being a portion of that certain tract of land known as TRACT 3 and conveyed by deed to Bruce Wilkinson and Carolyn Wilkinson Fierer in Volume 7800, Page 2290 and in Volume 7800, Page 2293, of the deed records of Tarrant County, Texas;

PARCEL # 3: 3.244 acres (141,313 square feet) in permanent easement and 1.082 acres (47,111 square feet) in temporary construction easement situated in the J.F. Nethery Survey, A-1181, Tarrant County, Texas, being a portion of that certain tract of land known as TRACT 1 and conveyed by deed to Bruce Wilkinson and Carolyn Wilkinson Fierer in Volume 7800, Page 2290 and in Volume 7800, Page 2293 of the deed records of Tarrant County, Texas;

The above-described three (3) parcels comprise a total of 10.937 acres (476,386 square feet) in permanent easement and 3.646 acres (158,817 square feet) in temporary construction easement from Bruce Wilkinson, Elna Wilkinson, Beryl Wilkinson and Carolyn Wilkinson Fierer for the total appraised value of \$63,436.

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director _____Sparks_____ moved to authorize the commencement of eminent domain proceedings to acquire the following described parcels:

PARCEL # 1: 2.823 acres (122,948 square feet) in permanent easement and 0.942 acre (41,036 square feet) in temporary construction easement out of the F.W. Shoveling Survey, A-1398, Tarrant County, Texas, being a portion of that certain tract of land known as TRACT 8 and

conveyed by deed to Bruce Wilkinson and Carolyn Wilkinson Fiercer in Volume 7800, Page 2290 and in Volume 7800, Page 2293, of the deed records of Tarrant County, Texas;

PARCEL # 2: 4.870 acres (212,125 square feet) in permanent easement and 1.622 acres (70,670 square feet) in temporary construction easement situated in the W. Houston Survey, A-744, Tarrant County, Texas, also being a portion of that certain tract of land known as TRACT 3 and conveyed by deed to Bruce Wilkinson and Carolyn Wilkinson Fiercer in Volume 7800, Page 2290 and in Volume 7800, Page 2293, of the deed records of Tarrant County, Texas;

PARCEL # 3: 3.244 acres (141,313 square feet) in permanent easement and 1.082 acres (47,111 square feet) in temporary construction easement situated in the J.F. Nether Survey, A-1181, Tarrant County, Texas, being a portion of that certain tract of land known as TRACT 1 and conveyed by deed to Bruce Wilkinson and Carolyn Wilkinson Fiercer in Volume 7800, Page 2290 and in Volume 7800, Page 2293 of the deed records of Tarrant County, Texas;

The above-described three (3) parcels comprise a total of 10.937 acres (476,386 square feet) in permanent easement and 3.646 acres (158,817 square feet) in temporary construction easement (such lands being determined by management and the Board to be necessary to construct the Eagle Mountain Connection Pipeline), if the owners of such land, Bruce Wilkinson, Élan Wilkinson, Beryl Wilkinson and Carolyn Wilkinson Fiercer, decline to accept the Board-authorized purchase offer of \$63,436.00.

Further, R. Steve Christian is granted authority to execute all documents necessary to acquire this land, whether by eminent domain or by purchase. Director Henderson seconded the motion and the vote in favor was unanimous.

In addition, R. Steve Christian is granted authority to execute all documents necessary to complete this transaction. Funding for this purchase is included in the 2002 Bond Issue. Director Henderson seconded the motion and the vote in favor was unanimous.

10h.

With the recommendation of management, Director Newby moved to approve the purchase of the following property and easements necessary for construction of the Eagle Mountain Connection Project from Dickie Carr and wife, Ada Carr for an offer not to exceed

\$200,000. Should owner(s) of such land decline to accept the authorized purchase offer, staff was given authority to commence eminent domain proceedings.

TRACT # 1: 3.981 acres (173,404 square feet), out of the J. Wilcox Survey, A-1728, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Dickie Carr and wife, Ada Carr in Volume 8226, Page 1480, Deed Records, Tarrant County, Texas;

TRACT # 2: 0.13 acre (4,493 square feet) in permanent easement, out of the J. Wilcox Survey, A-1728, Tarrant County, Texas, also being a portion of that certain tract of land conveyed to Vernon C. Carr and wife, Ada Carr in Volume 9803, Page 714, Deed Records, Tarrant County, Texas;

TRACT # 3: 0.551 acre (23,995 square feet) in permanent easement, out of the J. Wilcox Survey, A-1728, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Dickie Carr and wife, Ada Carr in Volume 14054, Page 0532, Deed Records, Tarrant County, Texas;

The above referenced three (3) tracts comprising a total of 3.981 acres in fee and 0.681 acre in permanent easement from Ada M. Carr, individually, as independent executrix of the estate of Vernon Carroll Carr, deceased, and as trustee of the trusts created under the will of Vernon Carroll Carr, deceased (or other owner(s)).

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director _____ Newby moved to authorize the acquisition of the following tracts of land by negotiated sale, or, if such negotiations are unsuccessful, through eminent domain proceedings, on the terms set forth below:

TRACT # 1: 3.981 acres (173,404 square feet), out of the J. Wilcox Survey, A-1728, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Dickie Carr and wife, Ada Carr in Volume 8226, Page 1480, Deed Records, Tarrant County, Texas;

TRACT # 2: 0.13 acre (4,493 square feet), out of the J. Wilcox Survey, A-1728, Tarrant County, Texas, also being a portion of that certain tract of land conveyed to Vernon C. Carr and wife, Ada Carr in Volume 9803, Page 714, Deed Records, Tarrant County, Texas;

TRACT # 3: 0.551 acre (23,995 square feet), out of the J. Wilcox Survey, A-1728, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Dickie Carr and wife, Ada Carr in Volume 14054, Page 0532, Deed Records, Tarrant County, Texas; (such lands being determined by management and the Board to be necessary to construct the Eagle Mountain Connection Pipeline). If the owner of such land, Ada M. Carr, individually, as

independent executrix of the estate of Vernon Carroll Carr, deceased, and as trustee of the trusts created under the will of Vernon Carroll Carr, deceased, (or other owner(s)) declines to accept a cash purchase offer not to exceed \$200,000.00 total for the fee simple title to Tract #1 and permanent easements over, under and across Tracts #2 and #3, alternatively, Staff is authorized to offer to acquire permanent easements on each of said tracts for a total amount not to exceed \$200,000.00, and, if not accepted, to commence eminent domain proceedings to acquire said permanent easements. Further, R. Steve Christian is granted authority to execute all documents necessary to acquire this land, whether by eminent domain or by purchase. Director Sparks seconded the motion and the vote in favor was unanimous.

In addition, R. Steve Christian is granted authority to execute all documents necessary to complete this transaction. Funding for this purchase is included in the 2002 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous.

10i.

With the recommendation of management, Director Henderson moved to approve the purchase of the following easements necessary for construction of the Eagle Mountain Connection Project from the Frazier Grandchildren Trust for the total appraised value of \$63,887. Should owner(s) of such land decline to accept the authorized purchase offer, staff was given authority to commence eminent domain proceedings.

3.137 acres (136,657 square feet) in permanent easement and approximately 0.50 acre (21,780 square feet) in temporary construction easement out of the J. Wilcox Survey, A-1726, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Frazier Grandchildren Trust in Volume 16325, Page 90, Deed Records, Tarrant County, Texas.

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director Henderson moved to authorize the commencement of eminent domain proceedings to acquire 3.137 acres (136,657 square feet) in permanent easement and approximately 0.50 acre (21,780 square feet) in temporary construction easement out of the J. Wilcox Survey, A-1726, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Frazier Grandchildren Trust in Volume 16325, Page 90, Deed Records, Tarrant County, Texas (such lands being determined by management and the Board to be necessary to construct the Eagle Mountain Connection Pipeline), if the owner of such land, Frazier Grandchildren Trust, declines to accept the Board-

authorized purchase offer of \$63,887.00. Further, R. Steve Christian is granted authority to execute all documents necessary to acquire this land, whether by eminent domain or by purchase. Director Newby seconded the motion and the vote in favor was unanimous.

In addition, R. Steve Christian is granted authority to execute all documents necessary to complete this transaction. Funding for this purchase is included in the 2002 Bond Issue. Director Newby seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management, Director Sparks moved to approve the sale of the following described tract of land to Richard Gomm for the appraised value of \$519:

172.9 square feet, more or less, adjacent of Lot 16 of the Sandy Shores Subdivision, Section 3, Henderson County, Texas.

In addition, R. Steve Christian is granted authority to execute all documents necessary to complete this transaction. Director Henderson seconded the motion and the vote in favor was unanimous.

12.

The Board viewed the quarterly video update.

13.

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

George W. Shannon
President

[Signature]
Secretary