

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 19TH DAY OF OCTOBER 2004 AT 9:30 A.M.

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

<u>Present</u>	<u>Absent</u>
George W. Shannon	Brian Newby
Victor W. Henderson	
Hal S. Sparks III	
Jack R. Stevens	

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

Also in attendance were George Christie, legal counsel for the District; Dick Fish of Save Eagle Mountain Lake, Elaine Petrus of Streams and Valleys, 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 September 21, 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 complimented the District on it's foresightedness in working on future water demands.

3.

The President and presiding officer next called an executive session at 9:40 a.m. under Chapter 551.072 of the Government Code to consider real property issues - Eagle Mountain Connection; and Oil & Gas lease at Eagle Mountain Lake.

4.

Upon completion of the executive session at 10:00 a.m., the President reopened the meeting.

5a.

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 the Frazier Grandchildren Trust for the authorized purchase offer not to exceed \$95,000. 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 from Everett B. Frazier, Trustee Frazier Grandchildren Trust for the total purchase price not to exceed \$95,000.

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director Stevens 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, Everett B. Frazier, Trustee Frazier Grandchildren Trust, declines to accept the Board-authorized purchase offer of not to exceed \$95,000.00. 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.

5b.

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 Lyemann Properties, Inc. for the authorized purchase offer not to exceed

\$435,000. Should owner(s) of such land decline to accept the authorized purchase offer, staff was given authority to commence eminent domain proceedings.

- TRACT # 1:** 11.691 acres in fee simple, situated in the J.P. Woods Survey, Abstract 1886, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Lyemann Properties, Inc. in Volume 10256, Page 875, Deed Records, Tarrant County, Texas;
- TRACT # 2:** 1.694 acres in fee simple, situated in the J.P. Woods Survey, Abstract 1886, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Lyemann Properties, Inc. in Volume 10256, Page 875, Deed Records, Tarrant County, Texas;
- TRACT # 3:** 0.894 acre in permanent easement and approximately 0.162 acre in temporary construction easement situated in the J.P. Woods Survey, Abstract 1886, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Lyemann Properties, Inc. in Volume 10256, Page 875, Deed Records, Tarrant County, Texas;
- TRACT # 4:** 2.177 acres in permanent easement situated in the J.P. Woods Survey, Abstract 1886 and the J. Ward Survey, Abstract 1596, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Lyemann Properties, Inc. in Volume 10256, Page 875, Deed Records, Tarrant County, Texas;
- TRACT # 5:** 5.795 acres in permanent easement and approximately 1.933 acres in temporary construction easement situated in J. Ward Survey, Abstract 1596 and the G.B. Kenney Survey, Abstract 920, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Lyemann Properties, Inc. in Volume 10256, Page 875, Deed Records, Tarrant County, Texas;
- TRACT # 6:** 0.954 acre in fee simple, out of which TRWD will reserve 0.294 acre in temporary construction easement, situated in the J.P. Woods Survey, Abstract 1886, Tarrant County, Texas, also being a portion of that certain 13.282 acre tract conveyed by deed to Texas Electric Service Company (TESCO) in Volume 8814, Page 256, Deed Records, Tarrant County, Texas.

TRACT # 1, TRACT # 2, TRACT # 3, TRACT # 4 and TRACT # 5 comprise a total of 11.691 acres in fee simple for the Eagle Mountain Connection balancing reservoir, 1.694 acres in fee simple for rerouting the TXU Electric Delivery Co. right-of-way, a total of 8.866 acres in permanent pipeline(s) easement, and a total of approximately 2.389 acres in temporary construction easement from Lyemann Properties, Inc., or its successors in interest. In addition, TRWD will convey to Lyemann Properties, Inc., or its successors in interest; TRACT # 6 comprising 0.954 acre in fee simple for a total net purchase price to Lyemann Properties, Inc., or its successors in interest, of not to exceed \$435,000.

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director Stevens moved to authorize the commencement of eminent domain proceedings to acquire:

- TRACT # 1:** 11.691 acres in fee simple, situated in the J.P. Woods Survey, Abstract 1886, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Lyemann Properties, Inc. in Volume 10256, Page 875, Deed Records, Tarrant County, Texas;
- TRACT # 2:** 1.694 acres in fee simple, situated in the J.P. Woods Survey, Abstract 1886, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Lyemann Properties, Inc. in Volume 10256, Page 875, Deed Records, Tarrant County, Texas;
- TRACT # 3:** 0.894 acre in permanent easement and approximately 0.162 acre in temporary construction easement situated in the J.P. Woods Survey, Abstract 1886, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Lyemann Properties, Inc. in Volume 10256, Page 875, Deed Records, Tarrant County, Texas;
- TRACT # 4:** 2.177 acres in permanent easement situated in the J.P. Woods Survey, Abstract 1886 and the J. Ward Survey, Abstract 1596, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Lyemann Properties, Inc. in Volume 10256, Page 875, Deed Records, Tarrant County, Texas;
- TRACT # 5:** 5.795 acres in permanent easement and approximately 1.933 acres in temporary construction easement situated in J. Ward Survey, Abstract 1596 and the G.B. Kenney Survey, Abstract 920, Tarrant County, Texas, also being a portion of that certain tract of land conveyed by deed to Lyemann Properties, Inc. in Volume 10256, Page 875, Deed Records, Tarrant County, Texas;
- TRACT # 6:** 0.954 acre in fee simple, out of which TRWD will reserve 0.294 acre in temporary construction easement, situated in the J.P. Woods Survey, Abstract 1886, Tarrant County, Texas, also being a portion of that certain 13.282 acre tract conveyed by deed to Texas Electric Service Company (TESCO) in Volume 8814, Page 256, Deed Records, Tarrant County, Texas.

TRACT # 1, TRACT # 2, TRACT # 3, TRACT # 4 and TRACT # 5 comprise a total of 11.691 acres in fee simple for the Eagle Mountain Connection balancing reservoir, 1.694 acres in fee simple for rerouting the TXU Electric Delivery Co. right-of-way, a total of 8.866 acres in permanent pipeline(s) easement, and a total of approximately 2.389 acres in temporary construction easement. In addition, TRWD will convey TRACT # 6 comprising 0.954 acre in fee simple (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 Lyemann Properties, Inc., or its successors in interest, decline(s) to accept the Board-authorized total net purchase offer not to exceed \$435,000.

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.

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 Westpoint Investors Limited Partnership for the authorized purchase offer not to exceed \$71,477. Should owner(s) of such land decline to accept the authorized purchase offer, staff was given authority to commence eminent domain proceedings.

TRACT # 1: 0.748 acre (32,600 sq. ft.) in permanent easement and 0.240 acre (10,454 sq. ft.) in temporary construction easement, situated in the G.B. Kenney A-920, also being a portion of that certain tract of land conveyed by Contract of Sale and Purchase from the Veterans Land Board of Texas to William I. Myers in Volume 6623, Page 444, Deed Records, Tarrant County, Texas.

TRACT # 2: 6.289 acres (273,925 sq. ft.) in permanent easement and 2.087 acres (90,926 sq. ft.) in temporary construction easement, situated in the G.B. Kenney A-920, the E.L. Alford A-2000 and the F.W. Schoeverling A-1398, also being a portion of that certain tract of land conveyed by Contract of Sale and Purchase from the Veterans Land Board of Texas to Rudy E. Lambert in Volume 6485, Page 157, Deed Records, Tarrant County, Texas.

TRACT # 3: 2.714 acres (118,216 sq. ft.) in permanent easement and 0.675 acre (29,413 sq. ft.) in temporary construction easement, situated in the F.W. Schoeverling A-1398, also being a portion of that certain tract of land conveyed in Volume 5825, Page 7, Deed Records, Tarrant County, Texas.

The above-described three (3) tracts comprise a total of 9.751 acres in permanent easement, and 3.002 acres in temporary construction easement from Westpoint Investors Limited Partnership, a Texas Limited Partnership, or its successors in interest, for a total purchase offer not to exceed \$71,477.

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director Stevens moved to authorize the commencement of eminent domain proceedings to acquire:

TRACT # 1: 0.748 acre (32,600 sq. ft.) in permanent easement and 0.240 acre (10,454 sq. ft.) in temporary construction easement, situated in the G.B. Kenney A-920, also being a portion of that certain tract of land conveyed by Contract of Sale and Purchase from the Veterans Land Board of Texas to William I. Myers in Volume 6623, Page 444, Deed Records, Tarrant County, Texas.

TRACT # 2: 6.289 acres (273,925 sq. ft.) in permanent easement and 2.087 acres (90,926 sq. ft.) in temporary construction easement, situated in the G.B. Kenney A-920, the E.L. Alford A-2000 and the F.W. Schoeverling A-1398, also being a portion of that certain tract of land conveyed by Contract of Sale and Purchase from the Veterans Land Board of Texas to Rudy E. Lambert in Volume 6485, Page 157, Deed Records, Tarrant County, Texas.

TRACT # 3: 2.714 acres (118,216 sq. ft.) in permanent easement and 0.675 acre (29,413 sq. ft.) in temporary construction easement, situated in the F.W. Schoeverling A-1398, also

being a portion of that certain tract of land conveyed in Volume 5825, Page 7, Deed Records, Tarrant County, Texas.

The above-described three (3) tracts comprise a total of 9.751 acres in permanent easement, and 3.002 acres 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 owner of such land, Westpoint Investors Limited Partnership, a Texas Limited Partnership, or its successor(s) in interest, decline(s) to accept the Board-authorized purchase offer not to exceed \$71,477. 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.

6.

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 \$8,870,295.36.

EXHIBIT "A"

FALL 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)

GRANTOR	VOL.	PAGE	DATE	COUNTY	ACRES
I. W. COLE, et. ux.	1071	551	12/26/29	Tarrant	180.67 *(1)
Q. K. DENT, et. ux.	1083	389	2/27/30	Tarrant	79.61 *(2)
E. A. CORBETT, et. ux.	1082	372	12/29/29	Tarrant	99.40 *(3)
J. R. WALKER, et. ux.	1101	33	5/29/30	Tarrant	31.30
R. H. FOSTER, et. ux.	1119	575	5/20/31	Tarrant	62.59 *(4)
J. L. PIERCE, et. ux.	1071	339	10/26/29	Tarrant	62.50 *(5)
TOM PARISH, et. ux.	1101	25	5/31/30	Tarrant	120.241 *(6)
E. SMITH, et. ux.	1081	408	10/10/29	Tarrant	48.63 *(7)
W. M. DUNAWAY	1071	513	1/8/30	Tarrant	3.78 *(8)
ANNA H. KIMBROUGH	1083	585	3/20/30	Tarrant	21.86 *(9)
STOCK YARDS NATIONAL BANK	1105	205	9/11/29	Tarrant	823.00 (*10)
JOHN I. BURGESS, et. ux.	1111	449	6/9/30	Tarrant	1,280.60 (*11)
				TOTAL	2,814.18
ACRES					

***(1) Second and Third Tracts only in Vol. 1071 Pg. 551, save and except 111.72 acres sold to Fort Worth Girl Scout Council, Inc. in deed dated 12/31/45 recorded in Vol. 1788 Pg. 347 Deed Records Tarrant County, Texas.**

Surface Use Restricted (Partial)

***(2) Surface Use Restricted (Partial)**

***(3) Surface Use Restricted**

***(4) Surface Use Restricted (Partial)**

***(5) Surface Use Restricted (Partial)**

***(6) Surface Use Restricted (Partial)**

***(7) Surface Use Restricted**

***(8) Surface Use Restricted**

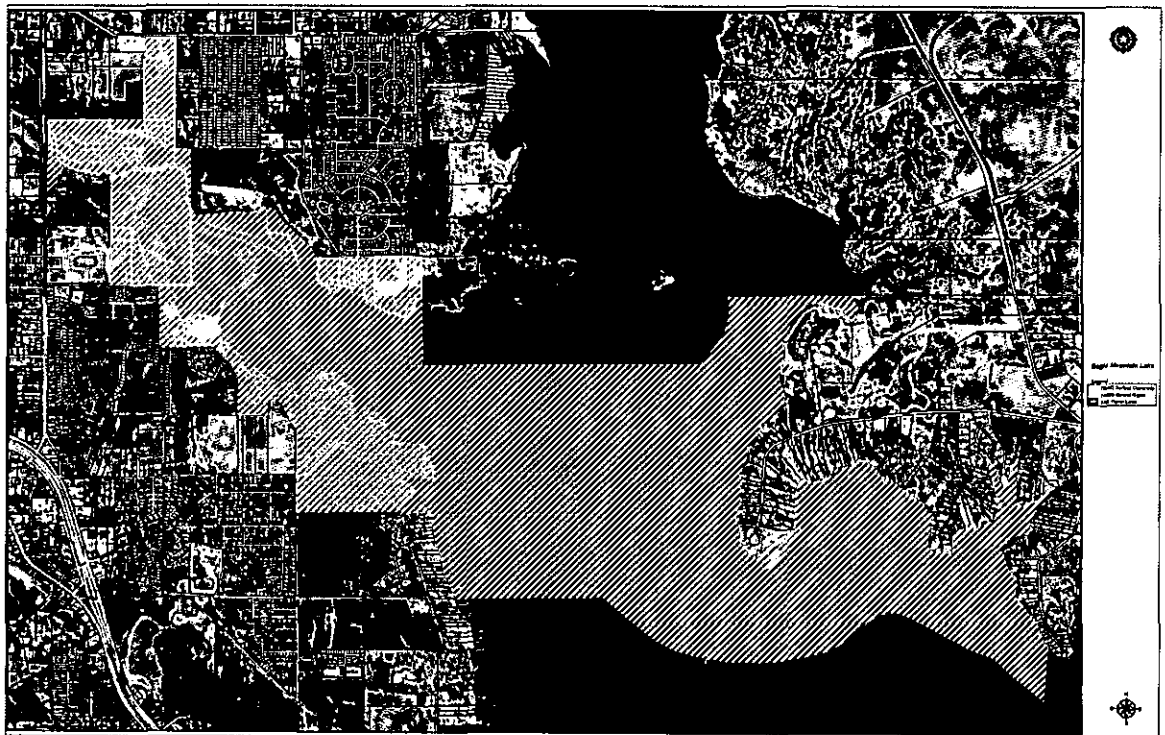
***(9) Surface Use Restricted**

***(10) Surface Use Restricted**

***(11) Only Tracts 1, 3, 4, 5, 6, and 7 out of Deed from John I. Burgess, et. ux. to Tarrant County Water Control District No. 1 dated June 9, 1930, and recorded in Vol. 1111 Pg. 449 of the Deed Records Tarrant County, Texas.**

And:

The North 221.16 of Tract 10 out of said above referenced Deed being all of Tract 10 located in the J. Wilcox Survey, Abstract 1710 in Tarrant County, Texas



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.

7.

With the recommendation of management, Director Henderson moved to approve the purchase of one (1) three-quarter-ton cab and chassis to be assigned to Western Division Operations via Interlocal Agreement in accordance with Texas Government Code 791.025 from Philpott Motors, Inc. for the low bid of \$22,165 with anticipated outfitting at a cost of \$1,200 for a total expenditure of \$23,365. Funding for this purchase is included in the FY 2005 General Fund Budget. Director Stevens seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management, Director Sparks moved to approve the purchase of one (1) low ground pressure crawler dozer for the lowest conforming bid of \$234,000 submitted by Continental Equipment with anticipated outfitting at a cost of \$7,500 for a total expenditure of \$241,500. Funding for this purchase is included in the FY 2005 General Fund Budget. Director Henderson seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Henderson moved to approve the interlocal agreement between Tarrant Regional Water District and the City of Fort Worth relating to the State Highway 121 River Mitigation Project. Director Sparks seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Henderson moved to approve an increase in the amount of \$696,000 in the contract with KBR for design and construction services related to the Richland-Chambers High-Capacity Expansion Project. Funding for this increase is included in the 2002 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management, Director Stevens moved to approve Change Order Number 01 to the contract with Smith Pump Company, Inc. for supply of pumps and motors for the Richland-Chambers High-Capacity Expansion Project Ennis (RC2) and Waxahachie (RC3) Booster Pump Stations in the amount of \$28,200. Funding for this increase is included in the 2002 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management, Director Henderson moved to approve Change Order Number 09 to the contract with Archer Western for the Richland-Chambers High-Capacity Expansion Project in the amount of \$212,380.86. Funding for this project is included in the 2002 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous.

13.


The Board viewed the quarterly video update.

14.

The President and presiding officer next called an executive session at 10:50 a.m. under Chapter 551.074 of the Government Code to consider personnel issues - Management.

15.

Upon completion of the executive session at 11:30 a.m., the President determined there being no further business before the Board of Directors, the meeting adjourned.


President


Secretary