

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 14TH DAY OF DECEMBER 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, Norman Ashton, Ken Brummett, Steve Christian, Woody Frossard, Nancy King, David Marshall, Madeline Robson, and Sandra Swinnea.

Also in attendance were George Christie, legal counsel for the District; Jim McGowen and John Femrite of Grand Harbor; Brock Smith of Longhorn Council; Dan Clifton of Boy Scout Foundation, Trace Strevey of BHB, 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 Newby, the Directors unanimously voted to approve the minutes from the meeting held November 16, 2004. It was accordingly ordered that such minutes be placed in the permanent files of the District.

2.

Earl Alexander congratulated the District and Board on their leadership in moving forward with Trinity River Vision.

3.

With the recommendation of management, Director Sparks moved to approve a contract with RJ Brandes Company to develop simulation model of the District's water delivery system using Riverware software at a cost not to exceed \$400,000 for a two (2) year period. Funding for this contract is included in the FY 2005

Revenue Fund Budget and will be included in the FY 2006 Revenue Fund Budget. Director Newby seconded the motion and the vote in favor was unanimous.

4.

With the recommendation of management, Director Henderson moved to approve a contract with GDS to aid in power contracting for the next year at a cost not to exceed \$51,500 with the provisions that legal counsel review the contract and GDS must disclose any conflicts of interest. GDS must give the District a list of suppliers and indicate which ones GDS represents and from which they receive compensation. Funding for this contract is included in the FY 2005 Revenue Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

5.

The President and presiding officer next called an executive session at 10:15 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 - Oil and Gas Pooling Agreement at Eagle Mountain Lake, Oil and Gas Lease at Eagle Mountain Lake, Surface Use Agreement at Eagle Mountain Lake and purchase of TXU water rights.

6.

Upon completion of the executive session at 10:55 a.m., the President reopened the meeting.

7.

With the recommendation of management, Director Sparks moved to approve a Surface Use Waiver and Surface Use Agreement subject to the District receiving by the January Board meeting, a flowage easement to elevation 851 feet above mean sea level and indemnification for future claims from the Boy Scouts of America and BF Acquisitions, Ltd. The original executed District documents will not be delivered prior to receipt of easement and indemnification.

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

8.

With the recommendation of management, Director Henderson moved to approve a contract with Gib Lewis for legislative consulting services during the 79th legislative session for a total annual commitment not to exceed \$54,000. Funding for this contract is included in the FY 2005 Revenue Fund Budget. Director Stevens seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Newby moved to approve the purchase of security equipment for the Waxahachie Pump Station facilities from Dallas Security Systems at a total cost of \$101,245.25. Funding for this purchase is included in the FY 2005 Revenue Fund Budget. Director Henderson seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Newby moved to approve the sale of the following described tracts of land to Terry and Donna Hogue for the total appraised value of \$8,500.

Lots 8 and 9 of Block 4, Water Board's Subdivision, in the Sharp Whitley Survey, Abstract No. 798, 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.

11.

With the recommendation of management, Director Henderson moved to approve an amendment to the Trinity River Authority of Texas existing additional party raw water supply contract for the sale of an additional three (3) mgd of water to the City of Midlothian, Texas from the District's pipelines in Ellis County in order for Midlothian to serve portions of the City of Grand Prairie, TX and all of the City of Venus, Texas; and an amendment to the City of Runaway Bay, Texas existing additional party raw water supply contract for the sale of an additional 0.30 mgd of water from Lake Bridgeport to serve a residential subdivision proposed to be constructed in Wise County, Texas.

In addition, James M. Oliver is granted authority to execute the amendments to these contracts and all documents necessary to complete these transactions. Director Stevens seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management, Director Henderson moved to approve a Pooling Agreement with Antero Resources I, LP Eagle Mountain Lake for the Copeland G1H, Copeland G2H, and Copeland I1H oil and gas wells at Eagle Mountain Lake.

In addition, the Oil and Gas Committee is granted authority to enter into future pooling agreements subject to Board ratification and Ken Brummett is granted authority to execute all necessary documents in order to accomplish these agreements. Director Newby seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management, Director Sparks moved to award the winter 2004 oil and gas lease to Antero Resources I, LP as the highest and best bidder for the bonus amount of \$5,065,915.75 for a three (3) year lease, twenty-five percent (25%) royalty, three (3) well Barnett Shale drilling commitment. Director Sparks further moved that the Board ratify the execution of the Oil and Gas Lease and Memorandum of Lease dated December 5, 2004 by Ken Brummett and grant him the authority to execute all other documents necessary to complete this transaction. Director Henderson seconded the motion and the vote in favor was unanimous.

The lands covered by this lease are described below.

EXHIBIT "A"

WINTER 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
JOHN I. BURGESS, et ux	1111	449	6/9/30	Tarrant	514.19 *(1)
JOHN I. BURGESS, et ux	1125	322	6/9/30	Tarrant	384.85
AMON G. CARTER, et al	1108	430	04/8/30	Tarrant	456.55 *(2)
L. B. HOSKINS et ux	1081	368	10/9/29	Tarrant	115.00
CITY OF FORT WORTH	1110	390	4/10/30	Tarrant	413.27 *(3)

C. E. CUNNINGHAM, et al	1101	24	5/28/30	Tarrant	165.90	*(4)
G. W. TIPPENS, et al	1050	334	1/2/30	Tarrant	130.27	
W. D. HODGSON, et al	1106	405	12/31/29	Tarrant	107.81	*(5)
W. J. PORTER	1081	409	10/11/29	Tarrant	52.00	*(6)
VAN ZANDT JARVIS, et ux	1095	483	5/6/30	Tarrant	81.00	*(7)
A. G. ALEXANDER, et ux	1105	373	10/14/29	Tarrant	15.47	
WILLIAM SMITH, et ux	1060	585	11/19/29	Tarrant	4.13	
ROSE WELLS	1150	540	4/4/32	Tarrant	38.87	*(8)
R. K. HANGER, et ux	1114	106	4/16/30	Tarrant	9.37	*(9)
CHARLES F. ROESER, et ux	1108	387	4/4/30	Tarrant	25.48	

TOTAL 2,514.96 ACRES

*(1) Only tracts 2, 7, 8, 9 and the south 275 acres of tract 10 (that portion of tract 10 located in J. Wilcox Sur. A-1730). All as described in Vol. 1111 at Pg. 449 of the Deed Records, Tarrant County, Texas.

*(2) No Surface Use**

*(3) No Surface Use**

*(4) No Surface Use**

*(5) No Surface Use**

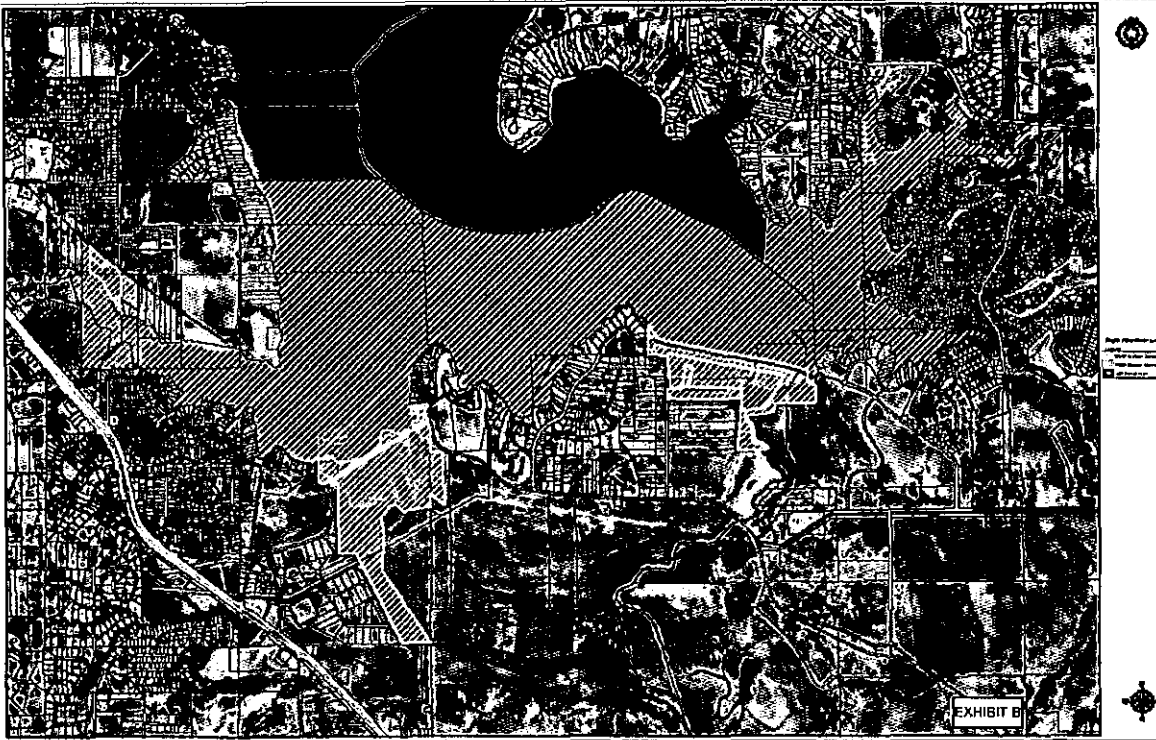
*(6) No Surface Use

*(7) Surface Use Restricted (Partial)

*(8) Half (1/2) undivided mineral interest reserved in prior deed.

*(9) No Surface Use

****LESSOR RETAINS THE OPTION TO GRANT SPECIFIC SURFACE USES ON THESE TRACTS AT LESSOR'S SOLE DISCRETION AND ONLY AFTER PRIOR WRITTEN APPROVAL BY LESSOR, WHICH MAY BE WITHHELD FOR ANY REASON.**



14.

With the recommendation of management, Director Sparks moved to approve and execute a resolution approving a Tax Abatement Agreement between Trinity Bluff Development, Ltd. and the City of Fort Worth for redevelopment of certain property described below located in overlapping TIF Districts; Downtown TIF and Trinity River Vision TIF in downtown Fort Worth. Director Stevens seconded the motion and the vote in favor was unanimous with the exception of Director Newby who abstained.

RESOLUTION

APPROVING A TAX ABATEMENT AGREEMENT BETWEEN TRINITY BLUFF DEVELOPMENT, LTD. AND THE CITY OF FORT WORTH FOR REDEVELOPMENT OF CERTAIN PROPERTY IN DOWNTOWN FORT WORTH

WHEREAS, on or about May 10, 1996, Tarrant Regional Water District entered into a written agreement with the City (the "City") to contribute certain tax increments generated by property located within the boundaries of Tax Increment Reinvestment Zone Number Three, City of Fort Worth, Texas (the "**Downtown TIF**"); and

WHEREAS, Trinity Bluff Development, Ltd. ("**Developer**") owns certain real property within the Downtown TIF on which Developer plans to cause construction of approximately 300 market rate apartment units at a cost

of at least \$25 million, as more particularly described in the attached City tax abatement agreement (the "Project"); and

WHEREAS, the Project would not be feasible without a tax abatement granted by the City in accordance with Chapter 312 of the Texas Tax Code; and

WHEREAS, the Project will serve as a catalyst for increased property taxes payable to taxing entities with jurisdiction in the Downtown TIF, both from Developer's property and property in the vicinity of the Tower, thereby directly benefiting all taxing jurisdictions participating in the Downtown TIF, including Tarrant Regional Water District; and

WHEREAS, pursuant to Section 311.0125(b)(2) of the Texas Tax Code, in order for a taxing unit's agreement to abate taxes on property located within a TIF to take effect, such tax abatement agreement must be approved by the governing body of each taxing entity that contributes tax increment to the tax increments fund of the TIF;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TARRANT REGIONAL WATER DISTRICT:

1. That the attached tax abatement agreement between the City of Fort Worth and Trinity Bluff Development, Ltd. is hereby approved in accordance with Section 311.0125(b)(2) of the Texas Tax Code is hereby approved, provided the terms are consistent with those set forth in the attached tax abatement agreement.
2. That a copy of this Resolution be placed in the minutes of the Board.

Motion was made by _____, seconded by _____, that the Resolution, above and foregoing, be adopted.

AYES: _____

NOES: _____

The voting being _____ for approval, the Resolution is hereby adopted on the _____ day of _____, 2004.

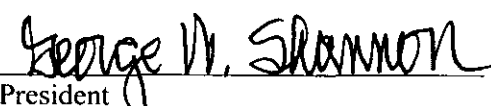
By: _____

President
Board of Directors

ATTEST:

STATE OF TEXAS §
COUNTY OF TARRANT §

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



President



Secretary