

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 20TH DAY OF DECEMBER 2005 AT 9:30 A.M.

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

Present

Victor W. Henderson
Hal S. Sparks III
Jack R. Stevens
Gina Puente-Brancato

Also present were, James M. Oliver, Alan Thomas, Ken Brummett, Lisa Cabrera, Steve Christian, Linda Christie, Wesley Cleveland, Woody Frossard, Nancy King, Skip Krause, Mark Olson, Madeline Robson, Sandy Swinnea, Ed Weaver and Mike Witthaus.

Also in attendance were George Christie, legal counsel for the District; Hal Ray of Pope, Hardwicke, Christie, Harrell, Schell & Kelly, LLP; James Toal of Gideon Toal, Inc.; Ron Lemons, Rusty Gibson, and Kelly Wood of Freese and Nichols, Inc.; Bob Smith of KBR, Gib Lewis, Clyde Picht, J. R. Kimball, and Earl Alexander. Acting President Henderson convened the meeting with the assurance from management that all requirements of the "open meetings" laws had been met.

1.

Acting President Henderson called for election of officers. On a motion by Director Sparks and seconded by Director Puente-Brancato, the Directors unanimously voted to approve Director Henderson as President. On a motion by Director Sparks and seconded by Director Stevens, Director Sparks was nominated as Vice-President, Director Stevens was nominated as Secretary and Director Puente-Brancato was nominated as Secretary Pro Tem. The Directors unanimously approved these nominations.

2.

On a motion made by Director Sparks and seconded by Director Puente-Brancato, the Directors unanimously voted to approve the minutes from the meeting held November 15, 2005. It was accordingly ordered that such minutes be placed in the permanent files of Tarrant Regional Water District.

3.

There were no persons of the general public requesting the opportunity to address the Board of Directors.

4.

With the recommendation of management, Director Sparks moved to approve a contract with Gideon Toal, Inc. for professional services for architectural/urban design associated with the Trinity River Vision Project at a cost not to exceed \$600,000. Funding for this contract is included in the FY 2006 TRWD - TRV commitment. Director Stevens seconded the motion and the vote in favor was unanimous.

5.

With the recommendation of management, Director Stevens moved to accept bids for pumps, motors and drives for the Eagle Mountain Connection Project Rolling Hills and Benbrook Booster Pump Stations pending outcome of legal issues and subject to bringing final bids to Operations Committee. Funding for this purchase is budgeted in the FY 2006 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous.

6.

The Board heard discussion regarding upcoming legislative issues with Gib Lewis and Linda Christie.

7.

With the recommendation of management, Director Puente-Brancato moved to approve the final payment and release of retainage in the amount of \$245,081.73 to Flowserve Pump Division, Inc. for the completion of the RC1 Pump Rebuild Project. Funding for this project is included in the Construction and Improvement Fund. Director Stevens seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management, Director Stevens moved to approve a contract with Bennett & Williams, Inc to purchase, install, and maintain seismic activity monitoring equipment at Eagle Mountain Dam to monitor oil well drilling and other seismic activity related

to dam safety at a cost of \$22,000, as replacement for the B-1 monitoring well equipment damaged by a lightning strike. Funding for this purchase is budgeted in the FY 2006 Revenue Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Puente-Brancato moved to purchase 580 WaterWise activity kits and teacher binders for distribution to the 5th grade classrooms in the Fort Worth and Arlington Independent School Districts at a cost of \$18,995 from Resource Action Programs. Funding for this purchase is budgeted in the FY 2006 Revenue Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Sparks moved to adopt a resolution which authorizes Linebarger, Goggan, Blair & Sampson, LLP to assess an additional penalty on delinquent personal property taxes in the amount of 20% of the delinquent tax, penalty and interest if the tax becomes delinquent on February 1 and remains delinquent on the 60th day thereafter, beginning with tax year 2005. Director Puente-Brancato seconded the motion and the vote in favor was unanimous.



RESOLUTION

THE STATE OF TEXAS §

COUNTY OF TARRANT §

WHEREAS, {Tarrant County} wishes to defray its costs of collection, as authorized by TEX TAX CODE § 33 11, that it incurs under a contract for collection of delinquent property taxes between said 'county" and a private law firm entered into pursuant to TEX TAX CODE § 6 30,

WHEREAS, under said Section 33 11, the governing body of {Tarrant County} is empowered to authorize the addition of a collection penalty in an amount that does not exceed the amount of the compensation specified in the contract with the private law firm,

NOW, THEREFORE, BE IT RESOLVED, THE COMMISSIONERS COURT OF TARRANT COUNTY, SITTING AS THE GOVERNING BODY OF SAID COUNTY, THAT

Section 1 THE RECITALS SET FORTH IN THIS RESOLUTION ARE TRUE AND CORRECT

Section 2 AN ADDITIONAL PENALTY ON DELINQUENT TAXES FOR TAX YEAR 2005 AND SUBSEQUENT YEARS IS HEREBY AUTHORIZED AND IMPOSED, AS PROVIDED BY SECTION 33 11, TEXAS TAX CODE, IN THE AMOUNT OF 20% OF THE DELINQUENT TAX, PENALTY AND INTEREST IF THE TAX BECOMES DELINQUENT ON FEBRUARY 1ST OF A YEAR AND REMAINS DELINQUENT ON THE 60TH DAY THEREAFTER

PASSED, APPROVED and ADOPTED THIS 1st day of November 2005

Tarrant County

BY Tom Vandergriff
Tom Vandergriff, County Judge

ATTEST

Wanda Boggua
County Clerk or Designee

1

11.

With the recommendation of management, Director Stevens moved to approve capital purchases of: One (1) 4 door sports utility vehicle to be assigned to the Fort Worth Administration Department for the low bid of \$19,646 submitted by Five Star Ford; one (1) one-half ton 2WD regular cab LWB pickup to be assigned to the Cedar Creek Operations Department

for the low bid of \$15,235, submitted by Caldwell Country Chevrolet; one (1) one-half ton crew cab pickup to be assigned to the Water Quality Department (Eagle Mountain) for the low bid of \$17,511, submitted by Dallas Dodge; two (2) three-quarter ton crew cab 4WD pickups to be assigned to the Fort Worth Operations Department and Engineering Department for the low bid of \$23,046 each for a total of \$46,092, submitted by Dallas Dodge; two (2) three-quarter ton extended cab LWB pickups to be assigned to the Cedar Creek Pipeline Operations Department for a total low bid of \$45,416, submitted by Capitol Chevrolet; one (1) one ton 4WD crew cab LWB pickup to be assigned to the Richland-Chambers Operations Department for the low bid of \$24,417, submitted by Philpot Motors Ford; one (1) one ton extended cab and chassis w/utility bed pickup to be assigned to the Cedar Creek Operations Department for the low bid of \$19,853, submitted by Philpot Motors Ford with anticipated outfitting costs of \$6,090 for a total cost of \$25,943. Funding for these items is included in the FY 2006 General Fund and in the FY 2006 Revenue Fund Budget. Director Puente-Brancato seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management and in accordance with Texas Water Code Section 49.218, Director Puente-Brancato moved to approve an agreement with Del Financial Services for a 36-month lease of computer hardware for an annual payment of \$152,078.75 for a three-year total of \$456,236.25 because leasing this equipment has been found to be advantageous to the Water District. Funding for this purchase is budgeted in the FY 2006 General Fund Budget and FY 2006 Revenue Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management, Director Sparks moved to approve Tarrant Regional Water District's (TRWD) participation as co-applicant in the Texas Water Development Board grant application for the Regional Wastewater Facilities Plan for Parker County. In addition, General Manager, James M. Oliver, is granted authority to execute all documents necessary for TRWD's participation in the grant application. Director Puente-Brancato seconded the motion and the vote in favor was unanimous.

WHEREAS, the Tarrant Regional Water District (TRWD) deems it to be in its best interest to participate in development of the Regional Wastewater Facilities Plan for Eastern Parker County. Co-participants include Parker County Utility District #1, Annetta, Annetta North, Annetta South, Aledo, Fort Worth, Hudson Oaks, Weatherford and Tarrant Regional Water District. The Plan will include population projections, wastewater generation projections, analysis of wastewater collection, treatment, and discharge options, and recommendations and conceptual layout and design of required wastewater facilities. Development of the Plan will have a total budget not to exceed \$134,750. The co-participants will submit an application to the Texas Water Development Board for a Regional Water Supply and Wastewater Facilities Planning Grant in the amount of \$67,375.

WHEREAS, in accordance with the rules and regulations of the Texas Water Development Board, which governs the procedures of making such grant applications, the governing body of the TRWD is required to adopt a resolution to accompany such application; and,

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was considered was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

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

1. That the Texas Water Development Board is hereby requested to grant financial assistance in an amount not to exceed \$67,375 to the co-participants to provide for fifty percent of the cost of developing the Regional Wastewater Facilities Plan for Eastern Parker County.
2. That the General Manager of TRWD is hereby authorized to jointly execute and submit to the Texas Water Development Board the application for such financial assistance; and the General Manager, together with the Consulting Engineers named in such application, are hereby authorized to appear before the Texas Water Development Board in support of such application and project.
3. That, upon award of the grant by the Texas Water Development Board, the General Manager of the TRWD is hereby authorized to jointly enter into a contract with the Texas Water Development Board regarding the use of grant funds.
4. That the TRWD intends to commit local matching funds in cash and/or in kind services in the amount of \$11,229 to development of the Regional Wastewater Facilities Plan for Eastern Parker County.
5. That the General Manager is further specifically authorized to make the required assurances to the Texas Water Development Board.

PASSED, APPROVED and ADOPTED this 20th day of December 2005.

TARRANT REGIONAL WATER DISTRICT

BY _____
Board of Directors

ATTEST

With the recommendation of management, Director Sparks moved to approve the sale of the following described tract of land for the appraised value of \$3,175 to Grady Gibson:

1,269.9 square feet, more or less, adjoining Lot 62 of the Spanish Shores Addition, Henderson County, Texas.

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

15.

The Board was presented a system update and viewed the quarterly video update.

16.

The President and presiding officer next called an executive session at 11:45 a.m. under Chapter 551.071 of the Government Code to consider contemplated litigation - threatened litigation regarding Richland-Chambers High-Capacity Expansion Project; and under Chapter 551.072 of the Government Code to consider real property issues - Eagle Mountain Connection Project, deliberate the possible purchase, exchange and value of certain real property, and discussed the purchase of water rights and oil and gas issues - Fall 2005 Oxbow oil and gas lease.

17.

Upon completion of the executive session at 12:43 p.m., the President reopened the meeting.

18.

With the recommendation of management, Director Sparks moved to approve the purchase of all existing TXU water rights under Certificate of Adjudication 08-3375 for the amount of \$308,275. In addition, the North Main water contract will be terminated and Tarrant Regional Water District will assume ownership of Nutt Dam. Director Stevens seconded the motion and the vote in favor was unanimous.

19.

With the recommendation of management, Director Sparks moved to approve the purchase of the following tracts of land necessary for construction of the Eagle Mountain Connection Project from James L. Bosler, et ux, Patricia Dianne Bosler for the purchase offer not

to exceed of \$196,040. Should owner(s) of such land decline to accept the authorized purchase offer, staff was given authority to commence eminent domain proceedings.

RESOLUTION FOR THE BOARD OF DIRECTORS

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

TRACT # 1: 1.242 acres in permanent easement and approximately 0.41 acre in temporary construction easement, situated in the Socorro Farming Company Survey, A-1842, Tarrant County, Texas, also being a portion of that certain 10 acre tract of land called "TRACT TWO" as described by deed to Patricia Dianne Bosler in Volume 11926, Page 2185, Deed Records, Tarrant County, Texas;

TRACT # 2: 2.968 acres in permanent easement and approximately 1.04 acres in temporary construction easement situated in the Socorro Farming Company Survey, A-1842 and the H. Munro Survey, A-1865, Tarrant County, Texas, also being a portion of that certain 30 acre tract of land called "TRACT THREE" as described by deed to Patricia Dianne Bosler in Volume 11926, Page 2185, Deed Records, Tarrant County, Texas;

TRACT # 3: 0.094 acre in permanent easement and approximately 0.059 acre in temporary construction easement situated in the H. Munro Survey, A-1865, Tarrant County, Texas, also being a portion of that certain 50 acre tract of land called "TRACT FIVE" as described by deed to Patricia Dianne Bosler in Volume 11926, Page 2185, Deed Records, Tarrant County, Texas;

TRACT # 4: 6.555 acres in permanent easement and approximately 3.38 acres in temporary construction easement situated in the H. Munro Survey, A-1865, the G.W. Wilkes Survey, A-1872, the R. Bissett Survey, A-192, Tarrant County, Texas, also being a portion of that certain 212.8 acre tract of land conveyed by deed to James L. Bosler and wife, Patricia Dianne Bosler in Volume 16741, Page 0485, Deed Records, Tarrant County, Texas;

The above-described four (4) parcels comprise a total of approximately 10.859 acres in permanent pipeline(s) easement, and a total of approximately 4.89 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 owners of such land, James L. Bosler and wife, Patricia Dianne Bosler, decline to accept the Board-authorized purchase offer not to exceed \$196,040.00.

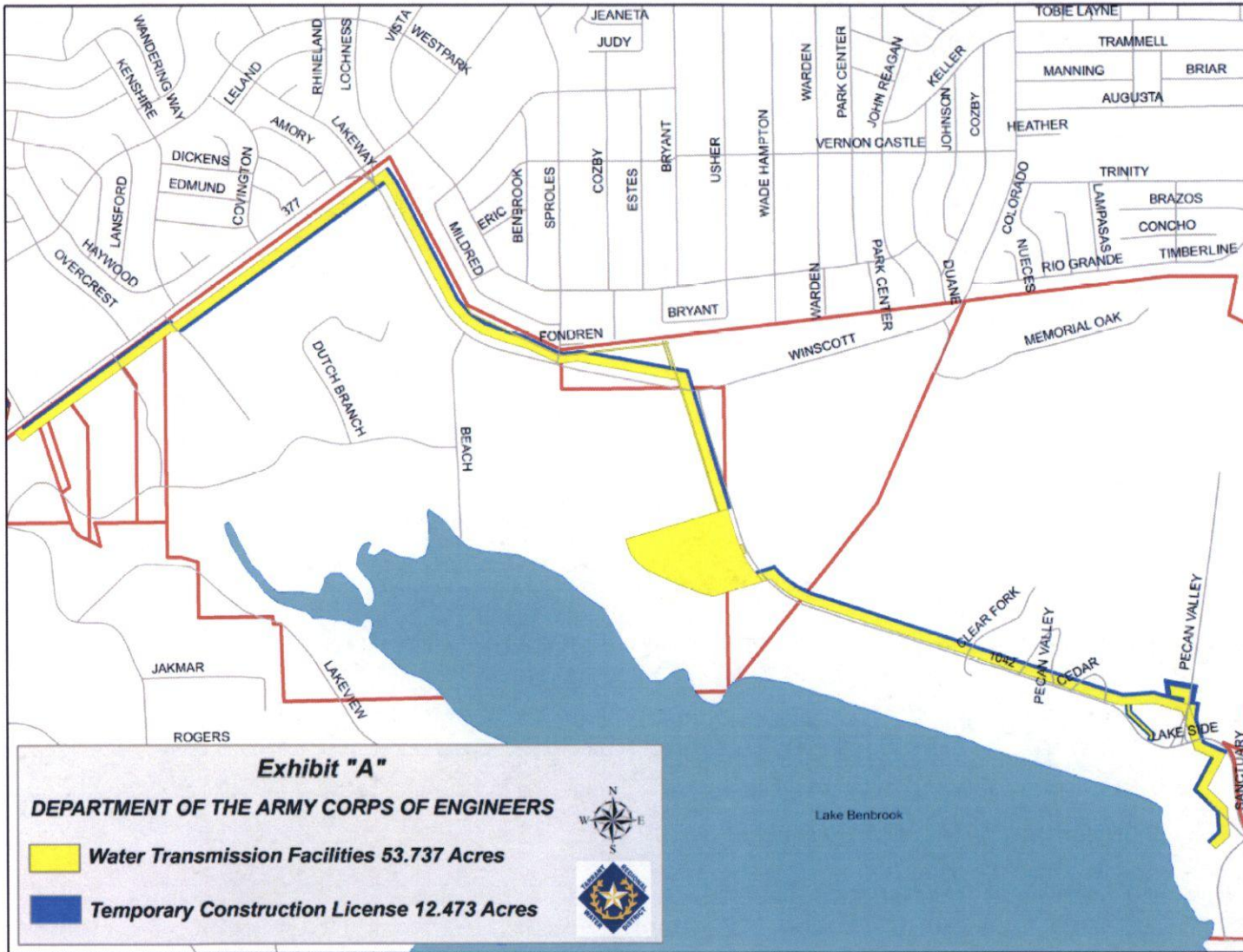
Further, Alan Thomas and R. Steve Christian are each granted authority to execute all documents necessary to acquire this land, whether by eminent domain or by purchase. Director Stevens seconded the motion and the vote in favor was unanimous.

In addition, Alan Thomas and R. Steve Christian are each 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.

With the recommendation of management, Director Stevens moved to approve the purchase of 53.737 acres of land in 50 year term water transmission facilities as well as 12.473 acres of land in the form of a temporary construction license for the construction of the Eagle Mountain Connection Project from the Department of the Army Corps of Engineers, its affiliates, successors or assigns at a cost of replacement of a restroom facility valued at \$30,000 and the planting of eight acres of trees as terrestrial mitigation required in the project's 404 permit.

RESOLUTION FOR THE BOARD OF DIRECTORS

With the recommendation of management, Director Stevens moved to authorize the commencement to acquire 53.737 acres of land in 50 year term water transmission facilities; as well as 12.473 acres of land in the form of a temporary construction license from DEPARTMENT OF THE ARMY CORPS OF ENGINEERS. Tarrant Regional Water District will be responsible for the payment of the replacement cost of a restroom facility valued at \$30,000 and the planting of eight acres of trees as terrestrial mitigation required in the project's 404 permit (such lands being determined by management and the Board to be necessary to construct the Eagle Mountain Connection Pipeline). Further, R. Steve Christian is granted authority to execute all documents necessary to acquire this land. 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 these transactions. Funding for this purchase is included in the 2002 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous.

21.

With the recommendation of management, Director Sparks moved to grant the lease of Tarrant Regional Water District's mineral rights to those lands described on Exhibit A and as shown on plat marked Exhibit B to Dale Resources, L.L.C., the highest bidder in the Fall 2005 Oxbow Oil and Gas Lease Sale held on December 8, 2005.

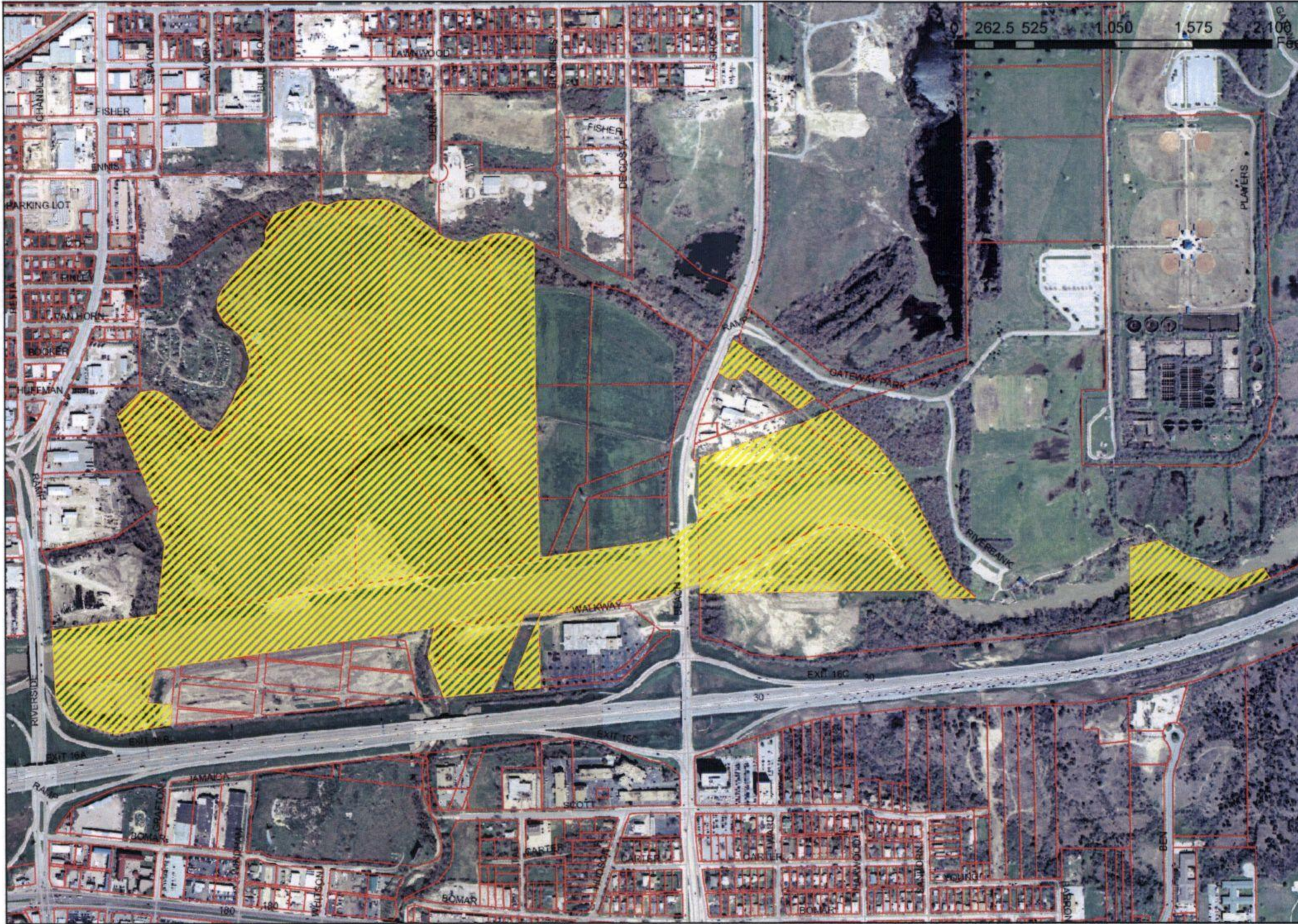
EXHIBIT "A"

(Attached to Oil, Gas and Mineral Lease from the Tarrant Regional Water District a Water Control and Improvement District to XXXXXXXXXXXXXXXXXXXXXXX)

196.0743 acres, more or less, as described in the following 12 Tracts all in Tarrant County, Texas

- Tract #1: 7.385 acres, more or less, out of the J. Sanderson Survey, Abstract No. 1430 and B. E. Waller Survey, Abstract No. 1659, more particularly described by metes and bounds in that certain Warranty Deed dated April 11, 1963 by and between Ramah Bowen, Doris Bowen Frost and husband, Hildreth Frost, Jr., and Harold C. Bowen, as Grantors and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 3800, Page 144 of the Deed Records in Tarrant County, Texas;
- Tract #2: 12.75 acres, more or less, out of the Interurban Addition, 3rd Filing, an Addition to the City of Ft. Worth, more particularly described by metes and bounds in that certain Warranty Deed dated December 21, 1955 by and between The City of Ft. Worth, a Municipal Corporation, as Grantor and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 2973, Page 441 of the Deed Records in Tarrant County, Texas;
- Tract #3: 9.70 acres, more or less, out of the B. E. Waller Survey, Abstract No. 1659 and the Sycamore Heights Addition, an Addition to the City of Ft. Worth, more particularly described by metes and bounds in that certain Warranty Deed dated January 27, 1956 by and between Nona Greene and husband, L. A. Greene, as Grantors and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 2958, Page 509 of the Deed Records in Tarrant County, Texas;
- Tract #4: 62.265 acres, more or less, out of the B. E. Waller Survey, Abstract No. 1659 and the Sycamore Heights Addition, an Addition to the City of Ft. Worth, more particularly described by metes and bounds in that certain Special Warranty Deed dated January 7, 1980 by and between Carol G. Rhodes, as Grantor and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 6870, Page 884 of the Deed Records in Tarrant County, Texas;
- Tract #5: 1.67 acres, more or less, out of the Sycamore Heights Addition, an Addition to the City of Ft. Worth, more particularly described by metes and bounds in that certain Warranty Deed dated November 30, 1979 by and between A. L. Miner and wife, Billie Marie Miner, as Grantors and the Tarrant County Water Control and

- Improvement District No. 1, as Grantee, recorded in Volume 6865, Page 1440 of the Deed Records in Tarrant County, Texas;
- Tract #6: 7.8098 acres, more or less, out of the Sycamore Heights Addition, an Addition to the City of Ft. Worth, more particularly described by metes and bounds in that certain Warranty Deed dated January 12, 1956 by and between Emmons R. Bahan and wife Blance C. Bahan, Merle W. Bahan and wife, Julia Bahan, Mary L. Whiteman, Individually and as Trustee and husband, Carl Whiteman, Sophia B. Purvis, and Mary J. Bahan, as Grantors and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 2955, Page 424 of the Deed Records in Tarrant County, Texas;
- Tract #7: .82 acres, more or less, out of the Sycamore Heights Addition, an Addition to the City of Ft. Worth, more particularly described by metes and bounds in that certain Warranty Deed dated December 5, 1979 by and between Nona Lou Greene, as Grantor and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 6870, Page 1430 of the Deed Records in Tarrant County, Texas;
- Tract #8: 59.115 acres, more or less, out of the B. E. Waller Survey, Abstract No. 1659, more particularly described by metes and bounds in that certain Warranty Deed dated December 5, 1979 by and between Nona Lou Greene, as Grantor and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 6870, Page 1426 of the Deed Records in Tarrant County, Texas;
- Tract #9: 8.43 acres, more or less, out of the Sycamore Heights Addition, an Addition to the City of Ft. Worth, more particularly described by metes and bounds in that certain Warranty Deed dated May 31, 1967 by and between Myrlee Goss and wife, Fredine Goss, as Grantors and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 4410, Page 378 of the Deed Records in Tarrant County, Texas;
- Tract #10: 12.159 acres, more or less, out of the Sycamore Heights Addition, an Addition to the City of Ft. Worth, more particularly described by metes and bounds in that certain Warranty Deed dated January 27, 1956 by and between Ethel E. Wombie and husband, J. A. Wombie, as Grantors and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 2958, Page 22 of the Deed Records in Tarrant County, Texas;
- Tract #11: 9.5305 acres, more or less, out of the Sycamore Heights Addition, an Addition to the City of Ft. Worth, more particularly described by metes and bounds in that certain Warranty Deed dated September 15, 1981 by and between Myrlee Goss and wife, Fredine Alice Goss, as Grantors and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 7189, Page 1843 of the Deed Records in Tarrant County, Texas;
- Tract #12: 4.44 acres, more or less, out of the J. Lynch Survey, Abstract No. 942, more particularly described by metes and bounds in that certain Warranty Deed dated July 18, 1957 by and between Texas Turnpike Authority, as Grantor and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 3138, Page 415 of the Deed Records in Tarrant County, Texas;



**Trinity River
Oxbow**

- Legend**
- TRWD Ownership
 - TAD Parcel Lines

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

22.

The agenda item on the retiree health benefit policy was tabled.

23.

The meeting recessed at 1:00 p.m. for lunch and reconvened at 1:45 p.m.

24.

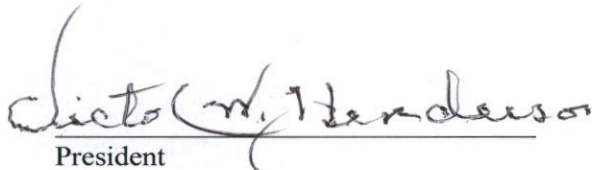
The President and presiding officer next called an executive session at 1:46 p.m. under Chapter 551.074 of the Government Code to consider personnel issues - discussion of appointment of Director to fill vacancy on Board.

25.

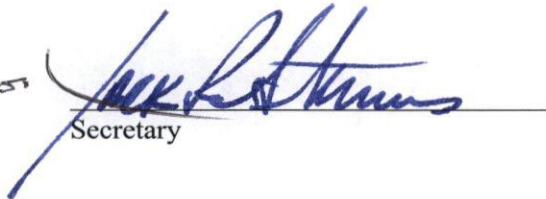
Upon completion of the executive session at 2:40 p.m., the President reopened the meeting.

26.

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



President



Secretary