

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 19TH DAY SEPTEMBER 2006 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
Marty V. Leonard
James W. Lane

Also present were James M. Oliver, Alan Thomas, Shanna Cate, Linda Christie, Steve Christian, Wesley Cleveland, Woody Frossard, JD Granger, Nancy King, Skip Krause, David Marshall, Mark Olson, Madeline Robson, Sandy Swinnea, Ed Weaver and Mike Witthaus.

Also in attendance were George Christie, General Counsel for Tarrant Regional Water District (the Water District); Lee Christie representing Pope, Hardwicke, Christie, Schell, Kelly & Ray, LLP; Adelaide Leavens of Streams and Valleys; Kathy Berek and Dan Buhman of KBR; Richard Sawey, Michael Rice, Indira Pjetrovic, Ian Stott and Don Funderlic of Camp, Dresser, and McKee, Inc.; Rosa Navejar of Fort Worth Hispanic Chamber of Commerce; Max Baker representing Fort Worth Star Telegram; Robert Francis of Fort Worth Business Press; Kevin Patrick of PMK; Tracy Smith, Bob Smith and Earl Alexander.

President Henderson convened the meeting with the assurance from management that all requirements of the "open meetings" laws had been met.

1.

All present were given the opportunity to join in reciting the Pledge of Allegiance.

2.

On a motion made by Director Stevens and seconded by Director Lane, the Directors unanimously voted to approve the minutes from the meeting held August 15, 2006. On a motion made by Director Lane and seconded by Director Sparks, the Directors unanimously voted to approve the minutes from the meeting held September 6, 2006. It was accordingly ordered that these minutes be placed in the permanent files of Tarrant Regional Water District.

3.

Adelaide Leavens of Streams and Valleys commented that there are four spots left in this summer's final Kayak Clinic which is scheduled for Saturday. 120 people have participated and all are invited to Friends of the River party at University Parks Village.

Director Lane commended Jim Oliver, Linda Christie and their staff for making arrangements for the press conference held by Governor Perry.

Preliminary successes of this year's Trinity Trash Bash include 5,070 pounds of trash and 8.25 pounds of cigarette butts collected by 819 volunteers.

4.

With the recommendation of management, Director Leonard moved to approve the 2007 General Fund Budget in the amount of \$65,594,906. Director Sparks seconded the motion and the vote in favor was unanimous.

5.

With the recommendation of management, Director Sparks moved to adopt a 2006 tax rate of \$.02/\$100 valuation. Director Stevens seconded the motion and the vote in favor was unanimous.

ORDER OF BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
ADOPTING AD VALOREM TAX

On the 19th day of September, 2006, at a regularly scheduled meeting of the Board of Directors of Tarrant Regional Water District, upon motion duly made and seconded, the Board of Directors unanimously entered the following order:

IT IS HEREBY ORDERED that Tarrant Regional Water District adopt for tax year 2006 an ad valorem tax rate of \$.02 per \$100 of taxable value as appraised by the Tarrant County Appraisal District and that the Water District staff take the necessary steps to implement collection of the tax so adopted.

Victor W. Henderson, President

ATTEST:

Jack R. Stevens, Secretary

6.

With the recommendation of management, Director Stevens moved to approve the 2007 Revenue Fund Budget in the amount of \$77,335,462. Director Sparks seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management, Director Stevens moved to approve the continuation of the contract with Camp, Dresser & McKee, Inc. for the engineering and design for the Fort Worth Central City Project at a cost of \$1,712,734. Funding for this contract is included in the General Fund Budget - TRV. Director Leonard seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management, Director Leonard moved to approve a contract with PBS&J, which includes a goal of 25% for the utilization of Fair Contracting Opportunities Businesses, for the initial survey work related to right-of-way acquisition for the TRV Central City Project in the amount of \$72,310. Funding for this contract is included in the General Fund - TRV. Director Lane seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Lane moved to adopt the Fair Opportunities Purchasing/Contracting Policy dated September 19, 2006 with the change to the policy of reporting quarterly instead of annually. Director Sparks seconded the motion and the vote in favor was unanimous.

10.

The President and presiding officer next called an executive session at 10:50 a.m. under Chapter 551.072 of the Government Code to consider real property issues – transfer of land at Cedar Creek Reservoir; discuss water rights; and oil and gas issues – Sycamore Creek Oil and Gas Lease Agreement, Oil and Gas Pooling Agreement for XTO BBC-TRWD Units #1H, #2H and #4H, and Oil and Gas Pooling Agreement for XTO Bob Sudderth Gas Unit.

11.

Upon completion of the executive session at 11:51 a.m., the President reopened the meeting.

12.

With the recommendation of management, Director Stevens moved to approve a contract with Huffman Communications for implementation of a licensed 6GHz microwave communications system for the only conforming bid in the amount of \$3,230,000. Funding for this contract is included in the 2006 Bond Issue. Director Leonard seconded the motion and the vote in favor was unanimous.

13.

The agenda item on Trinity River Vision Authority bylaws was tabled.

14.

With the recommendation of management, Director Sparks moved to approve the purchase of twelve 20" resilient seat ball valves for the Cedar Creek high-capacity booster pump stations for the lowest conforming bid of \$55,313 each for a total cost of \$663,756 submitted by GA Industries, Inc. Funding for this purchase is included in the 2007 Revenue Fund for the amount of \$340,000 and the remainder from the 2006 Bond Issue. Director Stevens seconded the motion and the vote in favor was unanimous.

15.

With the recommendation of management, Director Stevens moved to approve the final payment and release of retainage in the amount of \$31,200 to WHF Electric Contractor's, Inc. for provision, installation and completion of the new SCADA System hardware. Funding for this project is included in the 2006 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous.

16.

With the recommendation of management, Director Stevens moved to approve the purchase of aluminized type 2 corrugated pipe and bands to improve floodway erosion control

and drainage for the low bid of \$16,183 submitted by Texas Steel Culverts. Funding for this purchase is included in the FY 2006 General Fund. Director Leonard seconded the motion and the vote in favor was unanimous.

17.

With the recommendation of management, Director Stevens moved to approve the purchase of 3000 PSI concrete with fiber at the low bid of \$74 per cubic yard submitted by Tarrant Concrete for a total amount not to exceed 700 cubic yards at a total cost not to exceed \$51,800. Funding for this purchase is included in the FY 2007 General Fund. Director Leonard seconded the motion and the vote in favor was unanimous.

18.

With the recommendation of management, Director Sparks moved to approve an oil and gas lease with Dale Resources, L.L.C. as the highest and best bidder with a bid of \$350,951, 25 percent royalty, and three (3) year primary term for the Water District's mineral interest in 45.284 net acres as shown on Exhibit A.

SECTION ONE: Sycamore Creek Golf Course

44.92 acres

Tract #1: **37.32 acres**, more or less, out of the James Sanderson Survey, Abstract No. 1430, Tarrant County, Texas, and being more particularly described by metes and bounds in that certain Special Warranty Deed dated May 30, 1991 by and between the Tarrant County Water Control and Improvement District No. 1, as Grantor and the City of Fort Worth, as Grantee, recorded in Volume 10296, Page 1169 of the Deed Records in Tarrant County, Texas;

Tract #2: **5.20 acres**, more or less, out of the James Sanderson Survey, Abstract No. 1430, Tarrant County, Texas, and being more particularly described by metes and bounds in that certain Special Warranty Deed and Easement dated September 16, 1974 by and between the Tarrant County Water Control and Improvement District No. 1, as Grantors and W. J. Newell and Ken B. Newell, as Grantees, recorded in Volume 5726, Page 965 of the Deed Records in Tarrant County, Texas;

Tract #3: **1.40 acres** of land, more or less, being all of that certain 4.349 acres of land more or less, out of the James Sanderson Survey, Abstract 1430, Tarrant County, Texas being more particularly described in that certain deed dated July 26, 1951, by and between Clara A. Earle, a widow, Grantor, and Tarrant County Water Control and Improvement District

Number One, Grantee, and recorded in Volume 2339, Page 386, of the Deed Records of Tarrant County, Texas as follows:

"A tract of land out of the JAMES SANDERSON SURVEY, in Tarrant County, Texas, and more fully described as follows: Beginning at a bois d' arc stake 798 feet East of the Southeast corner of Block 55 of Glenwood Addition; THENCE East 344 feet to a bois d' arc stake; THENCE North 285 feet to a stake and being the beginning point and southeast corner of tract herein conveyed; THENCE N. 586 feet to iron pipe in South line of the T. & P. Ry. right of way line; THENCE N. 77 deg. W. 234 feet to stake; THENCE S. 4 deg. 75 min. E. 333 feet to a stake; THENCE S. 10 deg. E. 286.8 feet to a stake; THENCE 150.4 feet to point of beginning, SAVE and EXCEPT a tract of land .18 acres more or less extending along the Northern boundary line of tract herein conveyed and being same tract as heretofore conveyed by Grantor (Corrie Valkus) to T. & P. RR by deed dated 5.25-42 and recorded in Vol. 1521, page 169, Deed Records of Tarrant County, Texas;"

SAVE AND EXCEPT that portion of the above described tract containing 2.949 acres of land, now lying within the boundaries of Lot E, Block 4, and Lot BR, Block 2R, of the Newell's Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in Volume 388-96, Page 4, of the Plat Records of Tarrant County, Texas.

Tract #4: 1.0 acre or land, more or less, being all of that certain 10.7 acres of land, out of the James Sanderson Survey, Abstract 1430, Tarrant County, Texas, and being more particularly described in that certain deed dated July 26, 1951, by and between Clara A. Earle, a widow, as Grantor, and Tarrant County Water Control and Improvement District Number One, as Grantee, and recorded in Volume 2339, Page 386, of the Deed Records of Tarrant County, Texas as follows:

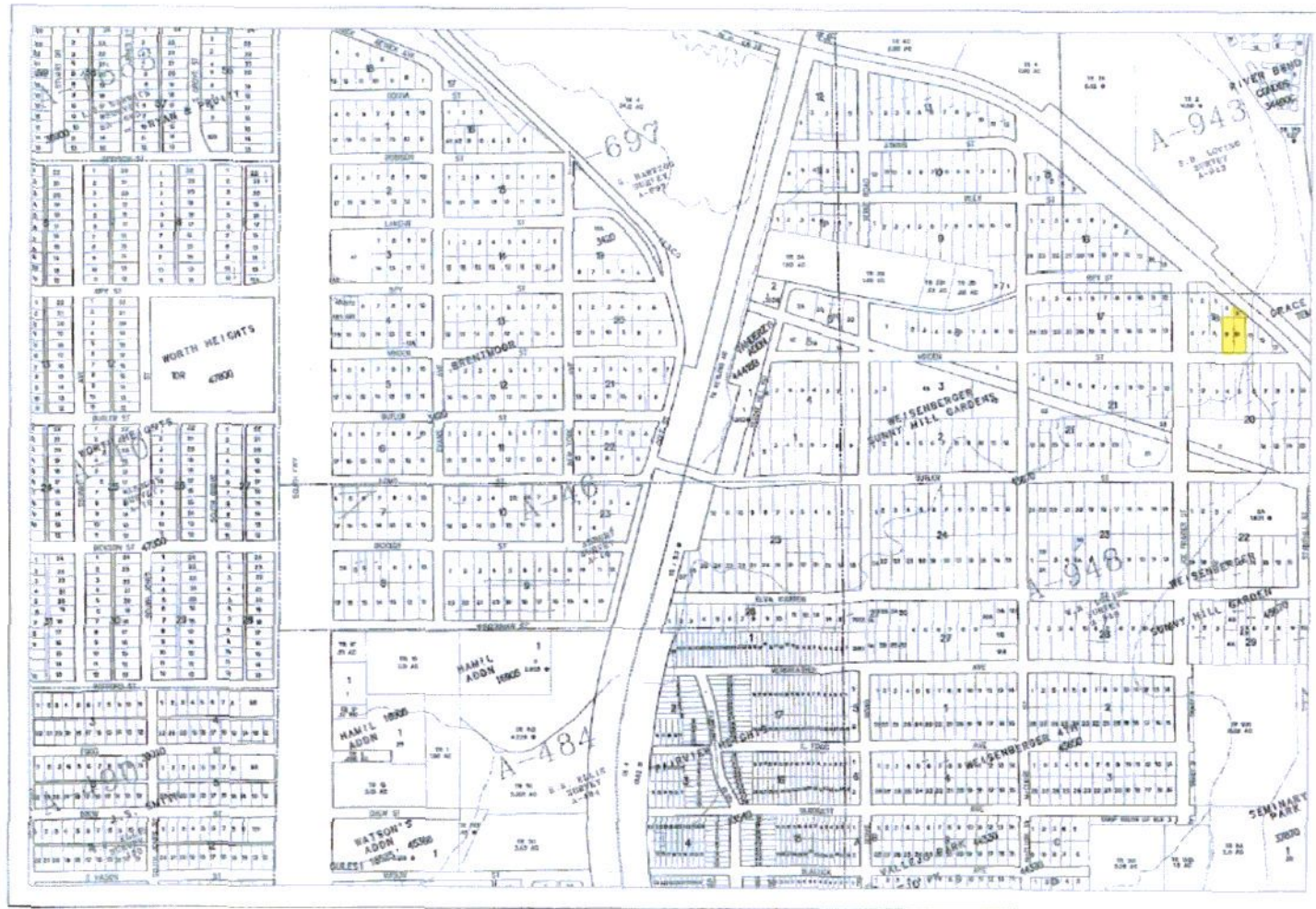
"Also the following described tract out of the JAMES SANDERSON SURVEY, in Tarrant County, Texas; Beginning at a stake in the East line of the right of way of C. R. I. & T. RR 100 feet from located line of said R. R. to place of beginning, being 79 feet East of the Southeast corner of Block 49 of Glenwood Addition to the City of Fort Worth, in Tarrant County, Texas; Thence with said right of way line S. 50 deg. 55 min. E. 333 feet to a point on the N. line of Graham Street 40 feet Street 337' east of the southeast corner of Block 51 of said street 315 feet to a bois d' arc stake near foot of a hill whence 7 in. elm brs. N. ½' and 5 in. elm brs. N. 73 deg. W. 1 ½'; Thence S. 17-¾ deg. E. 169 feet to a stake on the N. side of Graham Street; Thence S. 65 deg. E. 87 feet to a stake in said street line; Thence S. 79 deg. E. 87 feet to a stake in said street line; Thence N. 10 deg. W. 244 feet to 3 in. elm brs. on the West Bank of Ravine; Thence N. 4-¾ deg. W. 336 feet to a stake in South line of right of way of T. & P. RR. Co. 100 feet from center of RR track; Thence a 12 in. elm brs. S. 10 deg. E. 3'; Thence with said right of way line N. 77 deg. W. 148 feet to a pin, whence 12 in. elm brs S. 26 ¼ deg. W. 13 ¼' at 908 feet to Northeast corner of said Block 49 of Glenwood Addition, in all about 1370 feet to East line of said C. R. I. & T. RR; Thence with said

right of way line S. 50 deg. 55 min. E. at about 500 feet crossing the East line of said Block, in all 600 feet to the place of beginning, containing 9.8 acres, more or less out of the said James Sanderson Survey, in Tarrant County, Texas, and 1.3 acres out of Block 49, of Glenwood Addition to Fort Worth, , Tarrant County, Texas, Less a strip of land off said described tract of .31 of an acre to Fort Worth Southern Traction Company by deed dated 8-14-11, and recorded in Vol. 382, Page 597, Deed Records of Tarrant County, Texas, this deed covering a tract of land transferred to S. Simon by M. F. Colin et ux Anna A. Conlin by deed recorded in Vol. 784, page 269, Deed Records of Tarrant County, Texas. SAVE AND EXCEPT from the above tracts, that part conveyed by Clara A. Earle, et vir Elias s. Earle, by deed dated 5-14-42, filed 5-29-42, and recorded in Vol. 1521, page 35, Deed Records of Tarrant County, Texas;"

SAVE AND EXCEPT: 9.7 acres of land, more or less, lying within the boundaries of Lot E, Block 4, of the Newell's Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in Volume 388-96, Page 4, of the Plat Records of Tarrant County, Texas, and Lot 1, Block 1, of the Sycamore Golf Course, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in Cabinet A, Slide 1389, of the Plat Records of Tarrant County, Texas.

SECTION TWO: Weisenberger Sunny Hill Garden

.364 acres of land, more or less, being all of Lots 5, 9, and 10, Block 18, of the Weisenberger Sunny Hill Garden Addition, an addition to the City of Fort Worth, Tarrant County, Texas; LESS AND EXCEPT: any portion of the above described lots currently lying within the Rail Road Right of Way.



Tarrant Appraisal District

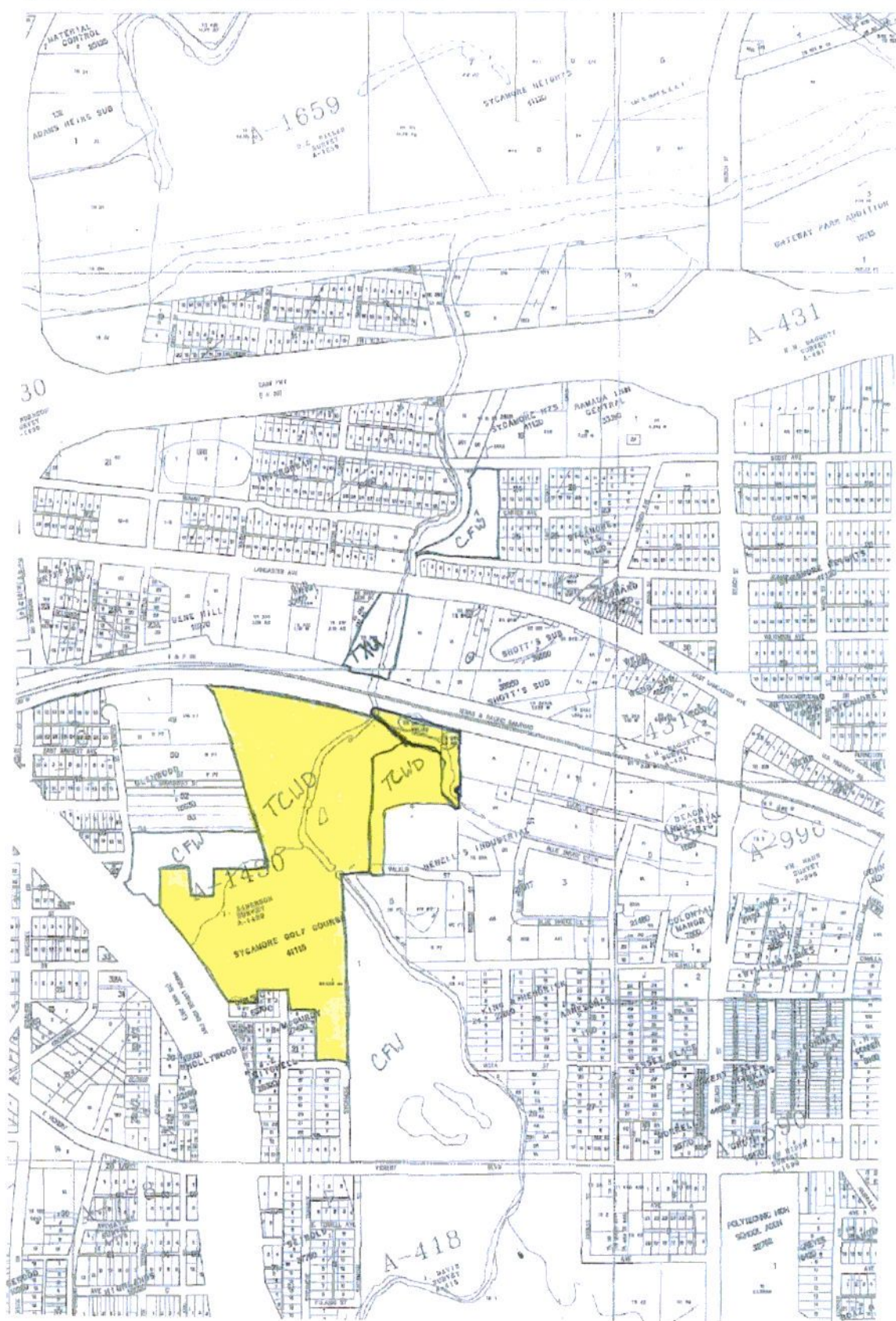
This map was prepared for the use of
Tarrant Appraisal District and is not to be used
for any other purpose without the express permission
of the District Appraiser.



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Map
Prepared by
Tarrant Appraisal District
4/1/10



It is further requested that Ken Brummett be granted authority to execute the lease and all other documents necessary to complete this transaction. Director Leonard seconded the motion and the vote in favor was unanimous.

19.

With the recommendation of management, Director Sparks moved to ratify the pooling agreements executed by Ken Brummett on behalf of the Water District for the. (1) XTO BBC-TRWD Unit #1H, (2) XTO BBC-TRWD Unit #2H and (3) XTO BBC-TRWD Unit #4H oil and gas units at Eagle Mountain Lake.

Director Stevens seconded the motion and the vote in favor was unanimous.

20.

With the recommendation of management, Director Sparks moved to ratify the pooling agreements executed by Ken Brummett on behalf of the Water District for the XTO Bob Sudderth Gas Unit in Parker County, Texas.

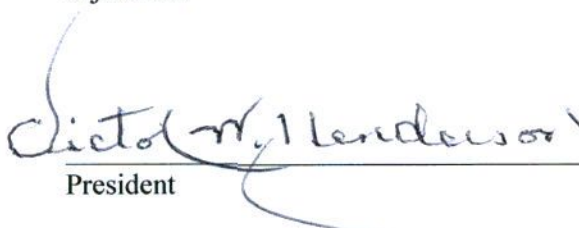
Director Leonard seconded the motion and the vote in favor was unanimous.

21.


The Board viewed the quarterly video update.

22.

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



President



Secretary