

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT REGIONAL WATER DISTRICT  
HELD ON THE 20<sup>TH</sup> DAY OF NOVEMBER 2007 AT 9:30 A.M.

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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  
Jim W. Lane

Also present were James M. Oliver, Alan Thomas, Laura Blaylock, Ken Brummett, Linda Christie, Steve Christian, Wesley Cleveland, Nancy King, David Marshall, and Wayne Owen.

Also in attendance were Lee Christie, representing Pope, Hardwicke, Christie, Schell, Kelly & Ray, LLP General Counsel for Tarrant Regional Water District (the Water District); Rusty Gibson of Freese and Nichols, Inc.; Dick Fish of Save Eagle Mountain Lake; Max Baker of the Fort Worth Star Telegram; Kathy Berek of KBR, Inc.; Jay Pritchard of Trinity River Communications 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 Leonard and seconded by Director Lane, the Directors unanimously voted to approve the minutes from the meeting held October 16, 2007. It was accordingly ordered that these minutes be placed in the permanent files of Tarrant Regional Water District.

3.

Dick Fish of Save Eagle Mountain Lake thanked the Water District for their participation at their recent annual meeting with 105 in attendance. They enjoyed the outstanding presentation by Mark Ernst, David Geary and Jim Oliver.

4.

With the recommendation of management, Director Stevens moved to conduct a public hearing on December 14, 2007 and to place a proposal to elect to provide for the ad valorem taxation of "goods-

in-transit" which would otherwise be exempt under Section 11.253(b) of the Texas Tax Code and not exempt under other law on the agenda of the December 2007 meeting of the TRWD Board of Directors. Director Leonard seconded the motion and the vote in favor was unanimous.

5.

With the recommendation of management, Director Leonard moved to extend 2007 appointments to Tax Increment Financing boards for an additional year, to December 31, 2008 as noted below:

### TIF APPOINTMENTS

<b>TIF District</b>	<b>TRWD Representatives</b>
4 (Medical District)	Linda Christie
6 (Riverfront/RadioShack)	Linda Christie
7 (North Tarrant Parkway)	Linda Christie
8 (Lancaster)	Linda Christie
9 (Trinity River Vision)	Gina Puente-Brancato Victor Henderson Jack Stevens
10 (Lone Star/Cabela's)	Linda Christie
11 (Southwest Pky/121)	Hal Sparks
12 (East Berry Street)	Linda Christie

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

6.

With the recommendation of management and the Operations Committee, Director Stevens moved to approve capital expenditures as noted below:

<b>Equipment</b>	<b>Vendor</b>	<b>Funding Source</b>	<b>Approved Amount</b>
ITB #08-006 (2) 1/2 Ton 2WD Ext/Quad Cab Pickup	Philpott Motors, Nederland, TX	Revenue Fund	\$34,900.66
ITB #08-007 3/4 Ton 4WD Ext/Quad Cab Pickup	McKinney Dodge, Mckinney, TX	General Fund	\$23,393.05
ITB #08-008 Mid-Size 4 Door SUV	Philpott Ford, Nederland, TX	Revenue Fund	\$19,577.13
ITB #08-009 3/4 Ton 2WD Ext Cab & Chassis w/Utility Bed	Philpott Motors, Nederland, TX	Revenue Fund	\$23,706.38
ITB# 08-010 3/4 Ton 2WD Ext Cab & Chassis	Philpott Motors, Nederland, TX	Revenue Fund	\$24,556.38
ITB #08-005 Gradall XL5100 III	Hi-Way Equipment Company, Austin, TX	General Fund	\$323,938.60

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

7.

With the recommendation of management and in accordance with Board approved guidelines, Director Lane moved to approve the sale of the following described tract of land to the adjoining owners, Chris and Sheree Gilbraith for the appraised value of \$1,044.

**87 square feet of land, more or less, adjacent to Lot 4 of the Windward Cove Addition, situated in the T.S. Mitchell Survey, A-488, Henderson County, Texas.**

# LAND TITLE SURVEY

Lot No. 87 Square Feet      Block No.      City      Texas  
 Addition : Part of the TRWD Tract Adjacent to Lot 4 of Windward Cove Subdivision  
 Volume 5    Page 1      Cabinet A    Slide 334 of the Plat Records of Henderson County, Texas.  
 Address: 1008 Live Oak Circle: Tool, Texas 75143

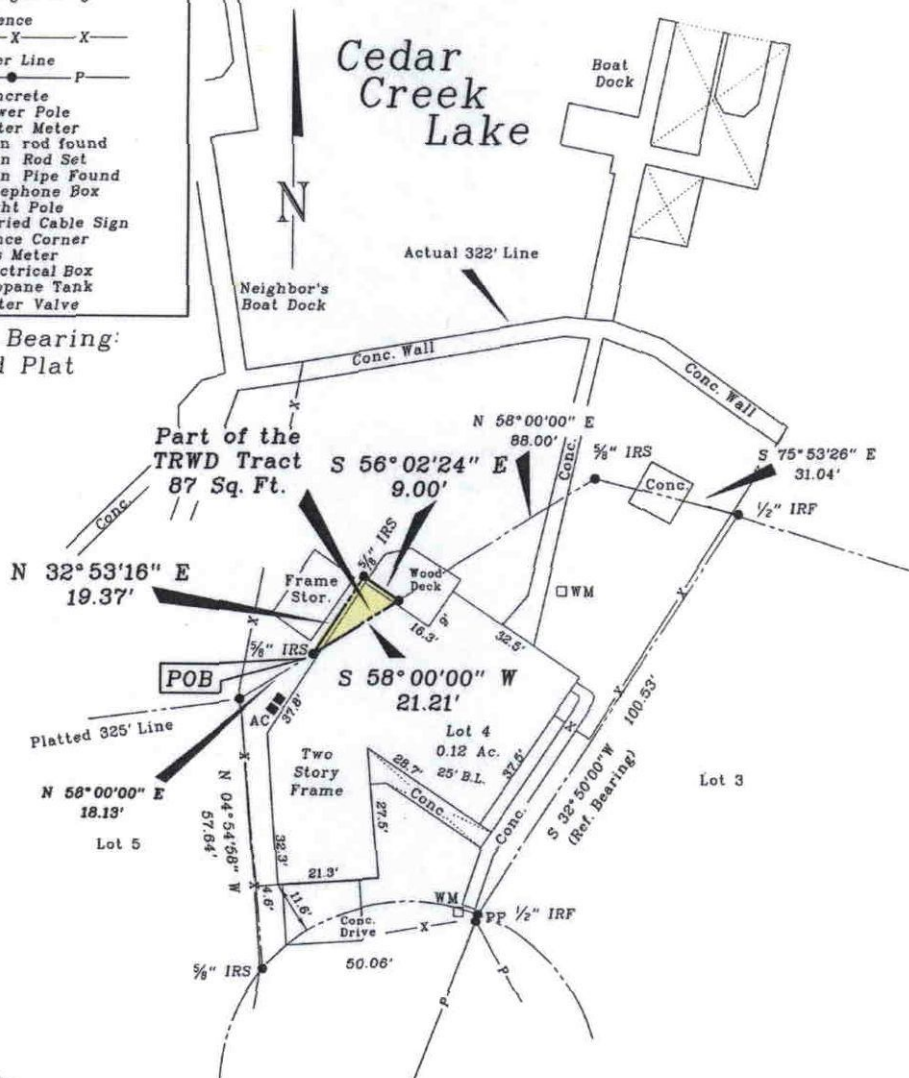
**Legend**

— T —	Telephone
— C —	Cable
— X —	Fence
— P —	Power Line
Conc.	Concrete
PP	Power Pole
WM	Water Meter
IRF	Iron rod found
IRS	Iron Rod Set
IPF	Iron Pipe Found
TB	Telephone Box
LP	Light Pole
BCS	Buried Cable Sign
FC	Fence Corner
GM	Gas Meter
EB	Electrical Box
PT	Propane Tank
WV	Water Valve

Stipulations: Vol. 512, Pg. 221

This tract is subject to a blanket water line easement to Community Water Company, located wherever lines are installed, Vol. 596, Pg. 215

Basis of Bearing:  
Recorded Plat

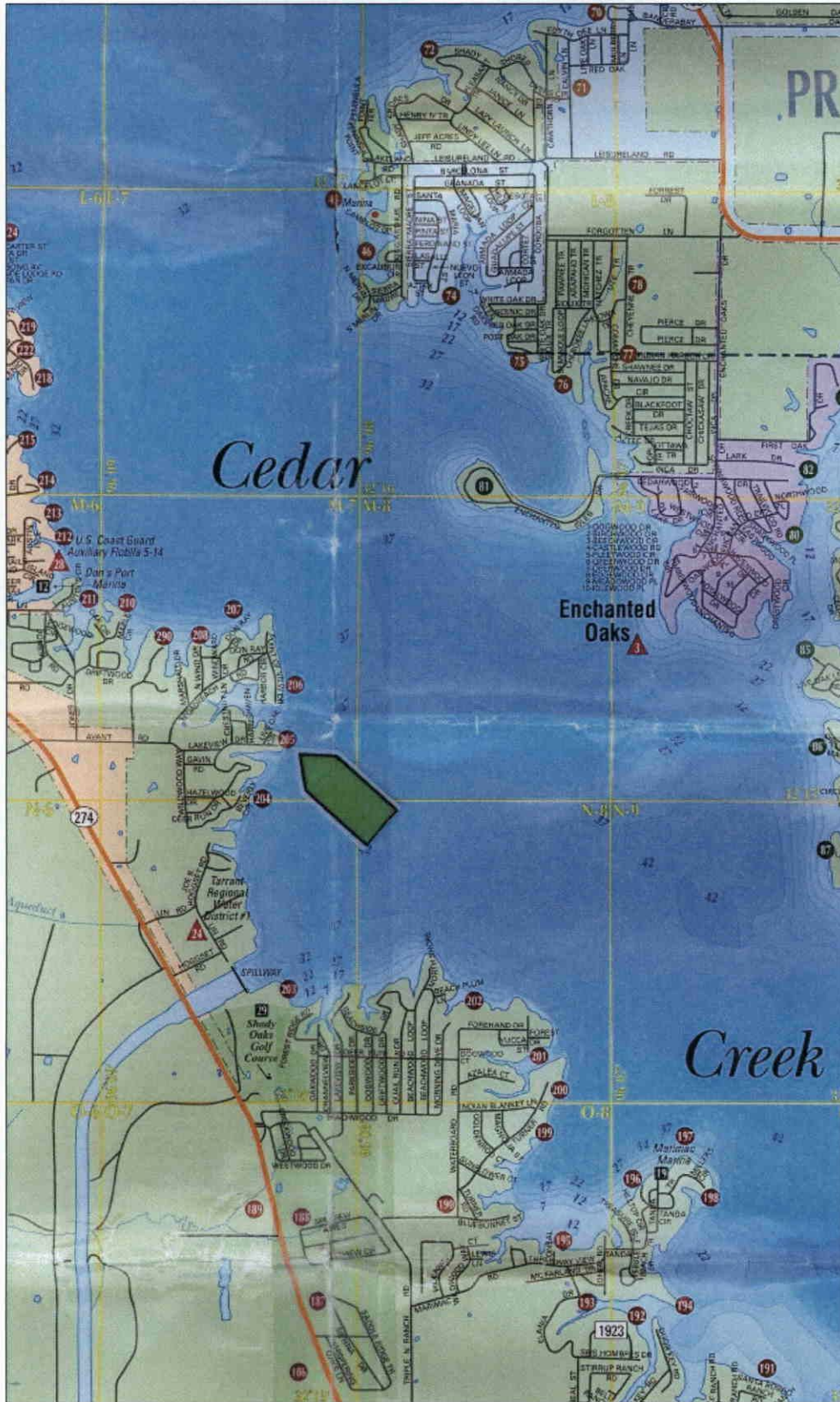


Live Oak  
Circle

Curve Data

△	= 71° 42' 27"
R	= 40.00'
T	= 28.91'
L	= 50.06'
Ch	= S 75° 07' 25" W 46.86'

Vicinity Map



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.

8.

With the recommendation of management, Director Stevens moved to approve a contract with GLO State Power Program, with an amendment stating the Water District's first choice is to obtain electricity from providers that use gas to generate electricity to supply electricity, for all Water District small accounts in the deregulated area at a five (5) year fixed price of \$0.08516/KWh. Funding for this contract is included in the 2008 Revenue Fund Budget. Director Leonard seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management and the Construction Committee, Director Leonard moved to approve a contract with CDM for engineering assistance in rebuilding the switchgear at the Cedar Creek Lake Pump Station , Ennis Booster Pump Station and Waxahachie Booster Pump Station at a cost not to exceed \$525,889. Funding for this contract is included in the 2006 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous with Director Lane being absent for the vote.

10.

With the recommendation of management and the Operations Committee, Director Stevens moved to approve a three-year contract with Pressure Pipe Inspection Company for inspection, GIS mapping and risk management services at a cost not to exceed \$1,017,245 with \$140,000 to be spent in 2008. Funding for this contract is included in the 2008 Revenue Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management and the Construction Committee, Director Leonard moved to approve payment of \$79,846 to Parsons Brinckerhoff for Phase 1B of the Eagle Mountain dam project's geotechnical and stability analysis. Funding for this payment is included in the 2006 Bond Issue. Director Lane seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management and the Construction Committee, Director Stevens moved to approve a contract with Mainlining Service to apply a mortar lining to the bypass pipeline on the Richland-Chambers side of the Ennis Booster Pump Station for the low bid of \$122,200. Funding for this contract is included in the 2002 Bond Issue. Director Lane seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management and the Land Committee, Director Sparks moved to approve a contract with Freese and Nichols Inc. for the Emergency Spillway study and updated Probable Maximum Flood for Eagle Mountain Dam at a cost not to exceed \$121,100. Funding for this contract is included in the 2008 General Fund Budget. Director Stevens seconded the motion and the vote in favor was unanimous.

14.

With the recommendation of management, Director Leonard moved to approve amendments to the following Additional Party Raw Water Supply Contracts Industrial:

- Brazos Electric Power Cooperative, Inc. – Fifth Amendment
- Suez / Wise County Power Company – Second Amendment

These amendments will authorize the sale of an additional (1) MGD or 1,172 acre-feet of water supply per year from Lake Bridgeport for industrial use, for each contract.

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

15.

With the recommendation of management and the Finance Committee, Director Sparks moved to adopt a resolution authorizing the General Manager to act on behalf of the Board of Directors to apply for Water Infrastructure Fund financial assistance in the amount of \$10 million from the Texas Water Development Board. Director Leonard seconded the motion and the vote in favor was unanimous.

16.

With the recommendation of management and the Oil and Gas Committee, Director Leonard moved to approve a refund of 75% of the amount paid by Vargas Energy, LTD for the Clear Fork Bryant Irvin Oil and Gas Lease in the amount of \$97,162. After the lease was awarded, it was determined that the Water District did not own the full mineral interest in a portion of the acreage covered by the lease. In addition, Ken Brummett is granted authority to process this refund. Director Lane seconded the motion and the vote in favor was unanimous.

17.

With the Recommendation of management and the Oil and Gas Committee, Director Sparks moved to ratify the pooling agreement executed by Ken Brummett on behalf of the Water District with XTO Energy, Inc. for the TRWD Latham #1H and Armstrong TRWD #2H located at Eagle Mountain Lake as shown on Exhibits below. Director Lane seconded the motion and the vote in favor was unanimous.





This plat does not represent a boundary survey. Acreages shown hereon are deed called or calculated from deeds furnished by others. Monumentation shown hereon was found. Surface location ties are shown from the location surveyed (will be dated when staked). The Bearing Base is "GRID", N.A.D. 27 Datum, TxC North Central Zone, Convergence: +00°06'03".4 at the Surface Location.

SURFACE LOCATION ARMSTRONG TRWD UNIT 2H WELL IN THE DON THOMAS FLORES, A-510 BEING 257' FROM THE WEST LINE OF SAME AND ALSO BEING THE EAST LINE OF THE TOWNSEND SURVEY, A-1502, AND BEING 873' FROM THE SOUTH LINE OF THE DON THOMAS FLORES, A-510 BEING THE NORTH LINE OF THE J. WILCOX SURVEY, A-1727, ALSO BEING 308' FROM THE NORTHWEST UNIT LINE CORNER AND BEING 137' FROM THE WEST UNIT LINE.

PENETRATION POINT ARMSTRONG TRWD UNIT 2H WELL IN THE DON THOMAS FLORES SURVEY, A-510 BEING 754' FROM THE WEST LINE OF SAME AND ALSO BEING THE EAST LINE OF THE TOWNSEND SURVEY, A-1502, AND BEING 878' FROM THE SOUTH LINE OF THE DON THOMAS FLORES SURVEY, A-510 BEING THE NORTH LINE OF THE J. WILCOX SURVEY, A-1727, ALSO BEING 1247' FROM THE WEST UNIT LINE AND BEING 645' FROM AN INTERIOR NORTH UNIT LINE CORNER.

INFLECTION POINT ARMSTRONG TRWD UNIT 2H WELL IN THE DON THOMAS FLORES SURVEY, A-510 BEING 472' FROM THE EAST LINE OF SAME AND ALSO BEING THE WEST LINE OF THE J. WILCOX SURVEY, A-1730, AND BEING 308' FROM THE SOUTH LINE OF THE DON THOMAS FLORES SURVEY, A-510 BEING THE NORTH LINE OF THE J. WILCOX SURVEY, A-1727, ALSO BEING 1247' FROM THE WEST UNIT LINE AND BEING 845' FROM AN INTERIOR NORTH UNIT LINE CORNER.

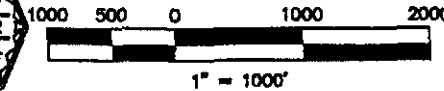
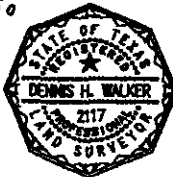
**WELL LOCATION PLAT  
XTO ENERGY INC.  
ARMSTRONG TRWD UNIT 2H  
272.7792 ACRE UNIT  
TARRANT COUNTY, TEXAS**

WALKER & ASSOCIATES SURVEYING, INC.  
TYLER, TEXAS PH: 903-534-8000

I, Dennis H. Walker, Registered Professional Land Surveyor do hereby state that this plat was prepared from a partial survey and from public record information and is true and correct to the best of my knowledge.

GIVEN UNDER MY HAND AND SEAL this 6th day of September, 2007.

By: *Dennis H. Walker*  
Dennis H. Walker  
Registered Professional Land Surveyor  
State of Texas No. 2117



**J. WILCOX  
ABSTRACT 1710**

**EXHIBIT "C"**

+00°06'03".4

**TOWNSEND  
ABSTRACT 1553**

**ARMSTRONG TRWD UNIT  
2H PENETRATION POINT**

**DON THOMAS  
FLORES  
ABSTRACT 510**

**J. WILCOX  
ABSTRACT 1730**

**ARMSTRONG TRWD UNIT  
2H WELL BOT. HOLE LOC.**



1	- CALLED 1.00 ACRES	HENRY T. SMITH, JR
2	- CALLED 1.00 ACRES	ROBERT E. SMITH
3	- CALLED 1.00 ACRES	MARGARET CRUMP
4	- CALLED 6.05 ACRES	JOHN ATWELL et ux
5	- CALLED 0.3082 ACRES	ALBERTINE WASHINGTON
6	- CALLED 3.204 ACRES	BOBWHITE PROPERTIES, LP.
7	- CALLED 2.79 ACRES	JAMES WILKERSON et ux
8	- CALLED 3.885 ACRES	CONNIE JO PAYNE
9	- CALLED 2.38 ACRES	J. ALONSO BUDENSTRO et ux
10	- CALLED 3.77 ACRES	FRED HANCOCK et ux
11	- CALLED 4.3 ACRES	JOHN HENDERSON et ux
12	- CALLED 4.48 ACRES	MICHAEL MURPHY
13	- CALLED 4.77 ACRES	DORINE MORRIS et ux
14	- CALLED 1.927 ACRES	MARY ELIZA RICHARDSON
15	- CALLED 143.441 ACRES	TRND 24
16	- CALLED 10.00 ACRES	BILLY RAY PETERS
17	- CALLED 4.743 ACRES	WILLIAM R. SIMMONS, JR et al
18	- CALLED 33.25 ACRES	PHILIP MELAND ARMSTRONG
19	- CALLED 25.04 ACRES	BILL PETERS et al
20	- CALLED 5.19 ACRES	DANLA DEAN EDGAR
21	- CALLED 12.588 ACRES	CONTI & SON, LTD.
22	- CALLED 0.296 ACRES	JOHN WIER, JR. et al
23	- CALLED 0.230 ACRES	SARAH KELLEY et ux
24	- CALLED 0.211 ACRES	CYNTHIA BUSSET
25	- CALLED 0.211 ACRES	KYLE BULLOCK et ux
26	- CALLED 0.211 ACRES	MICHAEL ATKINS et ux
27	- CALLED 0.211 ACRES	MICHAEL BURBER et ux
28	- CALLED 0.211 ACRES	VENNON PELUCY et ux
29	- CALLED 0.284 ACRES	JAMES MICHELIANI et ux
30	- CALLED 0.344 ACRES	PAULA MATTOX et al
31	- CALLED 3.022 ACRES	TIFFANY BONE
32	- CALLED 0.222 ACRES	BRENDA AARON et ux
33	- CALLED 0.721 ACRES	DAVID LONG et ux
34	- CALLED 0.227 ACRES	DAVID LONG et ux
35	- CALLED 0.277 ACRES	WELLEY CHAPEL CHRISTIAN
36	- CALLED 0.363 ACRES	DIANA LING
37	- CALLED 0.779 ACRES	TALURS ASHWOOD PARK, LTD.
272.7792 TOTAL CALLED ACRES IN UNIT & DRILL UNIT		

**J. WILCOX  
ABSTRACT 1727**

**J. WILCOX  
ABSTRACT 1703**

**W.L.B. 20 BARS**  
BEING PART OF THE  
\*\* SURFACE LOCATION ARMSTRONG TRWD UNIT 2H WELL \*\*  
IN ABSTRACT  
D. WILCOX  
L.A.D. 07/27/06  
L.A.C. 07/27/06

**PENETRATION POINT ARMSTRONG TRWD UNIT 2H WELL \*\***  
IN ABSTRACT  
D. WILCOX  
L.A.D. 07/27/06  
L.A.C. 07/27/06

**INFLECTION POINT ARMSTRONG TRWD UNIT 2H WELL \*\***  
IN ABSTRACT  
D. WILCOX  
L.A.D. 07/27/06  
L.A.C. 07/27/06

**BOTTOM HOLE ARMSTRONG TRWD UNIT 2H WELL \*\***  
IN ABSTRACT  
D. WILCOX  
L.A.D. 07/27/06  
L.A.C. 07/27/06

BOTTOM HOLE LOC. ARMSTRONG TRWD UNIT 2H WELL IN THE J. WILCOX SURVEY, A-1730 BEING 1380' FROM THE WEST LINE OF SAME AND ALSO BEING THE EAST LINE OF THE DON THOMAS FLORES SURVEY, A-510, AND BEING 308' FROM THE SOUTH LINE OF THE J. WILCOX SURVEY, A-1730 BEING THE NORTH LINE OF THE J. WILCOX SURVEY, A-1727, ALSO BEING 330' FROM THE EAST UNIT LINE AND BEING 330' FROM THE NORTH UNIT LINE.

Surface Location is located  
1.1 Miles Southeast of Ayle  
"AZLE" Quadrangle

18.

With the recommendation of management and the Oil and Gas Committee, Director Leonard moved to approve an oil and gas lease to Chesapeake Exploration L.L.C. for terms of \$13,410, 25% royalty, two (2) year primary term for the Water District's mineral interest in 2.682 net acres, more or less, located in the Whitestone subdivision in Benbrook as shown on the plat below.



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

19.

Staff reports were next presented which included:

TIF #13 Presentation  
Eagle Mountain Park update  
Eagle Mountain Connection Project update  
Annual Corps of Engineer's Inspection Report

20.


The President and presiding officer next called an executive session at 11:24 a.m. under V.T.C.A., Government Code, Chapter 551.071 to consider pending or contemplated litigation - Oklahoma water resources.

21.

Upon completion of the executive session at 11:40 a.m., the President reopened the meeting.

22.

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

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary