

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 20TH DAY OF MAY 2008 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
Jim W. Lane

Also present were James Oliver, Alan Thomas, Darrel Andrews, Laura Blaylock, Ken Brummett, Steve Christian, Wesley Cleveland, Woody Frossard, Sheila Johannessen, David Marshall, Wayne Owen, Kari Schmidt, Paula Stewart, Sandy Swinnea and Mike Witthaus.

Also in attendance were George Christie, General Counsel for Tarrant Regional Water District (the Water District); Dick Fish of Save Eagle Mountain Lake; Ron Lemons of Freese and Nichols, Inc.; Michael Siciliano of Standard Renewable Energy; Kathy Berek of HDR; Jeff Salavarrria of Frost Bank; Max Baker of the Fort Worth Star Telegram; Judd 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.

The Water District contracted with the Tarrant County Elections Administrator to conduct the joint election for Water District directors and the Tarrant County special bond election on May 10, 2008.

The Tarrant County Elections Administrator has counted, summarized and delivered the sealed precinct returns to Nancy L. King as the Representative of the Presiding officer of the canvassing authority, President Henderson. President Henderson then tendered to the Board as the canvassing authority the sealed precinct returns and a tabulation stating for each candidate the total number of votes received in each precinct and the sum of the precinct totals.

The tabulation reflects that Vic Henderson, Hal S. Sparks III, and Jack R. Stevens were duly elected to the Board and the Board certified them as duly elected members of the Board of Directors of Tarrant Regional Water District, and declared the election results to be formally canvassed as shown on the tabulation:

<u>Candidate</u>	<u>Votes</u>
John Austin Basham	3,893
Jack R. Stevens	5,399
Hal S. Sparks III	4,837
Vic Henderson	4,726

Number of Ballots Cast: 12,776

3.

According to the results of the election for three (3) Tarrant Regional Water District Board of Directors, Victor W. Henderson was administered the Oath of Office by Martha V. Leonard, Secretary Pro-Tem. Hal S. Sparks III and Jack R. Stevens were administered the Oaths of Office by Victor W. Henderson, President.

4.

On a motion made by Director Stevens and seconded by Director Sparks, the Directors unanimously voted to approve the minutes of the meeting held on April 15, 2008. It was accordingly ordered that these minutes be placed in the permanent files of Tarrant Regional Water District.

5.

Dick Fish of Save Eagle Mountain Lake had many favorable comments regarding the Eagle Mountain Park including a couple who has already hiked all the trails.

6.

With the recommendation of management, Director Leonard moved to approve an interlocal agreement with the Trinity River Authority, North Texas Municipal Water District and the City of Dallas to analyze freshwater inflow needs. Funding for the Water District's portion of the cost of this study is included in the FY 2008 Revenue Fund Budget in the amount of \$141,600. Director Sparks seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management and committee as noted, Director Lane moved to approve operations and maintenance expenditures as noted below:

Equipment	Vendor	Approved Amount	Funding Source	Committee Recommending Approval
ITB# 08-032 Painting at the Cedar Creek Lake Pump Station, Ennis Pump Station and Richland-Chambers Office	Superior Painting Company	\$63,910	Revenue	Construction/Operations
ITB# 08-029 Replacement of Fencing and Gates at Several District Locations	Wall Enterprises	\$123,800	Revenue	Construction/Operations
ITB #08-030 Janitorial Services	RAS Janitorial Services	\$25,368	General	Construction/Operations

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

8.

With the recommendation of management and the Construction Committee, Director Leonard moved to approve the purchase of solar power system equipment for the new Information Technology and Engineering facility from Standard Renewable Energy at a cost of \$1,471,930. Funding for this purchase is included in the FY 2009 General Fund Budget. Director Lane seconded the motion and the vote in favor was unanimous.

9.

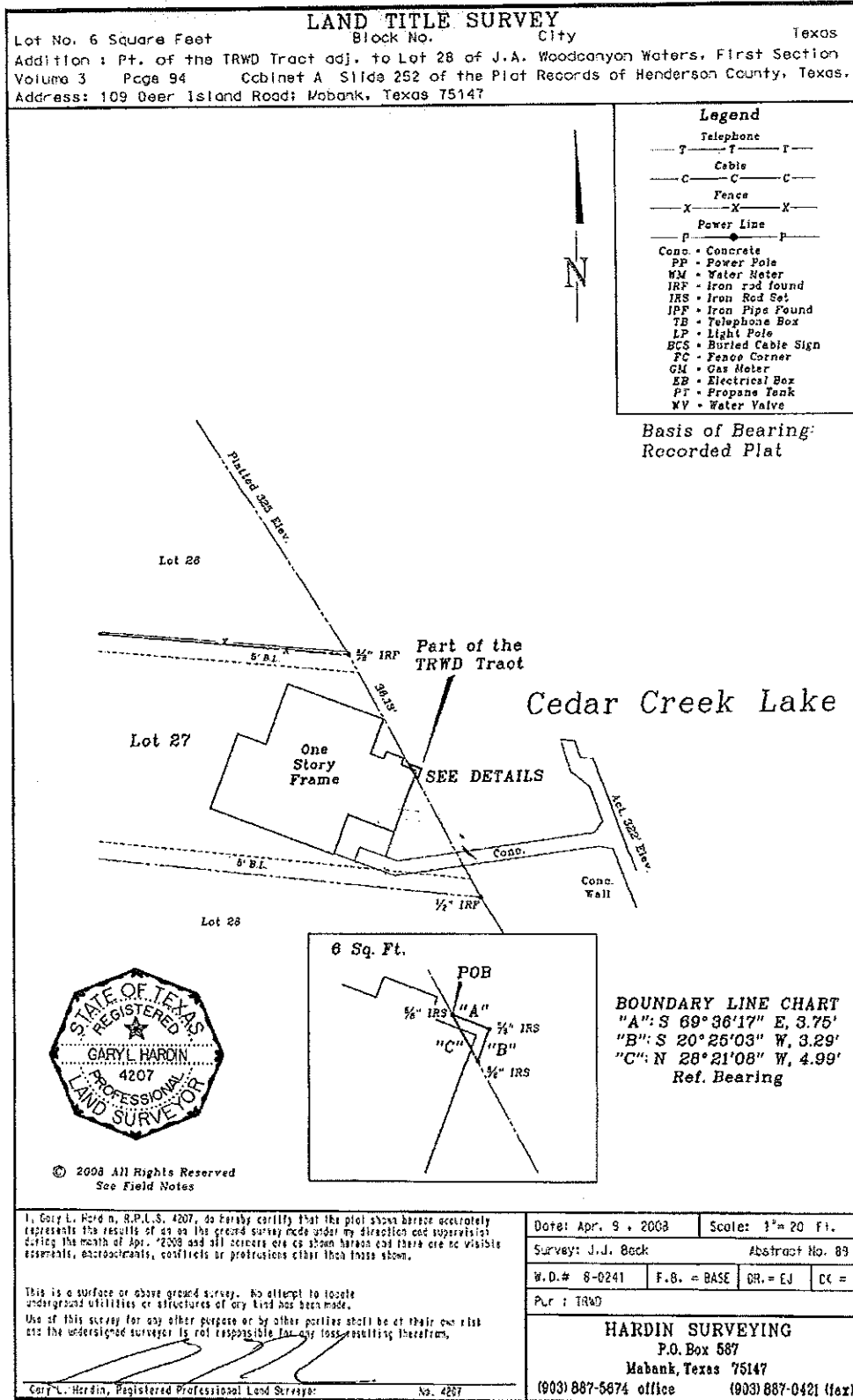
With the recommendation of management and the Construction Committee, Director Leonard moved to release the retainage and final payment on the contract with Archer Western Contractors Ltd. for the Arlington Outlet Expansion Project in the amount of \$120,933.24. Funding for this project is included in the 2006 Bond Fund. Director Stevens seconded the motion and the vote in favor was unanimous.

10.

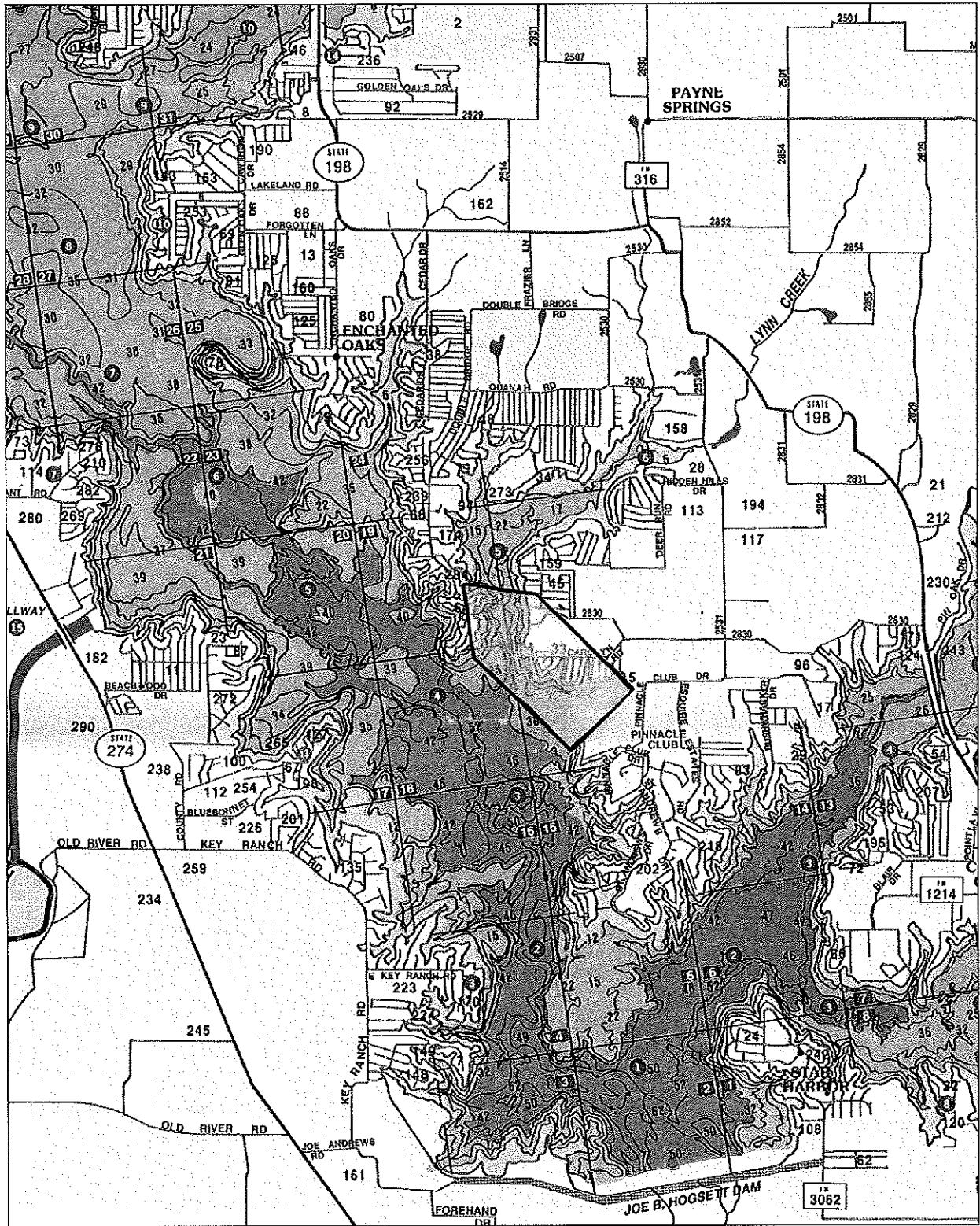
With the recommendation of management and the Land Committee, Director Sparks moved to approve the sale of the following described tract of land at Cedar Creek Lake to the adjoining owner, Joseph Boyd, for the appraised value of \$54.00 total (\$9.00 per square foot) as follows:

6 square feet, more or less, located adjacent to Lot 27 of the Woodcanyon Waters Addition, First Section, situated in the J.J. Beck Survey, A-89, Henderson County, Texas

Survey Plat



Vicinity Map



In addition, R. Steve Christian is granted authority to execute the deed and all other documents necessary to close this transaction. Director Lane 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 a contract with Apache Ecological Services for aquatic planting services for the Wetlands Construction Project for the estimated cost of \$76,050.30. Funding for this project is included in the 2006 Bond Fund. Director Lane seconded the motion and the vote in favor was unanimous.

12.

The President and presiding officer next called an executive session at 10:29 a.m. under V.T.C.A., Government Code, Chapter 551.071 to consider pending or contemplated litigation - Oklahoma Water Resources; and under Chapter 551.072 to consider oil and gas issues.

13.

Upon completion of the executive session at 11:01 a.m., the President reopened the meeting.

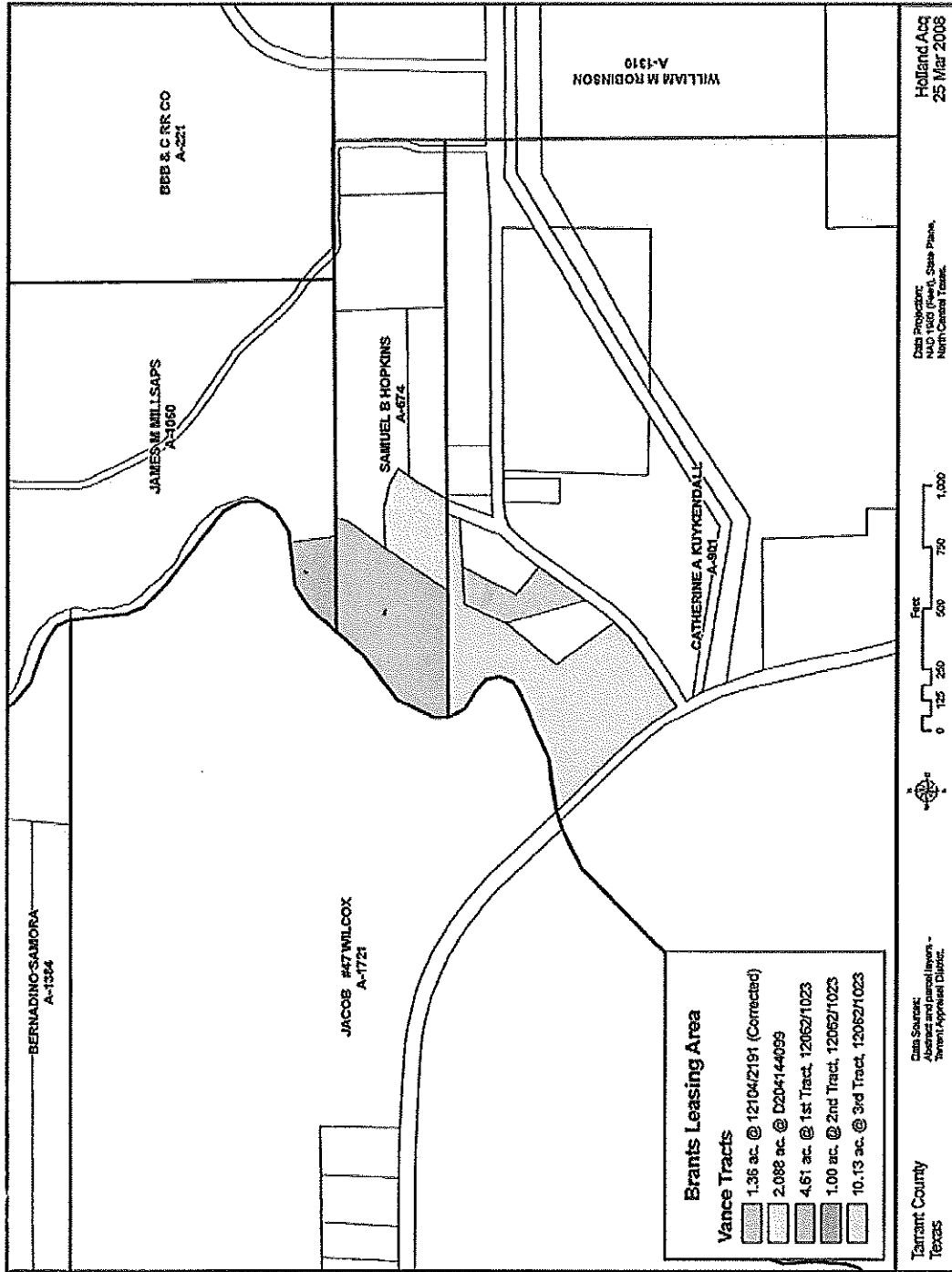
14.

With the recommendation of management and the Oil and Gas Committee, Director Lane moved to approve a lease with Dale Property Services, LLC for the bid of \$94,665.00, 25 percent royalty, three (3) year primary term for the Water District's mineral interest in approximately 6.311 acres as follows:

6.311 acres of land, more or less, out of William C. Trimble Survey, Abstract No. 1521, J. F. Redding Survey, Abstract No. 1302, and the W. N. Ray Survey, Abstract No. 1353, more practically described by metes and bounds in that certain Warranty Deed dated May 7, 1987 by and between Mike A. Myers, as Grantor and the Tarrant County Water and Improvement District No. 1, as Grantee, recorded in Volume 8968, Page 476 of the Deed Records, Tarrant County, Texas.

In addition, Ken Brummett is 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.

With the recommendation of management and the Oil and Gas Committee, Director Lane moved to ratify the oil and gas lease agreement between Robert Anderson Vance and XTO Energy, Inc. dated May 19, 2005 covering the 4.61 and 1.0 acre tracts as shown on the Exhibit below:



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

16.

With the recommendation of management and the Oil and Gas Committee, Director Sparks moved to approve a lease with Dale Property Services, LLC for the bid of \$224,565.00, 25 percent royalty, three (3) year primary term for the Water District's mineral interest in approximately 14.971 net acres, more or less, as shown



Dale Property Services, LLC

April 10, 2008

Tarrant Regional Water District
800 East North Side Dr.
Fort Worth, TX 76102
Attn: Ken Brummett, Staff Attorney

RECEIVED
APR 11 2008


Re: Request for Oil and Gas Lease
14.971 acres of land, more or less, out of Blocks 15 and 28, of the Shelby County School Land Survey, Tarrant County, Texas, more particularly described on the attached Exhibit. ("TRWD lands")

Dear Mr. Brummett:

This letter is to attest to the fact that neither Dale Property Services, LLC, nor any of its affiliated entities, have paid a bonus amount in excess of \$15,000.00 per net mineral acre, or a royalty higher than 25%, for any lands of like size, configuration and with similar lease restrictions within the general vicinity of the above described TRWD lands.

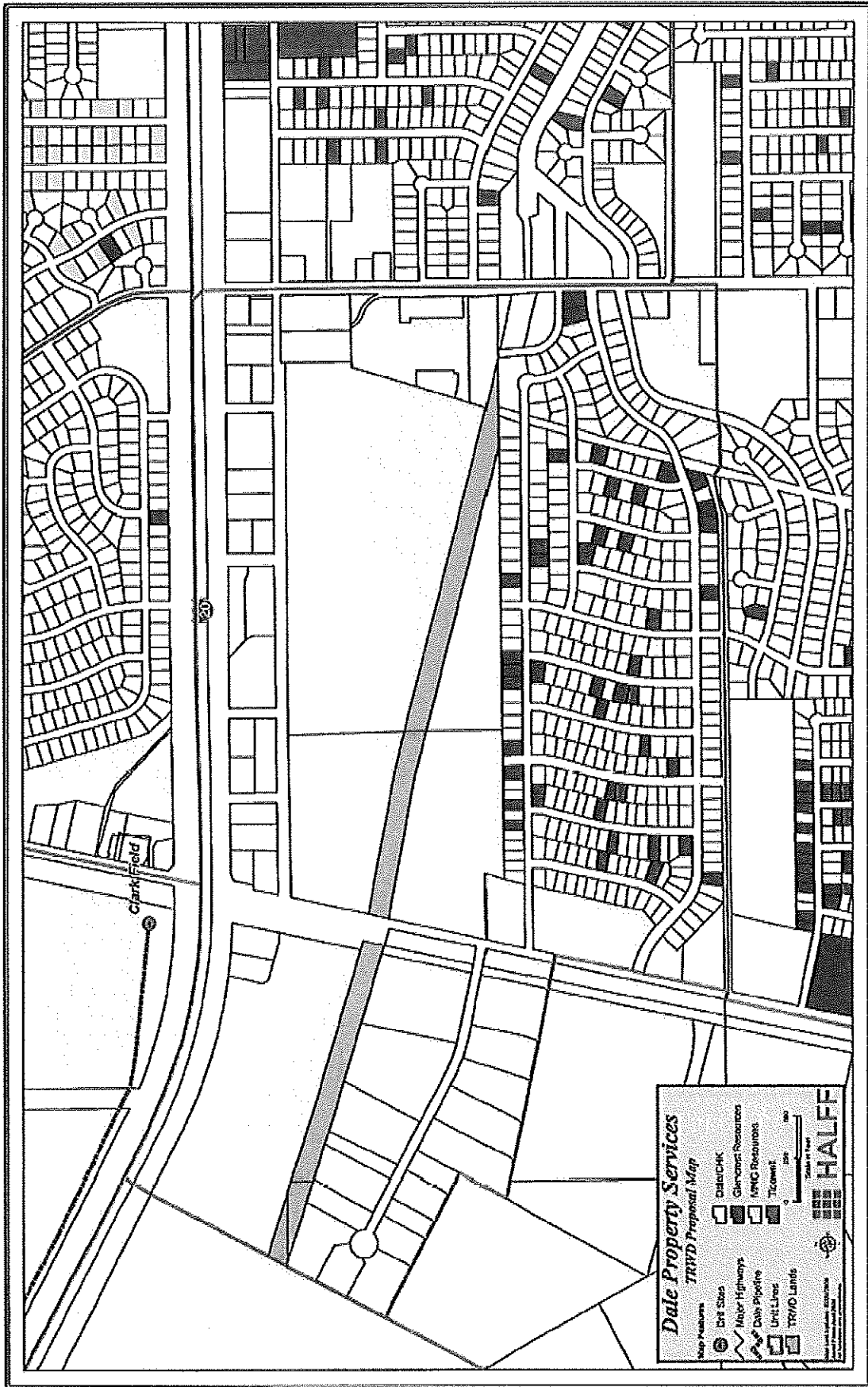
Sincerely yours,

DALE PROPERTY SERVICES, LLC


Justin Hollingsworth,
District Landman

below:

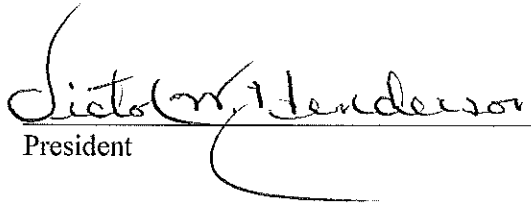
3000 Alta Mesa Blvd • Suite 300 • Fort Worth, Texas 76133 • (817) 451-5353 • FAX (817) 496-3822




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.

17.

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


President


Secretary
