

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 20TH DAY OF JANUARY 2009 AT 9:30 A.M.

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

<u>Present</u>	<u>Absent</u>
Victor W. Henderson	Jim W. Lane
Hal S. Sparks III	
Jack R. Stevens	
Marty V. Leonard	

Also present were James Oliver, Alan Thomas, Norman Ashton, Stacy Beeson, Ken Brummett, Steve Christian, Linda Christie, Wesley Cleveland, Todd Hatcher, Sheila Johannessen, Nancy King, David Marshall, Rachel Navajar, Wayne Owen, Tina Ptak, Madeline Robson, Sandy Swinnea and Ed Weaver.

Also in attendance were George Christie, General Counsel for Tarrant Regional Water District (the Water District); Jared Harrell representing Pope, Hardwicke, Christie, Harrell, Schell & Kelly, LLP; Dick Fish of Save Eagle Mountain Lake; Richard Sawey, Dan Buhman and Doug Varner of CDM; Terry Kile of Deloitte & Touche, LLP; David Medanich and Laura Alexander of First Southwest; Ron Lemon and Rusty Gibson of Freese and Nichols, Inc.; Jeff Salavarria and Alex Hinojosa of Frost Bank; Kevin Patrick of PMK; Alan Raynor of McCall, Parkhurst & Horton; Dale Cherry of Black and Veatch; Brian Newby of Cantey Hanger LLP; David Hargrove and Bob Riley of BLG LaGrave; Kim Arnold and Tony Kimmey of Jacobs; Judd Pritchard of The Epstein Group; Max Baker of the Fort Worth Star Telegram; Hopper 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 Leonard and seconded by Director Sparks, the Directors unanimously voted to approve the minutes from the meeting held December 16, 2008. 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 commented that Mark Ernst had met with him regarding the Texas Commission on Environmental Quality permit to allow an increase in discharge from the Azle Water Treatment Plant into Ash Creek. TRWD is working with Azle to insure that there will be no increase in the phosphorous load to Eagle Mountain Lake from the plant due to these changes and TRWD will continue monitoring their discharge.

A director of Save Eagle Mountain Lake Board observed a brown liquid in the water near the golf course at Eagle Mountain Lake. Mr. Fish contacted Mark Ernst and Jennifer Owen who determined it was not hazardous and had already been removed by the drill site personnel.

Also, representatives of Save Eagle Mountain Lake will attend the second Watershed Protection meeting in Decatur on January 21, 2009.

4.

With the recommendation of management and the Finance Committee, Director Stevens moved to approve the Annual Financial Report by the Water District's auditors, Deloitte & Touche, LLP. Director Sparks seconded the motion and the vote in favor was unanimous.

5.

With the recommendation of management, the Advisory Committee, and the Finance Committee, Director Sparks moved to adopt a resolution authorizing the issuance, sale and delivery of Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Refunding and Improvement Bonds, Series 2009, pledging revenues for the payment of the bonds, providing for the redemption of the bond being refunded, authorizing a Deposit Agreement, approving the Official Statement and Bond Purchase Agreement, and authorizing other instruments and procedures relating thereto. Director Leonard seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management and the Construction Committee, Director Stevens moved to approve Amendment Three to the scope of work to the raw water transmission integration study contract with CDM at a cost shared between the City of Dallas and the Water District not to exceed \$2,844,104. Funding for this contract amendment is included in the 2006 Bond Fund and the 2009 Bond Fund. Director Sparks seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management and the Technology Committee, Director Leonard moved to approve operations and maintenance expenditures as noted below:

Equipment	Vendor	Funding Source	Approved Amount
Hardware and software lease	Hewlett-Packard Financial Services Co.	General Fund Revenue Fund	\$33,761 \$50,641
Purchase of Software Enterprise License agreement with Microsoft	SHI-Government Solutions	General Fund Revenue Fund	\$64,290 \$96,435

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

8.

With the recommendation of management and the Technology Committee, Director Leonard moved to approve trading the current Hummingbird electronic records management software with Open Text's Livelink electronic records management software for a total cost of \$72,540. Funding is included in the FY 2009 General Fund Budget. Director Sparks 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 change in the calculation of the retainage being held on the pay requests for Steele & Freeman, Inc. relating to the TRWD Annex Building contract. The amount of retainage to be held is \$422,797.35, which represents 5% of the contract amount of

\$8,455,947. Funding for this contract is included in the 2009 General Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management and the Construction Committee, Director Sparks moved to approve Change Order Number 29 with Archer Western Contractors, Ltd. for the Richland-Chambers High Capacity Expansion at Ennis and Waxahachie in the amount of \$562,948 credit to the Water District. Director Stevens seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management and the Construction Committee, Director Sparks moved to approve a partial release of retainage on the contract with Archer Western Contractors, Ltd. for the Richland-Chambers High-Capacity Expansion at Ennis and Waxahachie in the amount of \$368,530.48. Funding for this contract is included in the 2002 Bond Issue. Director Leonard seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management and the Construction Committee, Director Leonard moved to approve a contract amendment with Alan Plummer Associates Inc. for services from October 1, 2008 through February 28, 2009 for delay on substantial completion date for Wetlands Treatment Expansion Phase I at a cost not to exceed \$206,000. Funding for this contract amendment is included in the 2006 Bond Fund. The contractor, Archer Western, will reimburse the Water District for this cost of delay. Director Stevens seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management and the Construction Committee, Director Stevens moved to approve a contract amendment with CH2M-Hill for services from December 2007 through February 2009 for delay on substantial completion date for Wetlands Treatment Expansion Phase I at a cost not to exceed \$70,005. The Water District is responsible for charges

in the amount of \$42,880 incurred during a time extension granted the contactor, Archer Western, from December 2007 to September 30, 2008. Funding for this cost is included in the 2006 Bond Fund. Archer Western will reimburse the Water District for charges from October 1, 2008 through February 28, 2009 in the amount of \$27,125. Director Sparks seconded the motion and the vote in favor was unanimous.

14.

The President and presiding officer next called an executive session at 10:58 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 real property issues – partial release of flowage easement, Cedar Creek Reservoir and to consider oil and gas issues; and under Chapter 551.076 for deliberations about security devices regarding their deployment, or specific occasions for implementation, of security personnel or devices.

15.

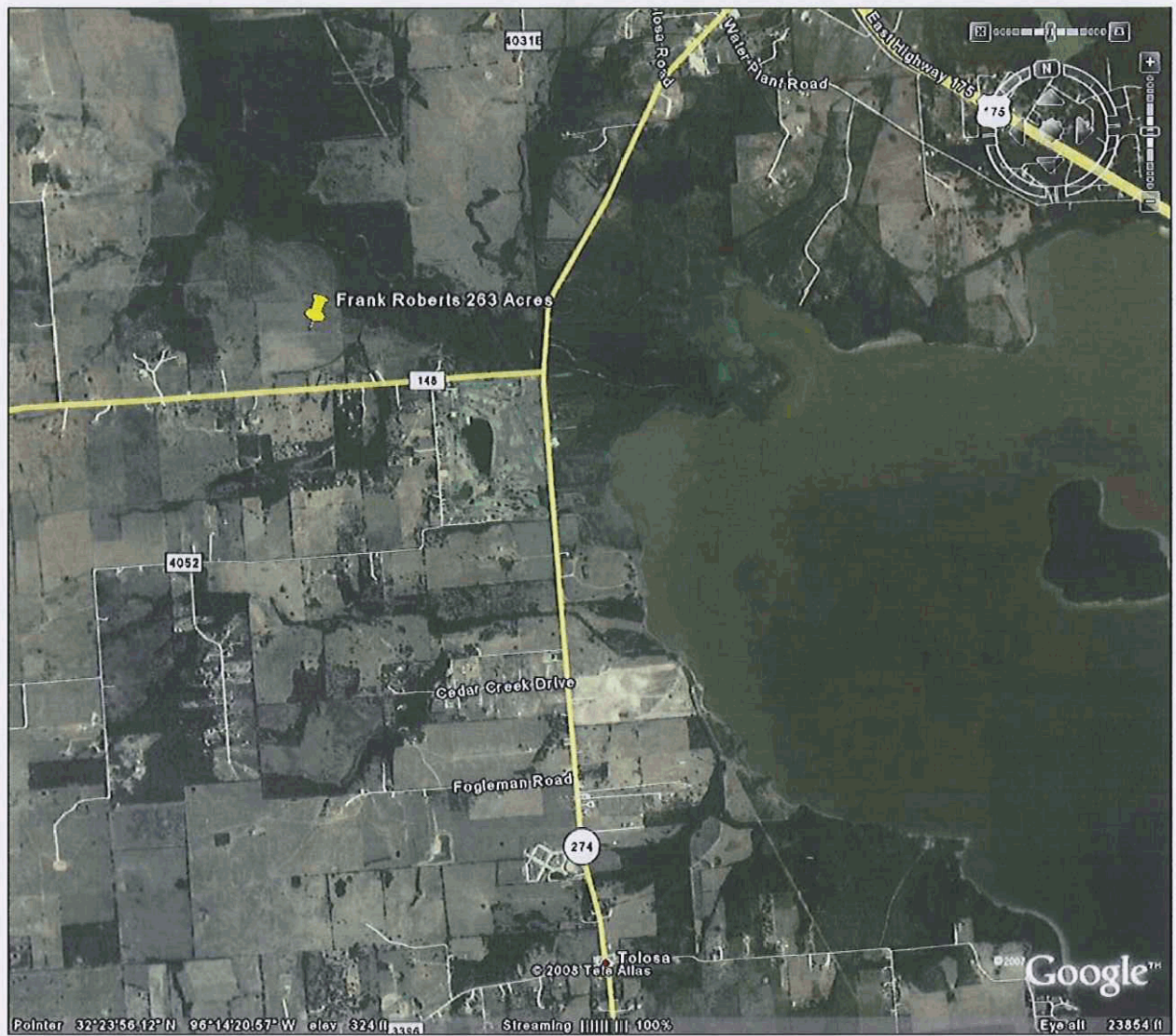
Upon completion of the executive session at 11:45 a.m., the President reopened the meeting.

16.

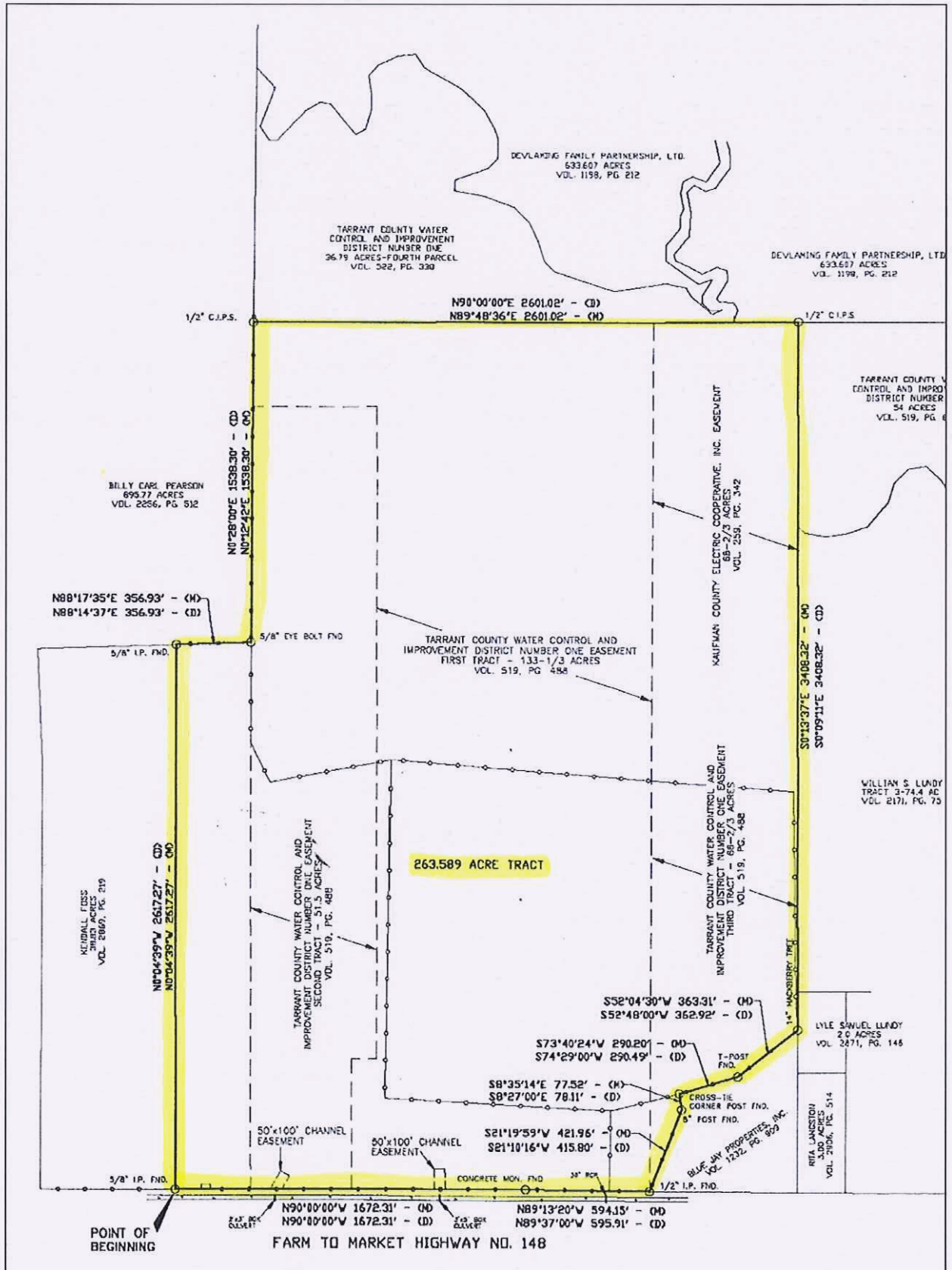
With the recommendation of management and the Land Committee, Director Sparks moved to release the Water District's flowage easement on 84.74 acres out of a 263.64 acre tract of land to the fee owner, Frank J. Roberts, for the total appraised value off \$16,500 as described below:

The 84.78 acre flowage easement tract is a portion of the 263.64 acre tract of land conveyed in Volume 3184, Page 215 of the Deed Records of Kaufman County.

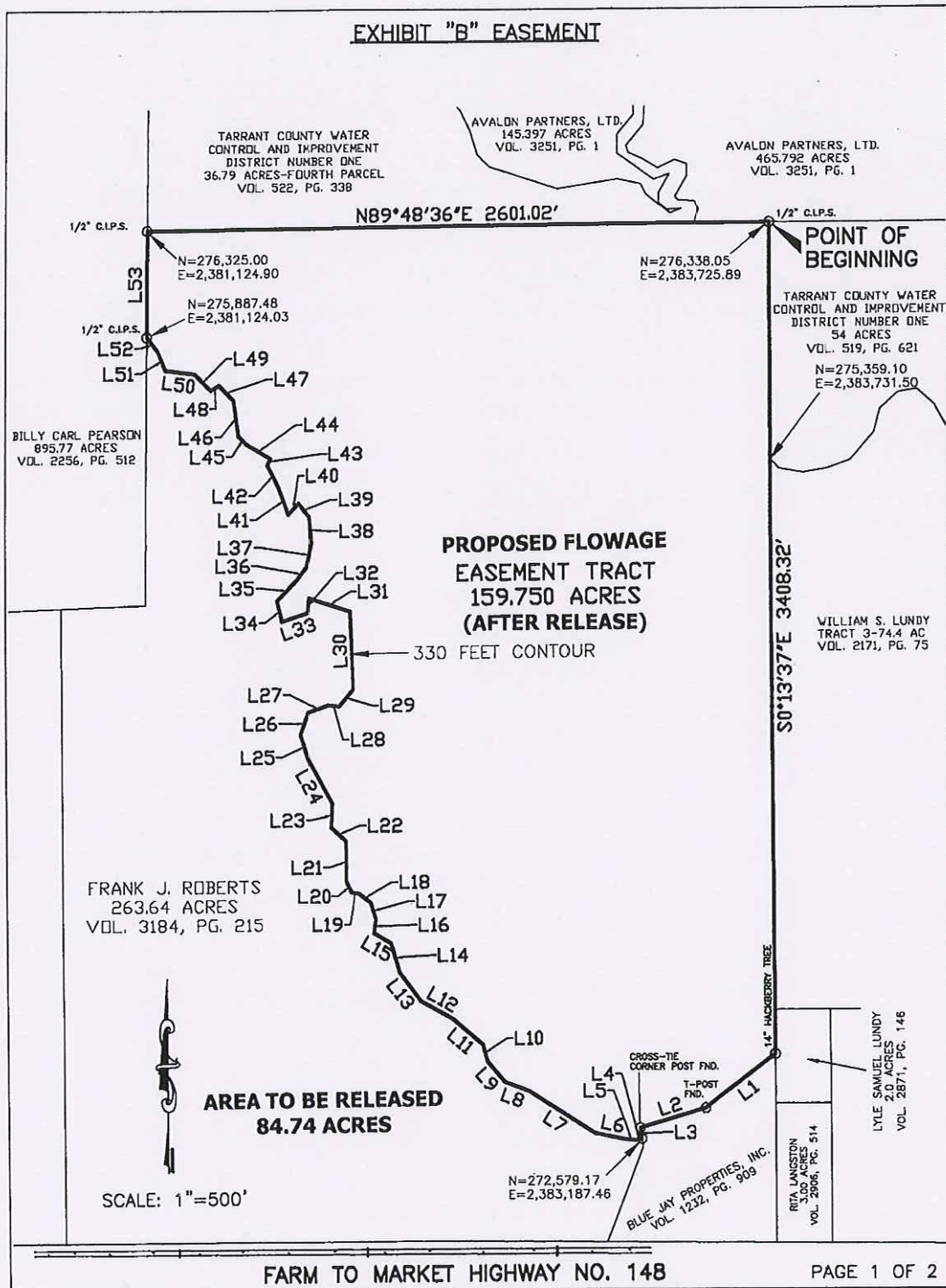
VICINITY MAP



SURVEY - 263 ACRES



EASEMENT



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

17.

With the recommendation of management and the Oil and Gas Committee, Director Leonard moved to ratify pooling agreements with XTO Energy Inc. executed by Ken Brummett on behalf of the Water District for the (1) TRWD Foster Unit #1H, and (2) TRWD Twin Points Unit #1H oil and gas wells at Eagle Mountain Lake as shown on Exhibits below:

TRWD Foster Unit #1H TRWD N.R.I. .1687868

TRWD Twin Points Unit #1H TRWD N.R.I. .1954752

This plot does not represent a boundary survey.
Acreages shown herein are deed called or
calculated from deeds furnished by others.
Monumentation shown herein was found.
Surface Location ties are shown from the
location surveyed 3/03/06.
The Bearing Base is "CRD", N.A.D. 27' Datum,
Tx. North Central Zone, Convergence: -0°00'15".98
at the Surface Location.

SURFACE LOCATION BEING TWO POINTS UNIT 1H WELL,
IN THE B. SANDRA SURVEY, A-1384
BEING 1037' FROM THE SOUTH LINE OF SAME
AND ALSO BEING THE NORTH LINE OF THE
J.W. LLOYD, A-1721, AND BEING
561' FROM THE WEST LINE OF THE
B. SANDRA SURVEY, A-1384
BEING THE EAST LINE OF THE J. W. LLOYD
SURVEY, A-1703, ALSO BEING 377' FROM
FROM A SOUTH UNIT CORNER, ALSO BEING 1674'
FROM THE MOST SOUTHERN UNIT LINE.

PENETRATION POINT THIRD TOWN POINTS UNIT IN WELL,
IN THE B. SAMORA SURVEY, A-1384
BEING 3005' FROM THE NORTH LINE OF SAWE
AND ALSO BEING THE SOUTH LINE OF THE
J. WILCOX, A-1730, AND BEING
371' FROM THE WEST LINE OF THE
B. SAMORA SURVEY, A-1384
BEING THE EAST LINE OF THE J. WILCOX
SURVEY, A-1703, ALSO BEING 525' FROM
FROM A SOUTH UNIT CORNER, ALSO BEING 2140'
FROM THE WEST UNIT LINE.

WALKER & ASSOCIATES SURVEYING, INC.
TYLER, TEXAS PH: 903-534-2000

I, Dennis H. Walker, Registered Professional Land Surveyor do hereby state that this plot 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 the 17th day of December, 2008.

By Dennis H. Wether
Dennis H. Wether
Registered Professional Land Surveyor
State of Texas No. 2117

This Plot NOT valid unless it has an Original Signature in colored Ink.

EXHIBIT "C"

0° 58'

J. WILCOX
A-1730

J. WILCOX
A-1703

KTO ENERGY TRWD IV LEASE CALLED 2514.96 ACRES RECORDING # D204374569

BERNADINO SAMORA
A-1384

TOWN TWIN POINTS 1H BOTTOM HOLE

TOWN TWIN POINTS 1H PENT. POINT

J. WILCOX A-1726

D T FLORES A-509

JACOB WILCOX A-1721

STATE OF TEXAS REGISTERED LAND SURVEYOR DENNIS H. WALKER 2117

FROM THE INTERSECTION OF JACKSBORO HIGHWAY AND HANGER GO NORTH ON HANGER CUT OFF ROAD FOR 1 MILE TO HELLS BURNETT ROAD AND TRAVEL 1 MILE TO BRIDGE ROAD. TURN LEFT ON TEN MILE BRIDGE ROAD AND .2 MILES TO SAMORA ROAD. TURN RIGHT ON SAMORA ROAD FOR APPROX. 1100' TO LEASE ROAD ON LEFT

DRIVING DIRECTIONS

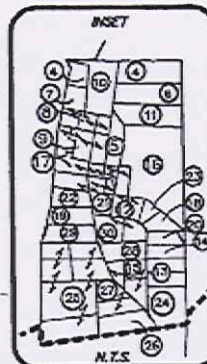
BOTTOM HOLE LOC. TRWD TWIN POINTS UNIT IN WELL.
WELL, IN THE J. WILCOX SURVEY, A-1703
BEING 1744' FROM THE EAST LINE OF SAME
AND ALSO BEING THE WEST LINE OF THE
B. SAWYER SURVEY, A-1384, AND BEING
3415' FROM THE NORTH LINE OF THE
J. WILCOX SURVEY, A-1703
BEING THE SOUTH LINE OF THE J. WILCOX
SURVEY, A-1730, ALSO BEING 800' FROM
THE SOUTH UNIT LINE AND BEING 330' FROM
THE WEST UNIT LINE.

BERNADINO SAMORA
A-1384

JACOB WILCOX
A-1721

DRIVING DIRECTIONS

FROM THE INTERSECTION OF JACKSON HIGHWAY AND HANGER CUT OFF ROAD
GO NORTH ON HANGER CUT OFF ROAD FOR 1 MILE TO WELLS BURNETT ROAD
TURN RIGHT ON WELLS BURNETT ROAD AND TRAVEL 1 MILE TO TEN MILE
BRIDGE ROAD. TURN LEFT ON TEN MILE BRIDGE ROAD AND TRAVEL
.2 MILES TO SAKORA ROAD. TURN RIGHT ON SAKORA ROAD
FOR APPROX. 1100' TO LEASE ROAD ON LEFT



N.A.D. 27 DATUM
TEXAS NORTH CENTRAL ZONE
** SURFACE LOCATION
TRIMD TWIN POINTS UNIT 1H WELL **
N: 438587.90
E: 2002492.10
LAT.: 32°52'20".08
LONG.: 97°29'30".70

** PENETRATION POINT
TRWD THWY POINTS UNLT TH WELL **
N: 439181.16
E: 2901908.05
LAT.: 32°52'25".95
LONG.: 87°29'37".61

** BOTTOM HOLE LOCATION
 TRWD TWIN POINTS UNIT 1H WELL
 N: 438778.62
 E: 199794.31
 LAT: 32°52'21".97
 LONG: 97°30'02".41

[illegible]

430.75 35141 COLLECT ACTS IN UNIT & OSLO UNIT

Surface Location is located
4.0 miles Southeast of Azle
"LAKE WORTH" Quadrangle

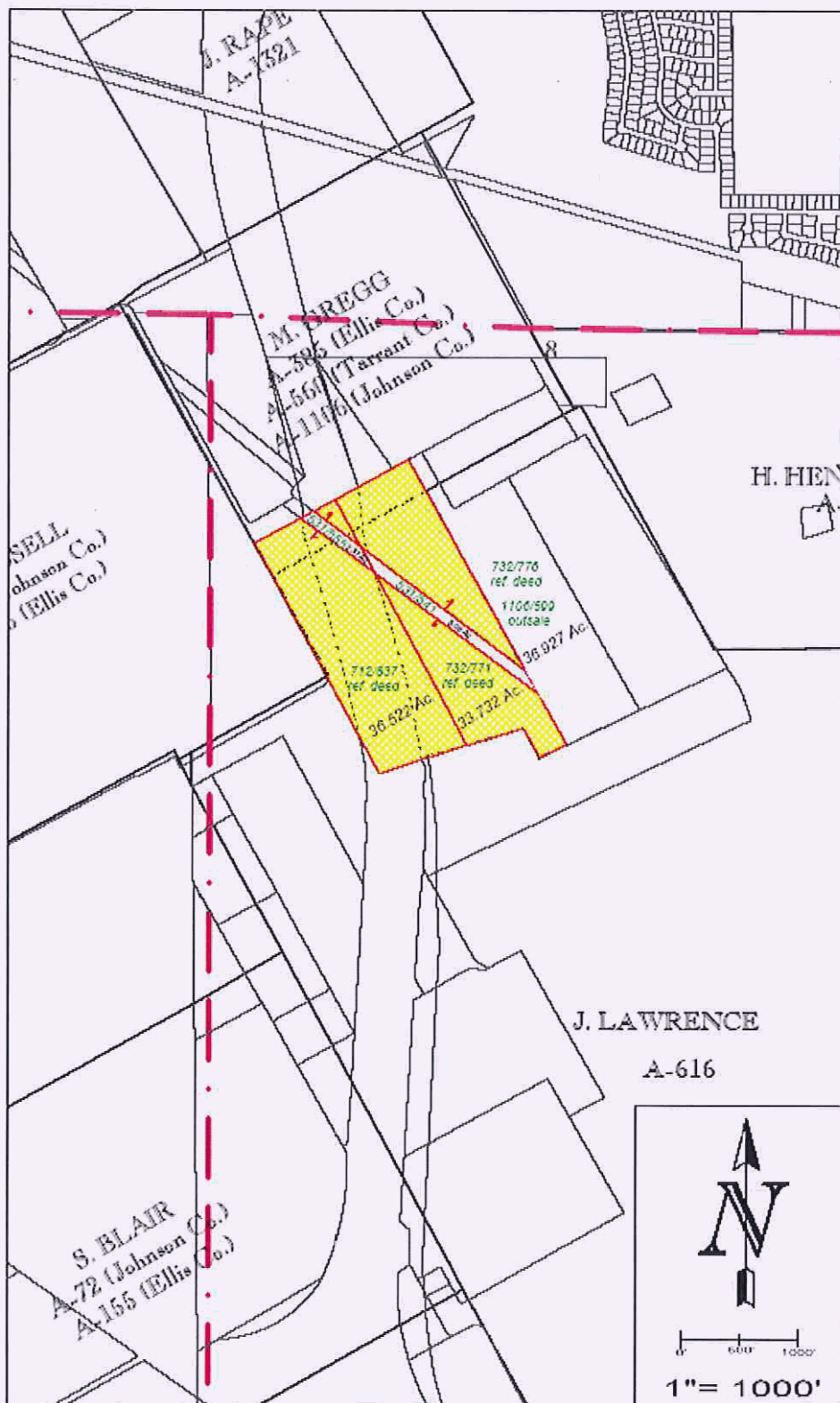
REvised 12-17-00



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

18.

With the recommendation of management and the Oil and Gas Committee, Director Sparks moved to approve the lease with Range Resources for the amount of \$111,750.00, 25 percent royalty, three (3) year primary term for the Water District's mineral interest in 7.45 acres of land in the J. Lawrence Survey, A-616 Ellis County, Texas 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 Stevens seconded the motion and the vote in favor was unanimous.

19.

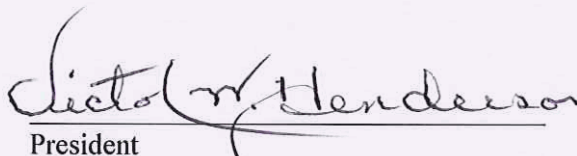
With the recommendation of management and the Construction Committee, Director Leonard moved to approve the purchase of furniture for the TRWD Annex building from BKM under a cooperative purchasing agreement at a cost of \$419,695. Funding for this purchase is included in the FY 2009 General Fund Budget. Director Stevens seconded the motion and the vote in favor was unanimous.

20.

With the recommendation of management and the Construction Committee, and after the Board found that competitive bidding of this project would compromise the safety and security of District facilities or residents, Directors Sparks moved to approve a contract with Maez Security Consultants for the purchase of security equipment and installation of all security and network cabling for the TRWD Annex building in the amount of \$438,567.64. Funding for this contract is included in the FY 2009 General Fund Budget. Director Leonard seconded the motion and the vote in favor was unanimous.

21.

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



President



Secretary