

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 21ST DAY OF FEBRUARY 2012 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 Lane

Also present were Jim Oliver, Alan Thomas, Darrell Beason, Kathy Berek, Jenna Brummett, Ken Brummett, Shanna Cate, Steve Christian, Linda Christie, Wesley Cleveland, Woody Frossard, David Geary, J. D. Granger, Nancy King, Brice Komatsu, David Marshall, Rachel Navejar, Sandy Newby, Wayne Owen, Tina Ptak, and Ed Weaver.

Also in attendance were George Christie, General Counsel for Tarrant Regional Water District (Water District); Lee Christie, Jeremy Harmon, Hal Ray, Ethel Steele, and Mike Atchley of Pope, Hardwicke, Christie, Schell, Kelly, & Ray LLP; Gary Savanyu of Beta; Michael Dempsey of Burns & McDonnell; Don Funderlic and Doug Varner of CDM Smith, Inc.; Brian Newby of Cantey Hanger, LLP; Brady Wood of Coyote Theaters; Robert Estrada of Estrada Hinojosa & Co., Inc.; Laura Alexander of First Southwest; Robbie Thompson of Foster CM Group; Russell Gibson of Freese and Nichols, Inc.; Pat Whiteley of Hanson Pressure Pipe; Dick Fish of Lake Country Property Owners Association; Bob Johnson of MWH Americas, Inc.; Brad Wallace of North Texas Marine; Christine Jacoby and Charley Mock of Shaw; Adelaide Leavens and Tim Martin of Streams and Valleys; Howard Maynard of SWS Environmental; Andrew Toniellon of

NBC 5; Tom Riehm of CBS-11; Sandra Baker of Fort Worth Star-Telegram; Bill Paxton of Capital Alliance; Karl Stauss 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 Leonard, the Directors unanimously voted to approve the minutes from the meeting held January 17, 2012. It was accordingly ordered that these 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.

Adelaide Leavens of Streams and Valleys made a presentation to the Board of Directors in recognition of the Water District's support of the Eagle Mountain Park Run. She also expressed appreciation to David Geary and the law enforcement officers for their efforts to ensure the safety of all involved.

5.

With the recommendation of management and the committee as noted, Director Leonard moved to approve the operations and maintenance expenditure as noted below.

Project	Vendor	Approved Amount	Funding Source	Committee
Refurbishing of Richland-Chambers Spillway Gates, Phase II	TMI Coatings, Inc.	\$750,000	Revenue	Construction and Operations

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

6.

With the recommendation of management and the committee as noted, Director Leonard moved to approve the capital expenditure as noted below.

Equipment	Vendor	Approved Amount	Funding Source	Committee
Boathouse Construction for the Law Enforcement Division	Custom Built Construction	\$158,900	Revenue	Construction and Operations

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

7.

With the recommendation of management and the Construction and Operations Committee, Director Sparks moved to waive the take-or-pay provision in the Trinity River Authority (TRA) – Ennis and TRA – Midlothian water contracts for the 2013 fiscal year. Director Stevens seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management and the Construction and Operations Committee, Director Leonard moved to release retainage for the contract with the Fain Group for Twin Points Phase 1A-Shoreline Protection, Boat Ramp Turn Around, Boat Ramp, Storm Drain and Bulkhead in the amount of \$28,025. Funding for this contract is included in the FY 2012 General Fund. Director Stevens seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management and the Construction and Operations Committee, Director Leonard moved to approve a one year pricing agreement with Hydros Consulting for technical support and services related to implementation and use of our RiverWare model(s) for the next year at a cost not to exceed \$75,000. Funding for this agreement is included in the FY 2012 Revenue Fund. Director Stevens seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management and the Construction and Operations Committee, Director Sparks moved to approve a contract with Azcarate & Associates Consulting Engineers (AACE, LLC) for drive and pump room cooling improvements at the Richland-Chambers and Cedar Creek pump stations for an amount not to exceed \$245,685. Funding for this contract is included in the Bond Fund. Director Leonard seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management and the Construction and Operations Committee, Director Sparks moved to amend the contract with CH2M Hill Engineers, Inc. for Integrated Pipeline Project (IPL) lake pump station engineering to include IPL control of invasive species study services at a cost not to exceed \$683,100. Funding for this contract is included in the Bond Fund. Director Lane seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management and the Construction and Operations Committee, Director Stevens moved to amend a contract with the University of Texas at Arlington for the Integrated Pipeline (IPL) Modified Soils Backfill Study – Phase 2 Amendment at a cost not to exceed \$166,000 for a new contract total of \$341,143. Funding for this contract is included in the Bond Fund. Director Sparks seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management and the Oil and Gas Committee, Director Sparks moved to grant authority to lease the Water District's mineral rights to Chesapeake Exploration L.L.C., in and to approximately .43 acres of land as shown on the plat below for the bonus amount of \$1075; 26.5 percent royalty; and a four (4) month primary term.



 TRWD Mineral Ownership

Disclaimer:
This data is an approximation based upon the best information available at the time of printing. Information contained on this map is intended for general planning purposes only and may not have been processed for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and only represents approximate relative locations. The Tarrant Regional Water District is not liable for misuse of the information or derivative products resulting from this map.



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.

14.

With the recommendation of management and the Oil and Gas Committee, Director Sparks moved to enter into a Boundary Settlement Agreement between the Water District and Oakwood Cemetery Association of Fort Worth, Texas, Inc. for property as described below:

Exhibit A
Oakwood Cemetery
Boundary Agreement

Being the North line of land situated in the R Crawley Survey, Abstract Number 313 and the J Baugh Survey, Abstract Number 115, both City of Fort Worth, Tarrant County, Texas, as described by deed to Tarrant County Water Control and Improvement District No. One (TCWCID), now Tarrant Regional Water District, as recorded in Volume 2621, Page 482, Deed Records, Tarrant County, Texas (DRTCT) and being further described by metes and bounds as follows:

Commencing at a concrete monument found at the Northeast corner of Block 1, Henderson Street Bazaar, as recorded in Volume 388-160, Page 8, Plat Records, Tarrant County, Texas, also being in the Westerly right-of-way of the Red River, Texas and Southern Railway Company right-of-way as recorded in Volume 154, Page 158, DRTCT;

Thence North 22°14'52"East, along the said Westerly right-of-way line, 630.88 feet to the recognized common line between the said Crawley Baugh surveys;

Thence West along the said common line 97.9 feet the centerline of the old channel of the West Fork of the Trinity River, as determined from a 1942 aerial photograph from the Texas Natural Resources Information Systems and the **POINT OF BEGINNING**;

Thence along the said old channel of the West Fork of the Trinity the following courses and distances:

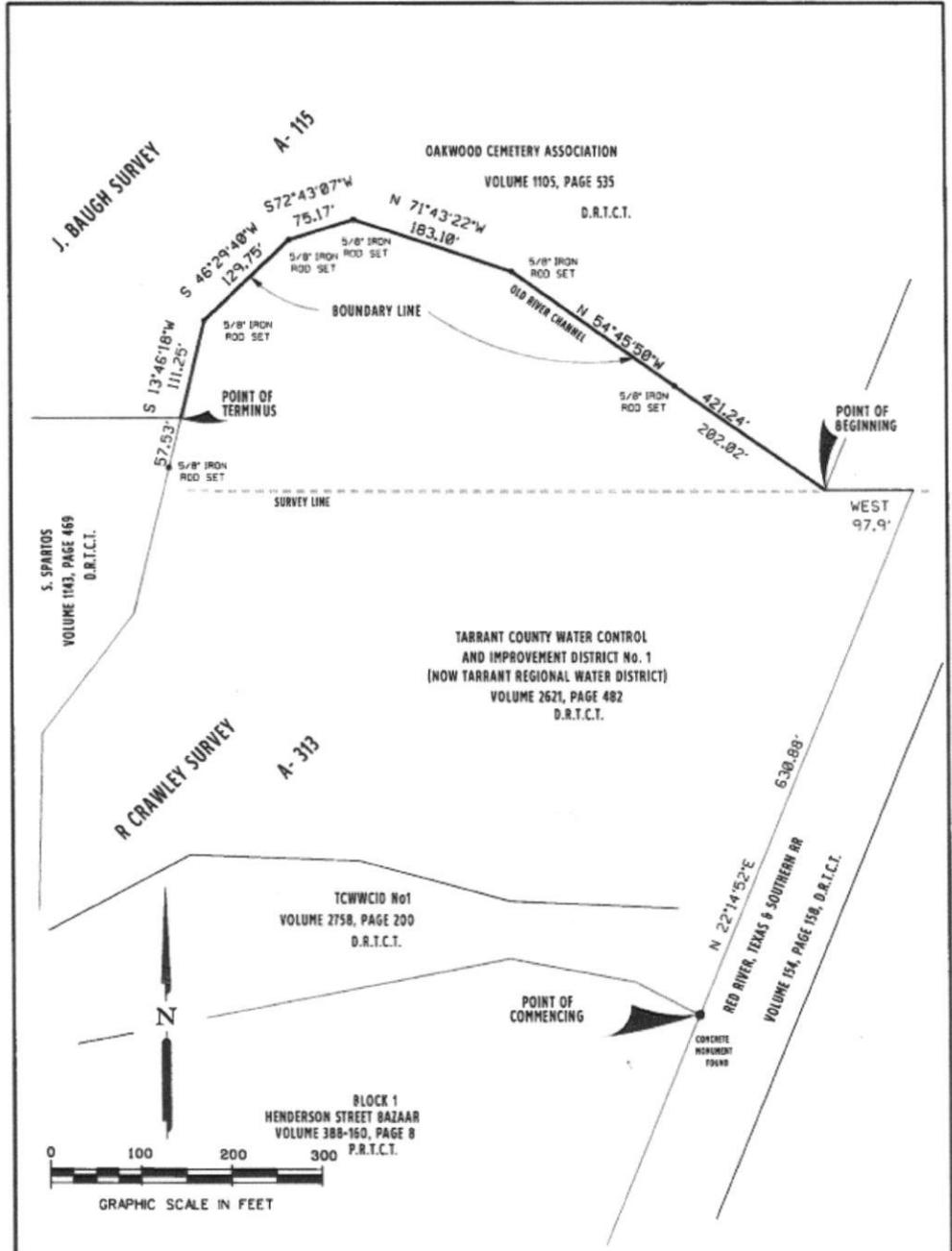
North 54°45'50"West, at 202.02 passing a 8/5 inch iron with cap stamped TRANSYSTEMS set for reference on the bank of the existing river channel, continuing in all 421.24 feet to a 8/5 inch iron with cap stamped TRANSYSTEMS set;

North 71°43'22"West, 183.10 feet to a 8/5 inch iron with cap stamped TRANSYSTEMS set;

South 72°43'07"West, 75.17 feet to a 8/5 inch iron with cap stamped TRANSYSTEMS set;

South 46°29'40"West, 129.75 feet to a 8/5 inch iron with cap stamped TRANSYSTEMS set;

South 13°46'18"West, 111.25 feet to the **POINT OF TERMINUS** and the apparent Northeast corner of a tract of land conveyed to S. Spartos as recorded in Volume 1143, Page 469, DRTCT from which a 8/5 inch iron with cap stamped TRANSYSTEMS set for reference bears South 13°46'18"West, 57.53.



PROJ NO:	P202100149
SCALE:	
DATE:	1-09-12
DESIGNED BY:	
DRAWN BY:	
CHECKED BY:	DLD

EXHIBIT B
OAKWOOD CEMETERY
BOUNDARY AGREEMENT

TranSystems

TRANSYSTEMS CORPORATION CONSULTANTS
 590 WEST STREET
 SUITE 1100
 FORT WORTH, TX 76102
 817-339-8950
 FAX 817-336-2247

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

15.

Staff Updates

- Update on the Bond Sale
- Update on System Status
- NREP Recreation Report
- Video(s) Highlighting Water District Activities/Water Supply Update

16.

The Board of Directors recessed for a break from 10:47 a.m. to 11:03 a.m.

17.

The presiding officer next called an executive session at 11:04 a.m. under V.T.C.A., Government Code, Section 551.071 to consult with legal counsel on a matter in which the duty of counsel under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Chapter 551, Texas Government Code; to conduct a private consultation with attorneys regarding pending or contemplated litigation; and under Section 551.072 to deliberate the purchase, exchange, lease or value of real property.

18.

Upon completion of the executive session at 11:53 a.m., the President reopened the meeting.

19.

With the recommendation of management and the Environmental Committee, Director Lane moved to amend a contract with SWS Environmental Services for Cytec former American Cyanamid Response Action Plan implementation for an amount not to

exceed \$1,100,000 for a contract total not to exceed amount of \$3,398,590.37. Funding for this contract is included in the FY 2012 General Fund. Director Sparks seconded the motion and the vote in favor was unanimous.

20.

With the recommendation of management and the Environmental Committee, Director Stevens moved to pay in full remaining progress payments to SWS Environmental Services for the Cytec former American Cyanamid Response Action Plan Implementation contract to include the amount approved in the previous agenda item for a total amount not to exceed of \$3,398,590.37. Funding for this contract is included in the FY 2012 General Fund. Director Leonard seconded the motion and the vote in favor was unanimous.

21.

With the recommendation of management and the Environmental Committee, Director Leonard moved to amend the contract with CDM Smith for additional services related to Cytec former American Cyanamid Response Action Plan Implementation and Technicoat Site Investigation for Fort Worth Trinity Uptown in the amount of \$559,356 for a contract total of \$846,452. Funding for this purchase is included in the FY 2012 General Fund. Director Sparks seconded the motion and the vote in favor was unanimous.

22.

With the recommendation of management and the Oil and Gas Committee, Director Lane moved to approve a wellbore subsurface easement between the Water District and Blackbrush Oil and Gas, L.P. for the purpose of an oil and gas well to be

drilled from a surface location on the east side of Cedar Creek Lake as shown on the following plat and a bottom hole location under the lake at a cost to Blackbrush Oil and Gas, L.P. of \$10,000 upon signing the subsurface easement and thereafter \$50,000 per year beginning the year after first production, adjusted upward by the Consumer Price Index.

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

23.

With the recommendation of management and the Real Property Committee, Director Sparks moved to purchase the following described real property for construction and operation of the IPL Project from Cynthia L. Roberts, f/k/a Cynthia L. Roe, for the negotiated purchase price of \$214,410.

Fee simple title to the surface estate only, including improvements located thereon, of an approximately 25.477 acre tract of land out of the R.K. Wines Survey, Abstract Number 1178, Ellis County, Texas, and conveyed by deed to Cynthia L. Roe, as recorded in Volume 767, Page 521, Deed Records, Ellis County, Texas, and being further described in the accompanying survey plat for Parcel 965 attached hereto.

In connection therewith, Management requests that the Board of Directors of TRWD make the following findings:

1. That the Integrated Pipeline Project, as generally described in that certain document entitled "Project Viability Assessment and Business Case Evaluation of Raw Water Transmission System Integration" by CDM/KBR, dated July 2008, as amended (the "IPL Project"), is a public works project intended to provide a source of water supply for cities and other users for municipal, domestic, industrial, and mining purposes, will conserve and develop the natural resources of this state, will control, store, preserve, develop and distribute storm and flood waters, and the waters of rivers and streams, for municipal consumption and other useful purposes and will serve other public purposes and uses for which TRWD was created pursuant to Article 16, Section 59, of the Texas Constitution.
2. That it is necessary and convenient in the public interest to construct the IPL Project;
3. That it is reasonable and appropriate to acquire the above-described property, which is necessary for the public use and purpose of constructing and operating the IPL Project;
4. That the staff of TRWD should be authorized to take all steps as may be reasonable and necessary to facilitate acquisition of the above-described property for the IPL Project, with title to be held in the name of TRWD; and
5. That the Board of Directors of TRWD approves of the acquisition of the above-described property by purchase.

EXHIBIT "A"

Being a tract of land out of the R.K. Wines Survey, Abstract Number 1178, Ellis County, Texas, and conveyed by deed to Cynthia L. Roe, as recorded in Volume 767, Page 521, Deed Records, Ellis County, Texas (D.R.E.C.T.) and being further described as follows;

COMMENCING at a 1/2" capped iron rod found at the Southwest corner of that certain tract of land conveyed by deed to Harper Cattle, L.L.C., as recorded in Volume 2010, Page 1717, D.R.E.C.T. also along the North line of that certain tract of land conveyed by deed to Texas Midstream Gas Services, L.L.C., as recorded in Volume 2325, Page 1395, D.R.E.C.T., and the Southeast corner of that certain tract of land conveyed by deed to Edward J. Kilchenstein, as recorded in Volume 713, Page 623, D.R.E.C.T.;

THENCE N 58°24'55" E, along the South line of said Harper Cattle tract and the North line of said Texas Midstream tract, a distance of 657.93 feet to a found 2 inch iron pipe for the Northwest corner of tract herein described and the **POINT OF BEGINNING** (N: 6,870,148.041, E: 2,406,840.406 Grid);

- (1) **THENCE** N 59°30'04" E, along the Northerly line of tract herein described and the Southerly line of said Harper Cattle tract, a distance of 256.32 feet to a found 2 inch T post;
- (2) **THENCE** N 77°07'02" E, along the Northerly line of tract herein described, and the Southerly line of said Harper Cattle tract, a distance of 626.55 feet to a found 2 inch iron pipe at the Northeast corner of tract herein described and an ell corner of said Harper Cattle tract;
- (3) **THENCE** S 0°28'35" E, along the Easterly line of tract herein described and the Westerly line of said Harper Cattle tract, at a distance of 321.59 feet passing a found 5/8 inch iron rod for the Northwest corner of certain tract of land conveyed by deed to Wilburn and Marlene McCarty, as recorded in Volume 954, Page 22, D.R.E.C.T., continuing along the Easterly line of tract herein described a total distance of 1211.55 feet to a set PK Nail for the Southeast corner of tract herein described and the Southwest corner of said McCarty tract, point also along the Northerly line of that certain tract of land to PRA Prairie Ridge Development, as recorded in Volume 2325, Page 470, D.R.E.C.T. being in the center of County Road 506 (Lakeview Road), no recording information found;
- (4) **THENCE** S 59°31'17" W along the Southerly line of tract herein described, the Northerly line of said PRA Prairie Ridge tract and the centerline of County Road 506 (Lakeview Road), a distance of 937.17 feet to a found PK Nail for the Southwest corner of tract herein described and the Southeast corner of said Texas Midstream tract;
- (5) **THENCE** N 1°22'33" W along the Westerly line of tract herein described and the Easterly line of said Texas Midstream tract, at a distance of 33.34 feet, passing a found 2 inch iron pipe, continuing a total distance of 1,417.47 feet to the **POINT OF BEGINNING**, containing 25.477 acre (1,109,775 square feet) of land, more or less.

NOTE: Basis of bearing is the Texas State Plane Coordinate System, North Central Zone (4202), North American Datum 1983 (NAD 83)(2007) with all distances and coordinates adjusted to surface by project combined scale factor of 0.9998802448.

NOTE: Plat to accompany this legal description

That I, Timothy A. Frost, a Registered Professional Land Surveyor in Texas, hereby states that this survey was made from an actual on the ground survey made in September 2011 under my supervision, that all monuments exist as shown hereon and this survey substantially conforms with the current professional and technical standards as set forth by the Texas Board of Professional Land Surveying.

The size, location and type of buildings and other visible improvements are as shown and shows the location of the easements, right-of-way and other matters of records as listed in Schedule B of the Commitment for Title Insurance issued by Fidelity National Title Insurance Company, dated September 22, 2011, GF #1109095 affecting subject property.

This survey substantially complies with the current Texas Society of Professional Surveyors Standards and Specifications for a Category 2 Survey.

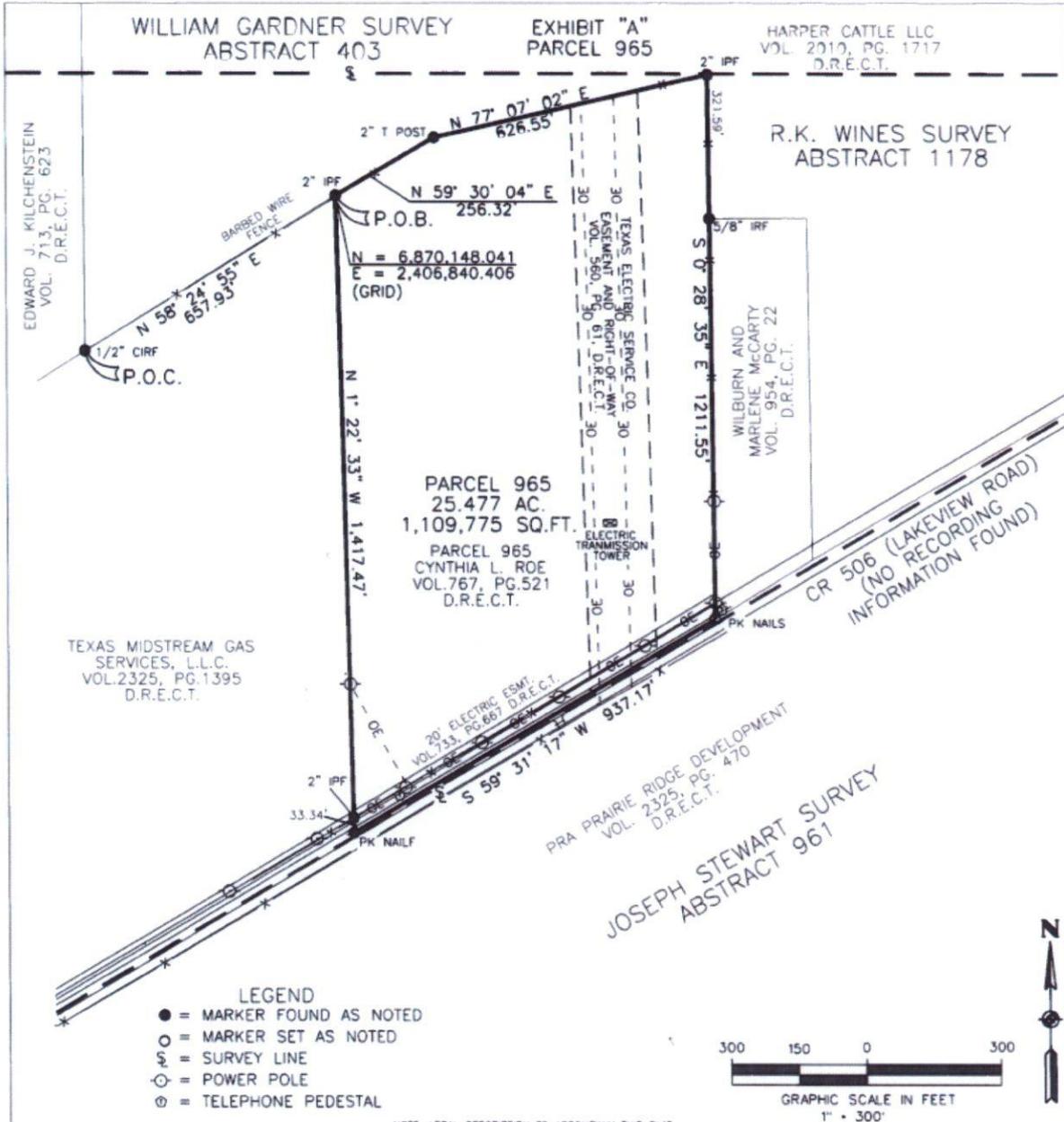

Timothy A. Frost
Registered Professional Land Surveyor
Texas Registration Number 5316



Dated: 10-14-2011

COMMITMENT FOR TITLE INSURANCE: STEWART TITLE GUARANTY COMPANY
DATED September 22, 2011, GF #1109095
SCHEDULE B, 10.

- c. Oil, Gas and Mineral Lease to C.E. Prince, Volume 439, Page 347, D.R.E.C.T. (Affects); Assignment of Oil and Gas Lease to M.F. O'Donnell, Volume 439, Page 309, D.R.E.C.T. (Affects); Assignment of Oil and Gas Lease to Roy F. Morgan, Volume 440, Page 31, D.R.E.C.T. (Affects)
- d. Easement and Right of Way to Texas Electric Service Company, Volume 560, Page 61, D.R.E.C.T. (Affects)
Subject to Encroachment on Easement, Volume 2380, Page 2124, D.R.E.C.T. (Affects)
- e. Right of Way Easement to Hill County Electric Cooperative, Inc., Volume 733, Page 667, D.R.E.C.T. (Affects)
- f. Evidence of Unrecorded Lease as stated in Deed of Trust Recorded in Volume 2479, Page 421, O.P.R.E.C.T. (Surveyor has no opinion)



WILLIAM GARDNER SURVEY
ABSTRACT 403

EXHIBIT "A"
PARCEL 965

HARPER CATTLE LLC
VOL. 2010, PG. 1717
D.R.E.C.T.

R.K. WINES SURVEY
ABSTRACT 1178

EDWARD J. KILCHENSTEIN
VOL. 713, PG. 623
D.R.E.C.T.

TEXAS MIDSTREAM GAS
SERVICES, L.L.C.
VOL. 2325, PG. 1395
D.R.E.C.T.

PARCEL 965
25.477 AC.
1,109,775 SQ.FT.
PARCEL 965
CYNTHIA L. ROE
VOL. 767, PG. 521
D.R.E.C.T.

PRA PRAIRIE RIDGE DEVELOPMENT
VOL. 2325, PG. 470
D.R.E.C.T.

JOSEPH STEWART SURVEY
ABSTRACT 961

- LEGEND
- = MARKER FOUND AS NOTED
 - = MARKER SET AS NOTED
 - = SURVEY LINE
 - ⊙ = POWER POLE
 - ⊕ = TELEPHONE PEDESTAL



NOTE: LEGAL DESCRIPTION TO ACCOMPANY THIS PLAT

<p>500 WEST SEVENTH STREET SUITE 1100 FORT WORTH, TX 76102 (817) 339-8950 (TEL) (817) 336-2247 (FAX)</p> <p>FILE NAME: V-965-80Y-FE01 PROJ. NO.: P202090330 SCALE: 1" = 300' DATE: 09-27-2011 DRAWN BY: TWF CHECKED BY: ??? REVISED DATE:</p>	<p>PRINTED: 10/14/2011 2:59:12 PM</p> <p><i>Timothy A. Frost</i> 10/14/2011</p>	<p>SHEET TITLE</p> <p>EXHIBIT 'A'</p> <p>SEGMENT 13, PARCEL 965 CYNTHIA L. ROE</p>
		<p>PROJECT</p> <p>INTEGRATED PIPELINE PROJECT</p>

In addition, R. Steve Christian is granted authority to execute all documents necessary to complete this transaction and to pay all reasonable and necessary closing and related costs incurred with this acquisition. Director Stevens seconded the motion and the vote in favor was unanimous.

24.

With the recommendation of management and General Counsel, Director Sparks moved to approve a Settlement of Claims of the defendants in the Stevens lawsuit in the amount of \$1,450,000. Funding for this settlement is included in the FY 2012 General Fund. Director Lane seconded the motion and the vote in favor was unanimous.

25.

With the recommendation of management, Director Leonard moved to approve the proposal submitted by Coyote Theaters, LLC for a modern three (3) to four (4) screen drive-in theater development to be located on vacant parcels of Water District owned land located within Trinity Uptown. The proposal meets the land planning goals to:

- reduce the current grey-fill environment in Trinity Uptown by bringing a public element which would activate the site by drawing visitors to the area;
- create identity for Trinity Uptown; and
- to make current dormant properties income producing with tenant that would eliminate District's continued policing and upkeep of area.

This proposes a rent income to the Water District of \$125,000 the first year and \$175,000 each year thereafter amounting to \$1,700,000 over the 10 year lease period.

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

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

Victor Henderson
President

[Signature]
Secretary