

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 24th DAY OF AUGUST 1999 AT 9:30 A.M.

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

<u>Present</u>	<u>Absent</u>
George W. Shannon	Victor W. Henderson
Charles B. Campbell, Jr.	
Hal S. Sparks III	
Brian C. Newby	

Also present were James M. Oliver, Alan Thomas, Ken Brummett, Steve Christian, Wesley Cleveland, Woody Frossard, Lisa Gardner, Nancy L. King, David Marshall, Wayne P. Owen, Madeline Robson, Sandy Swinnea, Eddie Weaver and Mike Williams.

Also in attendance were George Christie, legal counsel for the District; and Lee Freese, representing Freese and Nichols, Inc.

With the assurance from management that all requirements of the "open meetings" laws had been met, Director Shannon convened the meeting.

1.

On a motion made by Director Sparks and seconded by Director Newby, the Directors unanimously voted to approve the minutes from the meeting held July 20, 1999. It was accordingly ordered that such minutes be placed in the permanent files of the District.

2.

There were no persons of the general public requesting the opportunity to address the Board of Directors.

3.

The President and presiding officer next called an executive session under Chapter 551.071 of the Government Code to consider pending or contemplated litigation.

4.

Upon completion of the executive session, the President reopened the meeting.

5.

With the recommendation of management, Director Campbell moved to adopt a resolution regarding the investment policy and strategies for the Tarrant Regional Water District. Director Henderson seconded the motion and the vote in favor was unanimous.

**RESOLUTION
OF
THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
REVIEWING AND RECORDING CHANGES MADE TO THE DISTRICT'S
INVESTMENT POLICY AND INVESTMENT STRATEGIES**

WHEREAS, TARRANT REGIONAL WATER DISTRICT ("the District") is a political subdivision of the State of Texas, created under authority of Article XVI, § 59 of the Texas Constitution; and

WHEREAS, the District as a political subdivision of the State of Texas has legal authority to invest local funds (which are public funds in the custody of the District that are not required by law to be deposited in the State treasury and that the District has legal authority to invest); and

WHEREAS, TEX. GOV'T CODE ANN. § 2256, Subchapter A, requires the District, as a political subdivision, to adopt rules governing the investment of the local funds of the District and to specify and scope of authority of officers and employees of the District that are designated to invest local funds; and

WHEREAS, the District has heretofore adopted a written Investment Policy governing the investment of local funds; and

WHEREAS, the District has heretofore adopted a written Resolution designating the Investment Officers of the District in compliance with the requirement of TEX. GOV'T CODE

ANN. § 2256, Subchapter A, authorizing such persons to deposit, withdraw, invest, transfer and manage in any other manner such funds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TARRANT REGIONAL WATER DISTRICT that notice is hereby given that the Board of Directors has on this date reviewed the District's investment policy and investment strategies. All changes made to either the District's investment policy or investment strategies following such review are as set forth hereinbelow:

None

Passed and approved this _____ day of _____, 2000.


George W. Shannon, President

ATTEST

Charles B. Campbell, Jr., Secretary

6.

With the recommendation of management, Director Henderson moved to approve the lease of the following tracts of land to the highest bidder, Five Star Exploration, Inc. for the purpose of oil and gas exploration. Further, Ken Brummett was granted authority to execute this lease and all instruments necessary to complete the transaction. Director Newby seconded the motion and the vote in favor was unanimous.

Lease #1: All of the District's undivided mineral interest in, on and under approximately 461.347 acres of land in the Wm. M. Love A-677, the E. Powers A-633, and the R. Caradine A-139, Navarro County, Texas. The District's interest is 193.125 net mineral acres. The specifics of the bid for Lease #1 were \$100 per net mineral acre bonus - \$19,312.50; \$5 per net mineral acre delay rentals, paid-up for two (2) years - \$1,931.25; Royalty - one-fourth (1/4); Primary Term - up three (3) years paid-up; and this lease shall cover depths and formations below the base of the Woodbine.

Lease #2: All of the District's undivided mineral interest in, on and under approximately 699.1657 acres of land in the Wm. T. Malone A-530, W. M. Love Sur., A-677; E. Power Sur., A-633; P. Querro Sur., A-669; J. Fontenoy Sur., A-265; D.T. Dunham Sur., A-241, D. T. Dunham Sur. A-242, and the Robert Aradine A-139 in Navarro County, Texas. The District's interest is 498.768 net mineral acres. The specifics of the bid for Lease #2 were \$100 per net mineral acre - \$49,877; \$5 per net mineral acre delay rentals, paid-up for two (2) years - \$4,987.68; Royalty -- one-fourth (1/4); and Primary Term -- three (3) years paid-up.

7.

With the recommendation of management, Director Newby moved to approve a contract with QDM, Inc. to conduct a records management needs assessment. The total amount of the contract will not exceed \$67,120. Funding for this project is included in the Fiscal Year 2000 General and Revenue Fund budgets. Director Campbell seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management, Director Campbell moved to authorize the sale of 200 square feet of land, more or less, adjoining Lot 10, Trade Winds Subdivision, Henderson County, Texas to the adjoining owner, Harold E. Morgan and Ruthie M. Morgan, for the appraised value of \$976 total. Further, R. Steve Christian is authorized to execute the deed and all other documents necessary to complete this transaction. Director Newby seconded the motion and the vote in favor was unanimous.

9.

The Board next was given a presentation on enterprise resource program software by J.D. Edwards Co., and Lawson.

10.

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

President

Secretary