

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT REGIONAL WATER DISTRICT  
HELD ON THE 21<sup>st</sup> DAY OF MARCH 2006 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  
Gina Puente-Brancato

Also present were, James M. Oliver, Alan Thomas, Ken Brummett, Lisa Cabrera, Linda Christie, Wesley Cleveland, Woody Frossard, Brenda Fry, Nancy King, Wayne Owen, Sandy Swinnea, Chris Taylor, Louis Verreault and Mike Witthaus.

Also in attendance were George Christie, General Counsel for Tarrant Regional Water District (the Water District); Peter Tart of McCall, Parkhurst & Horton; Laura Alexander and David Medanich of First Southwest; Dick Fish of Save Eagle Mountain Lake; J. R. Kimball, Marty Leonard 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.

On a motion made by Director Stevens and seconded by Director Puente-Brancato, the Directors unanimously voted to approve the minutes from the meeting held February 21, 2006 and on a motion made by Director Puente-Brancato and seconded by Director Stevens, the Directors unanimously voted to approve the minutes from the meeting held March 10, 2006. It was accordingly ordered that minutes of both meetings be placed in the permanent files of the Water District.

2.

Dick Fish reported that twelve Save Eagle Mountain Lake representatives volunteered for the Eagle Mountain Lake Cleanup.

3.

With the recommendation of management, Director Sparks moved to approve authorizing the issuance, sale and delivery of Tarrant Regional Water District, a Water Control and Improvement District, Water Revenue Bonds, Series 2006, in the amount of \$182,905,000 pledging revenues for the payment of the bonds, approving the official statement and purchase contract, and authorizing other instruments and procedures relating thereto. Director Puente-Brancato seconded the motion and the vote in favor was unanimous.

4.

With the recommendation of management, Director Sparks moved to adopt an amended resolution, including a finalized list of polling locations, calling for an election on Saturday, May 13, 2006 to fill two (2) positions on the Water District's Board of Directors. Director Stevens seconded the motion and the vote in favor was unanimous.

5.

With the recommendation of management, Director Stevens moved to approve the purchase of bulk granulated fertilizer to be used on the Fort Worth Floodway levee system and designated areas at Marine Creek Lake, Cement Lake, and Eagle Mountain Lake from Justin Seed Company, Inc., for the low bid of \$319 per ton, for a total amount not to exceed 134 tons at a total cost not to exceed \$42,746. Funding for this purchase is included in the FY 2006 General Fund Budget and the FY 2006 Revenue Fund Budget. Director Puente-Brancato seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management, Director Puente-Brancato moved to approve the purchase of concrete to be used on the Trinity Trail under the bridges to prevent erosion for the low bid of \$66.00 per cubic yard submitted by Tarrant Concrete, for a total amount not to exceed 350 cubic yards for a total cost of \$23,100. Funding for this purchase is budgeted in the FY 2006 General Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management, Director Stevens moved to purchase a 33,000 GVWR Conventional Cab and Chassis with a Heavy Duty Lube/Fuel body (2007 International 4400 SBS 4x2) to be assigned to the Fort Worth Operations Department for the low bid of \$114,142.97 submitted by Southwest International Trucks. Funding for this purchase is budgeted in the FY 2006 General Fund Budget. Director Puente-Brancato seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management, Director Sparks moved to amend the contract with Bennett & Williams, Inc. for the purchase, installation and maintenance of seismic activity monitoring equipment at Lake Bridgeport Dam to monitor rock quarry blasting and other seismic activity related to dam safety and the installation and maintenance of previously purchased replacement seismic monitoring equipment at Eagle Mountain Dam for the total amount of \$110,000. Funding for this purchase and installation is budgeted in the FY 2006 Revenue Fund Budget. Director Puente-Brancato seconded the motion and the vote in favor was unanimous.

9.

With the recommendation of management, Director Puente-Brancato moved to approve an agreement with Autodesk, Inc. for a 36-month subscription to Buzzsaw, an internet based electronic document tracking and storage system, to be used for the Eagle Mountain Connection Project at a cost of \$69,600. The Board instructed staff to contact an intellectual property lawyer to determine if it would be better to lease or license this service. Funding for this service is included in the 2002 Bond Issue. Director Stevens seconded the motion and the vote in favor was unanimous.

10.

The Board was updated on the sale of equipment.

11.

The Board recessed for a break at 10:45 a.m. and reconvened at 11:15 a.m.

12.

The President and presiding officer next called an executive session at 11:16 a.m. under Chapter 551.071 of the Government Code to consider pending or contemplated litigation – threatened litigation regarding Richland-Chambers High-Capacity Expansion Project; and under Chapter 551.072 of the Government Code to consider oil and gas issues – Richland-Chambers South Block Oil And Gas Lease and the ratification of Designation of Pooled Unit for Oil and Gas Lease.

13.

Upon completion of the executive session at 11:31 a.m., the President reopened the meeting.

14.

With the recommendation of management, Director Sparks moved to approve a lease to Sansom Lone Star Limited Partnership, a Texas Limited Partnership, as the highest and best bidder with a bid of \$117,700.94, 25% royalty, three (3) year primary term for the Water District’s mineral interest in 934.69 acres as described in Exhibit A.

**EXHIBIT A**

**Attached to Oil, Gas and Mineral Lease from the Tarrant Regional Water District to XXX**

**RICHLAND-CHAMBERS SOUTH BLOCK**

**934.69 acres located in the E. Powers Survey, A-633; Robert Caradine Survey, A-139; Julian Foutenoy Survey, A-265; Daniel T. Dunham Survey, A-241 and Daniel T. Dunham Survey, A-242, Navarro County, Texas, described as follows:**

Tract 1: Being approximately 74.57 acres, more or less, being that portion of 168.48 acres located in the Elijah Powers Survey, A-633 located below the 315 foot elevation level and said 168.48 acres being described in that certain Warranty Deed dated June 12, 1954, from Leonard Gray and wife, S.A. Gray to O.E. Gray, recorded in Volume 407, Page 532 of the Deed Records of Navarro County, Texas.

Tract 2: Being approximately 45.34 acres, more or less, a part of that certain 100.0 acre tract located in the Upper Daniel T. Dunham Survey, A-242 located below the 315 foot elevation level and said 100.0 acres being described in that certain Warranty Deed dated November 13, 1926, from G.W. Speed et ux to C.C. Speed, recorded in Volume 317, Page 314 of the Deed Records of Navarro County, Texas.

Tract 3: Being approximately 44.52 acres, more or less, being that portion of 100.0 acres located in the Daniel Dunham Survey, A-241 and Daniel Dunham Survey, A-242 located below the 315 foot elevation and said 100.0 acres being described as Fourth Tract in that certain Oil, Gas and Mineral Lease dated July 7, 1961, From Marvin Henderson and wife, Beatrice Henderson to Pan American Petroleum Corporation as recorded in Volume 683, Page 724 of the Deed Records of Navarro County, Texas.

Tract 4: Being 69.91 acres, more or less, a part of the Lower Daniel T. Dunham Survey, A-241 and being same land described as Second Tract in that certain Mineral and Royalty Deed dated October 30, 1962, from Lunsford P. Livingston and wife, Mary G. Livingston to Pan American Petroleum Corporation as recorded in Volume 694, Page 336 of the Deed Records of Navarro County, Texas.

Tract 5: Being 40.0 acres, more or less, a part of the Upper Daniel T. Dunham Survey, A-242 and being same land described as Second Tract in that certain Oil, Gas and Mineral Lease dated July 7, 1961, from Marvin Henderson and wife, Beatrice Henderson to Pan American Petroleum Corporation as recorded in Volume 683, Page 724 of the Deed Records of Navarro County, Texas.

Tract 6: Being 184.43 acres, more or less, a part of the Upper Daniel T. Dunham Survey, A-242 and being same land described in that certain Deed dated September 7, 1942, from John S. Speed et ux to Marvin Henderson as recorded in Volume 416, Page 213 of the Deed Records of Navarro County, Texas.

Tract 7: Being 43.64 acres, more or less, a part of the Upper Daniel T. Dunham Survey, A-241 and the Lower Daniel T. Dunham Survey, A-242 and being same land described in that certain Deed dated February 20, 1936, from G.W. Speed to John Evander Speed, et al as recorded in Volume 374, Page 412 of the Deed Records of Navarro County, Texas.

Tract 8: Being 43.64 acres, more or less, a part of the Upper Daniel T. Dunham Survey, A-242 and being same land described as Fifth Tract in that certain Assignment dated May 4, 1987, from Annazell Gattis, et vir to Tarrant County Water and Control District Number One as recorded in Volume 1100, Page 203 of the Deed Records of Navarro County, Texas.

Tract 9: Being 43.64 acres, more or less, a part of the Upper Daniel T. Dunham Survey, A-242 and being same land described in that certain Oil, Gas and Mineral Lease dated May 11, 1977, from G.W. Speed to Texas Oil & Gas Corp. as recorded in Volume 881, Page 206 of the Deed Records of Navarro County, Texas.

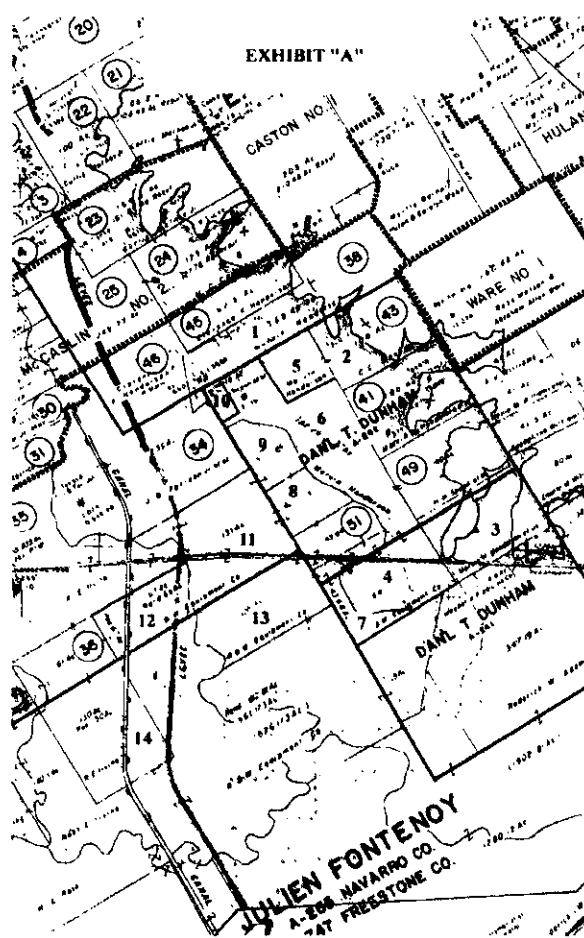
Tract 10: Being 10.0 acres, more or less, a part of the Upper Daniel T. Dunham Survey, A-242 and being same land described as the Sixth Tract in that certain Mineral and Royalty Deed dated October 30, 1962, from Lunsford P. Livingston and wife, Mary G. Livingston to Pan American Petroleum Corporation as recorded in Volume 694, Page 336 of the Deed Records of Navarro County, Texas.

Tract 11: Being 131.0 acres, more or less, a part of the Robert Caradine Survey, A-139 and being the same land described as the Third Tract in that certain Mineral and Royalty Deed dated October 30, 1962, from Lunsford P. Livingston and wife, Mary G. Livingston to Pan American Petroleum Corporation as recorded in Volume 694, Page 336 of the Deed Records of Navarro County, Texas.

Tract 12: Being 75.0 acres, more or less, a part of the Robert Caradine Survey, A-139 and being the same land described as the Fourth Tract in that certain Mineral and Royalty Deed dated October 30, 1962, from Lunsford P. Livingston and wife, Mary G. Livingston to Pan American Petroleum Corporation as recorded in Volume 694, Page 336 of the Deed Records of Navarro County, Texas.

Tract 13: Being 101.0 acres, more or less, a part of the Julian Foutenoy Survey, A-265 and being the same land described as the First Tract in that certain Mineral and Royalty Deed dated October 30, 1962, from Lunsford P. Livingston and wife, Mary G. Livingston to Pan American Petroleum Corporation as recorded in Volume 694, Page 336 of the Deed Records of Navarro County, Texas.

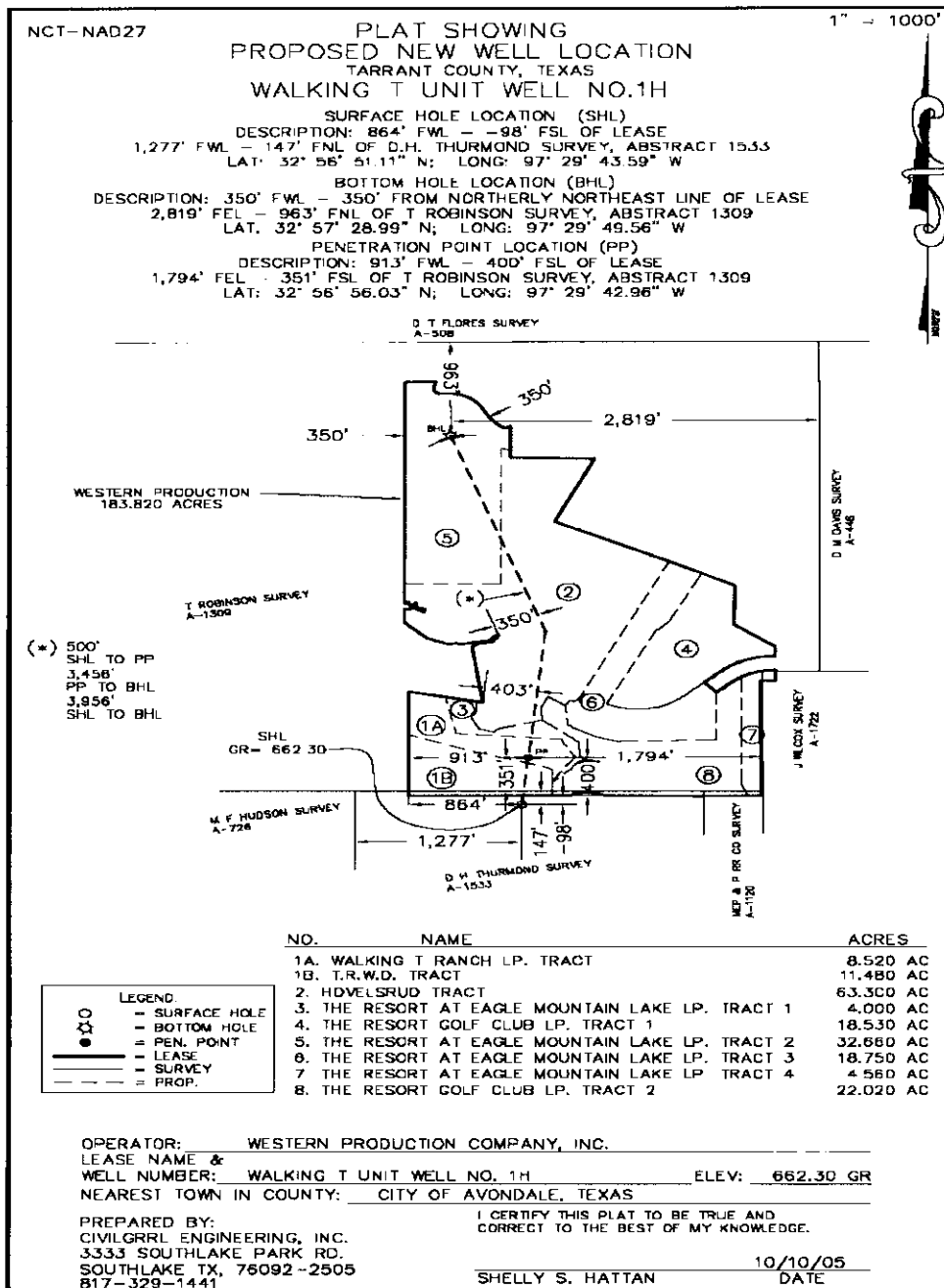
Tract 14: Being 28.0 acres, more or less, a part of the Julian Foutenoy Survey, A-265 and being the same land described as the Fifth Tract in that certain Mineral and Royalty Deed dated October 30, 1962, from Lunsford P. Livingston and wife, Mary G. Livingston to Pan American Petroleum Corporation as recorded in Volume 694, Page 336 of the Deed Records of Navarro County, Texas.



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.

15.

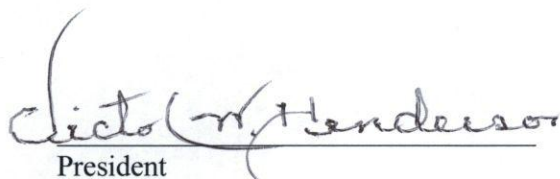
With the recommendation of management, Director Sparks moved to approve ratification of Designation of Pooled Unit for the Walking T Unit as shown on the attached plat.



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

16.

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

  
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President

  
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Secretary