

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 20TH DAY JUNE 2006 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	Jack R. Stevens
Hal S. Sparks III	
Jim W. Lane	
Marty V. Leonard	

Also present were, James M. Oliver, Alan Thomas, Ken Brummett, Linda Christie, Wesley Cleveland, Woody Frossard, JD Granger, Nancy King, David Marshall, Mark Olson, Wayne Owen, Madeline Robson, Sandy Swinnea, Ed Weaver and Mike Witthaus.

Also in attendance were George Christie, General Counsel for Tarrant Regional Water District (the Water District); Lee Christie and Hal Ray representing Pope, Hardwicke, Christie, Harrell, Schell & Kelly, LLP; Dick Fish of Save Eagle Mountain Lake; Julie Wilson of Reasons Venture 4, LLC; Bob Smith of KBR; Melead Crouse of USACE; Rosa Navejar of Fort Worth Hispanic Chamber of Commerce; Rusty Gibson and Kelly Wood of Freese and Nichols, Inc.; John Shepard 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.

Director Henderson called for election of Secretary Pro-Tem. On a motion by Director Sparks and seconded by Director Lane, the Directors unanimously voted to approve Director Leonard as Secretary Pro-Tem.

2.

On a motion made by Director Sparks and seconded by Director Lane, the Directors unanimously voted to approve the minutes from the meeting held May 16, 2006. On a motion made by Director Leonard and seconded by Director Lane, the Directors unanimously voted to approve the minutes from the meeting held May 23, 2006. 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, Inc. informed the Board that the lease between the City of Azle and the Roesser family for Roesser Park would not be renewed. This will decrease the number of public entry points to the lake.

Mr. Fish also stated that Save Eagle Mountain Lake, Inc. began a campaign to support Charlie Geren and the Water District in the \$10.5 million bid for the state park land on Eagle Mountain Lake.

4.

The Board was presented the work of the Socioeconomic/MWBE Planning Committee.

5.

The Board was presented the development of the Richland-Chambers Wetlands Reuse Module for school-age children.

6.

With the recommendation of management, Director Leonard moved to sponsor the *Waters to the Sea: Trinity River* education initiative at a cost of \$15,000. Funding for this is from the FY 2006 Revenue Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management, Director Sparks moved to replace the Water District's staff representative on the Tax Increment Financing District 6 (Riverfront/RadioShack TIF) Board with Linda Christie. Director Lane seconded the motion and the vote in favor was unanimous.

**RESOLUTION APPOINTING A REPRESENTATIVE TO TAX INCREMENT
REINVESTMENT ZONE 6 (Riverfront TIF)**

WHEREAS, Tarrant Regional Water District participates in the Riverfront TIF created by the City of Fort Worth to provide tax increment financing for infrastructure development to support the construction of the RadioShack campus; and

WHEREAS, the District desires to name Linda Christie as the District's staff representative on the Riverfront TIF Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Tarrant Regional Water District that Linda Christie shall serve as a board representative of the Tax Increment Reinvestment Zone 6 (Riverfront TIF) until such time as another representative is named by the District's Board of Directors.

Passed and approved this _____ day of _____ 2006.

Victor W. Henderson, President

ATTEST:

Martha V. Leonard, Secretary Pro-Tem

8.

With the recommendation of management, Director Leonard moved to replace the Water District's staff representative on the Tax Increment Financing District 11 (Southwest Parkway TIF) Board with Hal Sparks. Gina Puente-Brancato has been the representative for this board and it is recommended that she replace Director Sparks on the Trinity River Vision TIF Board which, however, requires action by the City Council. Director Lane seconded the motion and the vote in favor was unanimous.

**RESOLUTION APPOINTING A REPRESENTATIVE TO TAX INCREMENT
REINVESTMENT ZONE 11 (SOUTHWEST PARKWAY TIF)**

WHEREAS, Tarrant Regional Water District participates in the Southwest Parkway TIF created by the City of Fort Worth to provide tax increment financing for infrastructure development to support the construction of the Southwest Parkway; and

WHEREAS, Gina Puente-Brancato has asked to resign as the District's representative on the Board of Directors of the Southwest Parkway TIF; and

WHEREAS, the District desires to name Hal Sparks as the District's board representative on the Southwest Parkway TIF Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Tarrant Regional Water District that Hal Sparks shall serve as a board representative of the Tax Increment Reinvestment Zone 11 (Southwest Parkway TIF) until such time as another representative is named by the District's Board of Directors.

Passed and approved this _____ day of _____ 2006.

Victor W. Henderson, President

ATTEST:

Martha V. Leonard, Secretary Pro-Tem

9.

With the recommendation of management, Director Sparks moved to adopt a resolution to implement amendments to the Tex. Tax Code Sections 33.07 and 33.08 to assess a collection penalty of 20% on delinquent property taxes and to approve an amendment to the contract with Linebarger Goggan Blair and Sampson, LLP for authorization to assess a collection penalty of 20% on delinquent property taxes collected for 2006 and subsequent years. Director Leonard seconded the motion and the vote in favor was unanimous.

10.

With the recommendation of management, Director Lane moved to approve a contract with C&M Electrical Contractors for electrical services for the low bid of \$38.50*/\$14.76** an hour for work performed during normal working hours and \$57.75*/\$21.76** an hour for overtime work (*Journeyman, **Apprentice) with a 10% markup on materials for a period of one (1) year with an option to renew for two (2) one-year increments. Funding for this contract is included in the FY 2006 Revenue Fund Budget and the FY 2006 General Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management, Director Leonard moved to approve the purchase of two (2) Hydrolab MS5 units to be used to monitor water quality. One (1) will be assigned to the Western Division at a cost of \$6,370 and one (1) unit which includes a sonde and handset will be assigned to the Eastern Division Environmental Department at a cost of \$8,000 for a total cost of \$14,370 to be purchased from Hach Environmental in accordance with Texas Water Code Chapter 49.278. Funding for this purchase is included in the FY 2006 Revenue Fund Budget. Director Lane seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management, Director Lane moved to approve an amendment to the 2001 Additional Party Raw Water Supply Contract with the City of Weatherford, Texas authorizing the sale of an additional one (1) MGD or 1,120 acre-feet of water per year from the Benbrook Reservoir to serve municipal customers with a buy-in premium payment of \$493,823 and that water sales be limited to areas within Parker County.

In addition, James M. Oliver is granted authority to execute the amendment and all other documents necessary to complete this transaction. Director Sparks seconded the motion and the vote in favor was unanimous.

13.

With the recommendation of management, Director Lane moved to approve a contract with Kleinfelder for quality control and field testing including soil density and concrete testing of materials for both pump station and wetland cells for Phase I of the Richland-Chambers Wetlands Expansion Project at a cost not to exceed \$75,960. Funding for this contract is included in the 2006 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous.

14.

With the recommendation of management, Director Leonard moved to approve a contract with Pier-A-Mid Company for drilling, materials, and installation of four (4) new inclinometers and three (3) piezometers at the Richland-Chambers Spillway at a cost of \$30,300. Funding for this contract is included in the 2006 Revenue Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

15.

With the recommendation of management, Director Sparks moved to approve a contract with Ch2M Hill for detailed design of recommended improvements of the chemical system's operation at the Cedar Creek and Richland-Chambers Lake Pump Stations and to prepare operations and maintenance manuals for the new system at a cost not to exceed \$157,244. Funding for this contract is included in the 2006 Revenue Fund Budget and the 2006 Bond Issue. Director Leonard seconded the motion and the vote in favor was unanimous.

16.

The Board recessed for a break from 10:54 a.m. to 11:00 a.m.

17.

With the recommendation of management, Director Leonard moved to approve a contract with Archer Western Contractors, Ltd. for the Eagle Mountain Connection Project Contract C for the construction of the Rolling Hills Booster Pump Station and the Benbrook Booster Pump

Station at a cost of \$33,752,000. Funding for this contract is included in the 2006 Bond Issue. Director Lane seconded the motion and the vote in favor was unanimous.

18.

The President and presiding officer next called an executive session at 11:34 a.m. under Chapter 551.071 of the Government Code to consider pending or contemplated litigation – Joe Eversole dba Best One Oil Company litigation; and under Chapter 551.072 of the Government Code to consider real property issues – Eagle Mountain Connection Project; and oil and gas issues – discuss possible leasing in Rivercrest and amended unit description for the Bahan #1-H well.

19.

Upon completion of the executive session at 11:56 a.m., the President reopened the meeting.

20.

With the recommendation of management, Director Sparks moved to approve a settlement agreement of the Joe Eversole dba Best One Oil Company lawsuit as negotiated by General Counsel. Director Lane seconded the motion and the vote in favor was unanimous.

21.

With the recommendation of management, Director Sparks moved to ratify the revision of description for the Pooling Agreement for the Dale Operating Company – Bahan Gas Unit which deletes the 2.098 acre tract, reducing the total size of the unit which increases the Water District's proportionate net revenue interest in the unit from .0259541 to .0266864. Director Lane seconded the motion and the vote in favor was unanimous.

REGISTERED PROFESSIONAL SURVEYORS

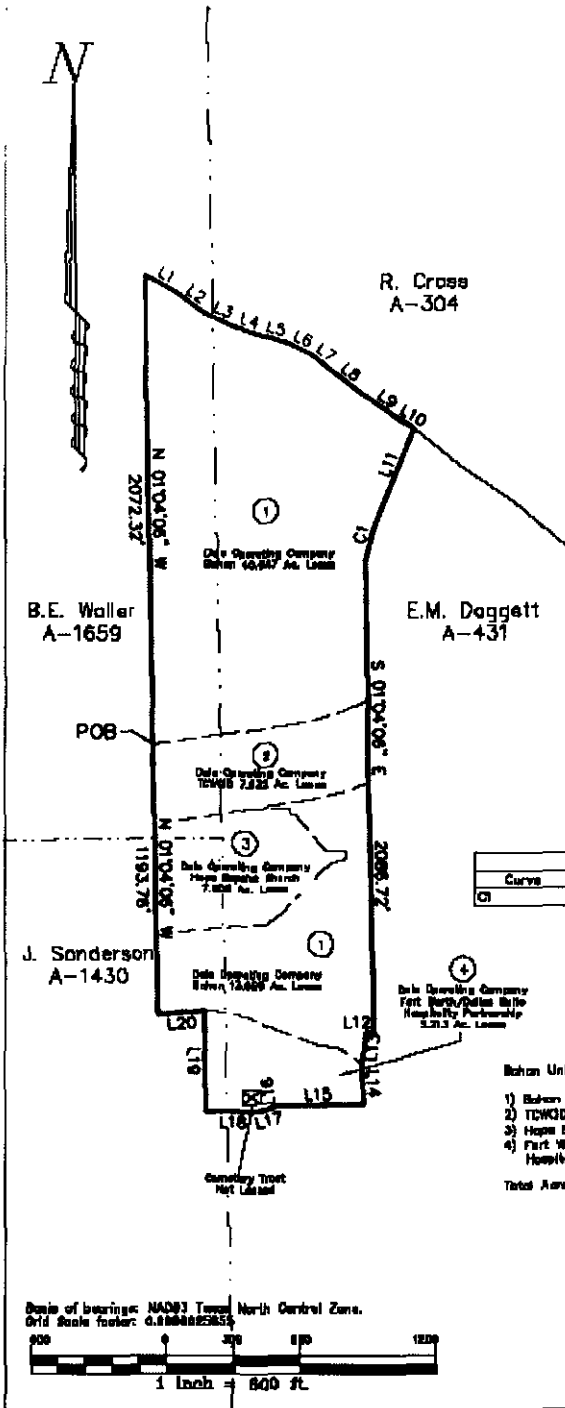
HERBERT S. BEASLEY

LAND SURVEYORS L.P.

• LAND • TOPOGRAPHIC
• CONSTRUCTION SURVEYING

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METRO 817-429-0194
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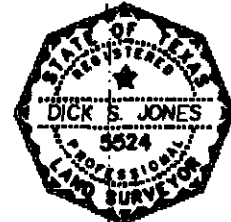
UNIT LINE TABLE		
LINE	Bearing	LENGTH
L1	N81°38'54"W	159.55
L2	N53°38'25"W	151.80
L3	S85°30'50"E	147.70
L4	S73°49'05"E	121.45
L5	S73°03'09"E	118.55
L6	N64°38'21"W	121.15
L7	N52°11'54"W	98.41
L8	N52°34'57"W	186.49
L9	S64°38'14"E	218.31
L10	S58°14'03"E	62.00
L11	S22°07'05"W	379.57
L12	S88°55'54"W	35.76
L13	S04°46'55"W	134.95
L14	S00°59'17"E	181.17
L15	S89°00'43"W	398.00
L16	S00°59'17"E	6.01
L17	S77°44'43"W	61.38
L18	S89°00'43"W	240.28
L19	N00°58'47"W	444.26
L20	S85°48'13"W	207.88

UNIT CURVE TABLE					
Curve	Delta	Radius	Length	Chord-Dir	Chord
C1	57°18'07"	1487.90	241.50	587.28°01"W	241.53

Bahan Unit Acreage

- 1) Bahan Lease - 53.706 ac.
- 2) TOWGD Lease - 7.832 ac.
- 3) Hope Baptist Church Lease - 7.808 ac.
- 4) Fort Worth/Dallas Suite Hospitality Partnership - 5.213 ac.

Total Acres - 74.357 ac.



Prepared 3 May 2006
Revised 04 May 2006

EXHIBIT "C"

E. Johnson
A-852

BAHAN UNIT
DALE OPERATING COMPANY
74.357 ACRE UNIT

Fort Worth, Tarrant County, Texas.

Dale-Bahan Unit/Lease



EXHIBIT B

BAHAN UNIT

Being 74.467 acres of land located in the E.M. Daggett Survey, Abstract No. 431, the J. Sanderson Survey, Abstract No. 1430 and the B.E. Waller Survey, Abstract No. 1659, Tarrant County, Texas, being the tracts of land described in the Oil and Gas Leases to Dale Resources, L.L.C., recorded in CC#D206048598 (Bahan1 and Bahan2 lease), CC#D206136537 (TCWCID lease), CC#D206038513 (Hope Baptist Church lease), and CC#D206051103 (Fort Worth/Dallas Hospitality lease), Deed Records, Tarrant County, Texas. Said 74.467 acres of land being more particularly described as follows:

BEGINNING at a 7/8" iron rod found at the northwest corner of said TCWCID lease, said iron rod found being the southwest corner of said Bahan1 tract;

THENCE N01°04'06"W, along the west line of said Bahan1 tract, a distance of 2,072.32 feet to a point lying in the centerline of the Trinity River;

THENCE along the centerline of said Trinity River as follows:

- 1.) S61°38'54"E, a distance of 159.55 feet to a point;
- 2.) S53°39'25"E, a distance of 151.90 feet to a point;
- 3.) S65°30'50"E, a distance of 147.70 feet to a point;
- 4.) S73°49'05"E, a distance of 121.45 feet to a point;
- 5.) S73°03'09"E, a distance of 118.55 feet to a point;
- 6.) S64°58'21"E, a distance of 121.15 feet to a point;
- 7.) S52°11'54"E, a distance of 98.41 feet to a point;
- 8.) S52°34'57"E, a distance of 186.49 feet to a point;
- 9.) S54°38'14"E, a distance of 216.31 feet to a point;

10.) S58°14'03"E, a distance of 62.00 feet to a point lying in the west right-of-way line of Beach Street as shown on File No. K-102 on record in the office of the Public Works Department Engineering Division of the City of Fort Worth;

THENCE along said west right-of-way line as follows:

- 1.) S22°07'05"W, a distance of 379.57 feet to a point at the beginning of a curve to the left;
- 2.) southerly, 241.49 feet, along said curve to the left, having a radius of 1,487.50 feet, a central angle of 09°18'07" and a chord bearing S17°28'02"W 241.23 feet to a point;

THENCE S01°04'06"E, at 615.69 feet passing the northeast corner of said TCWCID lease, at 978.85 feet passing the southeast corner of said TCWCID lease, said point being the northeast corner of said Bahan2 tract, in all a distance of 2,086.72 feet to a point;

THENCE S88°55'54"W, a distance of 35.76 feet to a point;

THENCE S04°46'55"W, a distance of 134.95 feet to a point at the northeast corner of said Fort Worth/Dallas Hospitality lease, said point being the southeast corner of said Bahan2 tract;

THENCE along the east, south and north lines of said Fort Worth/Dallas Hospitality lease as follows:

1) S00°59'17"E, a distance of 181.17 feet to an 1/2" iron rod found at the southeast corner of said Fort Worth/Dallas Hospitality lease;

2) S89°00'43"W, a distance of 396.00 feet to a PK nail found;

3) S00°59'17"E, a distance of 8.01 feet to a point;

4) S77°44'43"W, a distance of 61.38 feet to an 1/2" iron rod found;

5) S89°00'43"W, a distance of 240.28 feet to an 1/2" iron rod found at the southwest corner of said Fort Worth/Dallas Hospitality lease;

6) N00°56'47"W, a distance of 444.28 feet to a point lying in the south line of said Bahan2 tract;

THENCE S85°48'13"W, a distance of 207.98 feet to the southwest corner of said Bahan2 tract;

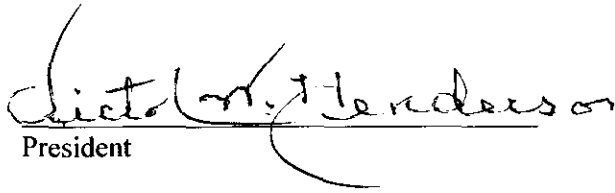
THENCE N01°04'06"W, at 356.78 feet passing the northwest corner of said Bahan2 tract, at 841.66 feet passing the northeast corner of said Hope Baptist Church lease, in all a distance of 1,193.76 feet to the point of beginning, containing 74.467 acres of land.


Save and Except a 0.110 acre tract of land depicted as a Cemetery located in Lot 2R, Block 1, Ramada Inn Central, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Cabinet A, Slide 1935, Plat Records, Tarrant County, Texas, leaving a net unit acreage of 74.357 acres.

The bearings recited hereon are oriented to NAD83 Texas North Central Zone.

BAHAN GAS UNIT DESIGNATION - EXHIBIT "A"							
ALL VOLUME AND PAGE REFERENCES ARE TO THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS							
TRACT No.	Survey	Abstract	Lessor	Lessee	Lease Date	Acres Included in Unit	Vol./Pg.
1	E M Daggett B E Waller J Sanderson	431.16591 430	W C. Bahan, Trustee	Dale Resources, L.L.C.	September 13, 2005	53.7060	D206048598
2	J Sanderson	1430	Tarrant Regional Water District	Dale Resources, L.L.C.	January 3, 2006	7.6320	D206136537
3	B E Waller E M Daggett J Sanderson	1659 431 1430	Hope Baptist Church of Fort Worth, Inc.	Dale Resources, L.L.C.	December 22, 2005	7.8060	D206038513
4	E M Daggett J Sanderson	431. 1430	Fort Worth/Dallas Suite Hospitality Ptnshp.	Dale Resources, L.L.C.	January 4, 2006	5.2130	D206051103
TOTAL SURFACE ACRES IN UNIT						74.3570	

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


President


Secretary