

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 20TH DAY OF MARCH 2007 AT 9:30 A.M.

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

Present
Victor W. Henderson
Jack R. Stevens
Marty V. Leonard
James W. Lane*

Absent
Hal S. Sparks III

*Arrived at the meeting at 9:58 a.m.

Also present were James M. Oliver, Alan Thomas, Norman Ashton, Stacy Beeson, Ken Brummett, Steve Christian, Linda Christie, Wesley Cleveland, Woody Frossard, Nancy King, David Marshall, Wayne Owen, Madeline Robson and Sandy Swinnea.

Also in attendance were George Christie, General Counsel for Tarrant Regional Water District (the Water District); Lee Christie representing Pope, Hardwicke, Christie, Schell, Kelly & Ray, LLP; Jay Pritchard of Trinity Communications; Dick Fish of Save Eagle Mountain Lake; Adelaide Leavens of Streams and Valleys; Jim Nichols of Freese and Nichols; Harriet Willis of Coldwell Banker; and Max Baker of the Fort Worth Star Telegram.

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 February 20, 2007. It was accordingly ordered that these minutes be placed in the permanent files of Tarrant Regional Water District.

3.

During public comments, Jim Nichols praised the Tarrant Regional Water District Board as being one of the finest agencies he has worked with.

4.

With the recommendation of management, Director Stevens moved to adopt the Investment Policy and Strategies dated March 20, 2007. Director Leonard 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 the 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 herein below:

None

Passed and approved this _____ day of _____, 2007.

Victor W. Henderson, President

ATTEST:

Jack R. Stevens, Secretary

5.

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

Project	Vendor	Amount	Funding Source
Cedar Creek Compound & Boat Channel retaining wall repair	J. D. Fields & Company	\$67,200	2007 Revenue Fund Budget
	Pier-A-Mid Rehabilitation, Inc.	\$92,624	2007 Revenue Fund Budget

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

6.

With the recommendation of management, Director Stevens moved to approve the capital expenditures as noted below:

Equipment	Recommended Vendor	Amount	Funding Source(s)
ITB #07-027 Center Consol Patrol Boat	Lanesse Mckee and Company, Inc., Fairmont, NC	\$49,385	Revenue
ITB #07-028 60" Cab & Chassis w/Utility Bed	Windham Motor Company, McKinney, TX	\$24,817	Revenue
ITB #07-029 82" Cab & Chassis w/Dump Body	Fort Worth Freightliner, Fort Worth, TX	\$67,980	General
ITB #07-030 ¾ Ton 2WD Cargo Van	Windham Motor Company, McKinney, TX	\$18,085	Revenue

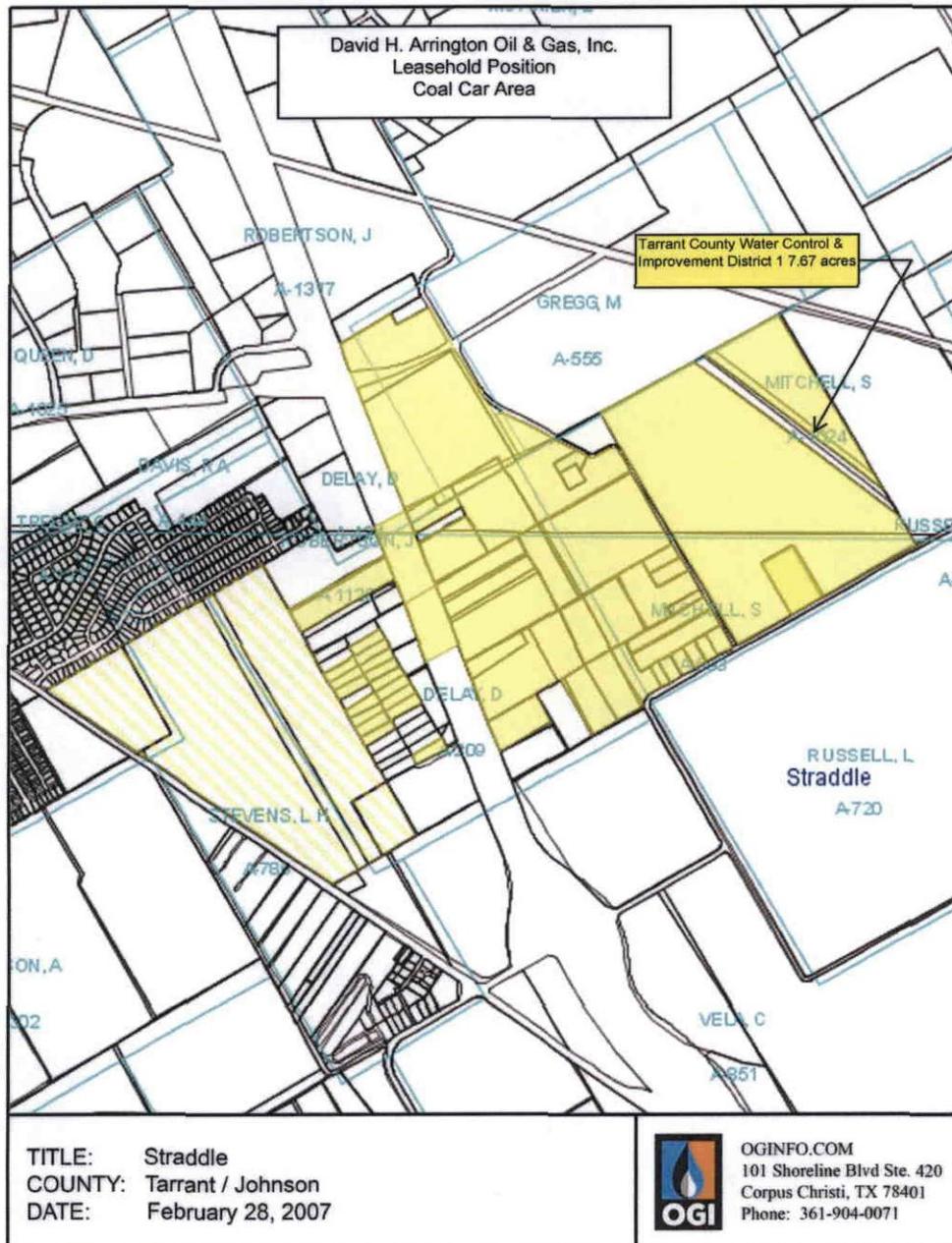
Director Leonard seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management, Director Stevens moved to approve a lease and pooling agreement with David H. Arrington Oil and Gas, Inc. as the highest and best bidder

with a bid of \$15,340, 25 percent royalty, three (3) year primary term for the Water District's mineral interest in 7.67 acres as shown on Exhibit A. The pooling agreement will assure the Water District a 7.67/151.1 acre tract participation in the Coal Car Unit 1H well.

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



8.

The Board was updated on the Adopt-a-River program and the Eagle Mountain Connection Project.

9.

The President and presiding officer next called an executive session at 10:10 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 – discuss land exchange at Cedar Creek Lake and Eagle Mountain park land; and under Chapter 551.074 to consider personnel issues - Management; and under Chapter 551.076 to consider security system issues.

10.

Upon completion of the executive session at 11:25 a.m., the President reopened the meeting.

11.

With the recommendation of management, Director Lane moved to approve the refund of a portion of the bonus and delay rentals to Dale Resources, L.L.C. for the Spring 2006 Oil and Gas Lease which included a portion of acreage erroneously believed to be owned by the Water District. Total amount to be refunded is \$163,815.28. Director Leonard seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management, Director Lane moved to approve the exchange of two tracts of land totaling approximately 14.86 acres as described in Exhibit 1 to Long Cove Land Company, L.P. In exchange, upon completion of excavation and dredging, Long Cove will convey approximately (and no less than) 28.53 acres of land in the newly created coves to the Water District. Director Stevens seconded the motion and the vote in favor was unanimous.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
TARRANT REGIONAL WATER DISTRICT**

March 20, 2007

WHEREAS, Tarrant Regional Water District (“TRWD” or the “District”) owns certain undeveloped lands in or adjacent to the District’s Cedar Creek Lake in Henderson County, Texas, as described in Exhibit “1” attached hereto (the “District Property”), which are not needed for the current operations of the District and are therefore surplus lands;

WHEREAS, Long Cove Land Company, L.P. a Texas limited partnership (“Long Cove”), owns adjacent lands which it proposes to develop through, among other things, the performance of certain excavation and dredging work under the auspices of a 404 Permit to be obtained from the United States Army Corps of Engineers;

WHEREAS, Long Cove has requested that the District exchange the District Property, consisting of a total of approximately 14.86 acres of land, with lands owned by Long Cove in the vicinity thereof totaling approximately 28.53 acres of land (the “Long Cove Property”);

WHEREAS, Long Cove proposes to excavate the Long Cove Property in order to create coves as additions to Cedar Creek Lake, which the District deems advantageous and beneficial to the District and in furtherance of its public purposes, such lands to total a minimum of 28.53 acres;

WHEREAS, as a result of the exchanges contemplated and proposed, the District would gain a net total of approximately 13.67 acres of land, which is advantageous and beneficial to the District;

WHEREAS, the Board of Directors of TRWD has determined that the proposed exchange would result in, at minimum, TRWD receiving fair market value for the TRWD Property to be conveyed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TARRANT REGIONAL WATER DISTRICT:

That the Real Property Director of the District should be and is hereby authorized to execute and deliver an exchange agreement providing for the conveyance of the TRWD Property to Long Cove, and requiring that Long Cove convey the Long Cove Property to TRWD, together with such other, further, and ancillary documents and undertakings as may reasonably be required to effectuate the exchange authorized hereby.

PASSED, APPROVED AND ADOPTED THIS _____ DAY OF MARCH, 2007.

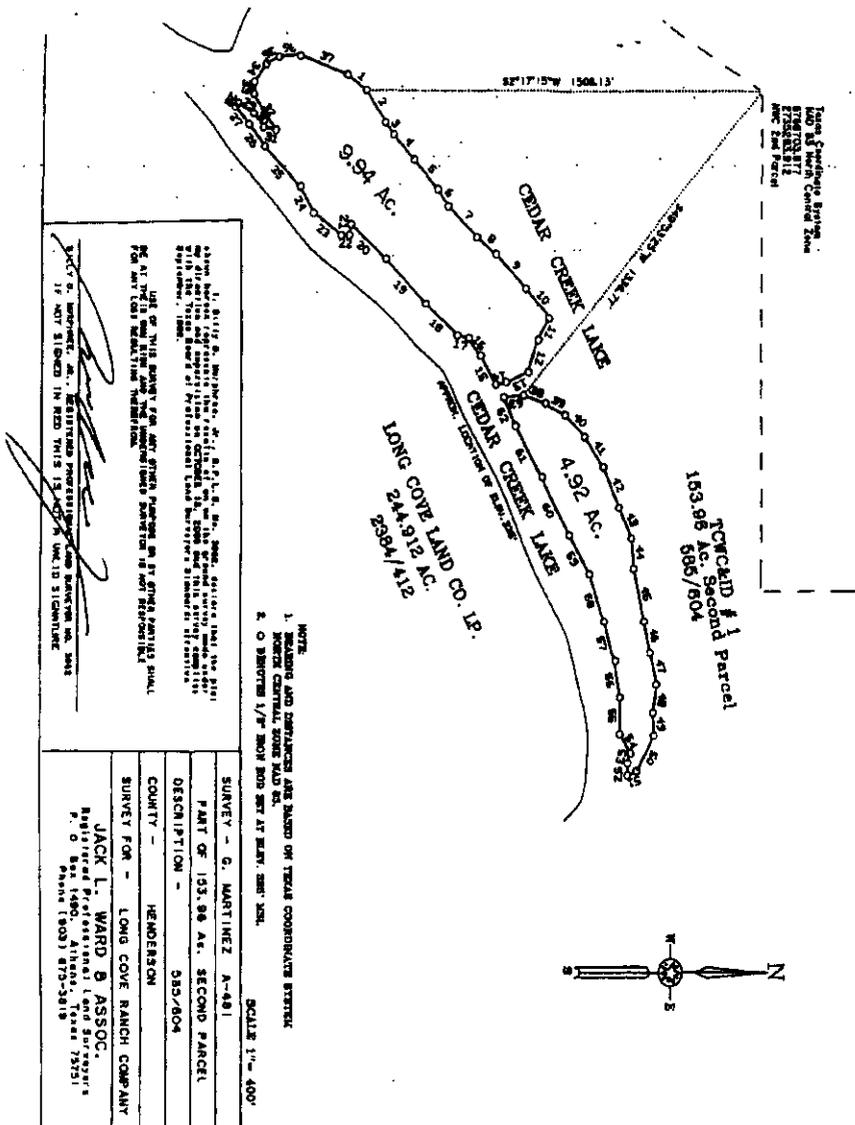
TARRANT REGIONAL WATER DISTRICT

BY: _____

Victor W. Henderson
President
Board of Directors

ATTEST:

Jack R. Stevens
Secretary



With the recommendation of management, Director Leonard moved to approve the expenditure of an amount up to \$5,200,000 to assist The Trust for Public Land in meeting the \$9,600,000 purchase price required by the Texas General Land Office for acquisition of the park for citizens of Tarrant County. In addition, the Board expressed appreciation of and accepted donations in the amount of \$117,037.75 to contribute to the acquisition of the Eagle Mountain Parkland. Director Lane seconded the motion and the vote in favor was unanimous.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF TARRANT REGIONAL WATER DISTRICT
AUTHORIZING TRANSFER OF FUNDS TO CONTRIBUTE TO THE
PURCHASE OF EAGLE MOUNTAIN PARKLAND**

WHEREAS, the Board of Directors of Tarrant Regional Water District, a Water Control and Improvement District (the “District”) has determined that it is in the best interests of the District and the public served by the District to preserve an approximately 400 acre tract of land adjacent to Eagle Mountain Lake which is owned by the State of Texas (the “Eagle Mountain Parkland”) as undeveloped, public access parkland; and

WHEREAS, the Board of Directors, together with other interested parties, including Tarrant County, Texas, and The Trust for Public Land, is currently pursuing the purchase of the Eagle Mountain Parkland; and

WHEREAS, the terms of the agreement between The Trust for Public Land and the Texas General Land Office require closing to occur on March 27, 2007; and

WHEREAS, to allow The Trust for Public Lands to raise sufficient funds to meet the \$9,600,000 purchase price, the Board of Directors desires to commit up to \$5,200,000 of the 2007 General Fund to the purchase of the Park, title to which shall thereupon be transferred to the District, the Board having found that the acquisition of such land is necessary and appropriate for the purpose of accomplishing one or more of the District’s purposes.

NOW, THEREFORE, be it resolved by the Board of Directors of the District that:

1. The Real Property Director of the District should be and is hereby authorized to enter into such agreements and undertakings as may be reasonably necessary and appropriate to facilitate the purchase of the Eagle Mountain Parkland by The Trust for Public Lands, and to

authorize the disbursement of a sum of money not to exceed a total of \$ 5,200,000.00 for such purpose.

2. The Real Property Director of the District should be and is hereby authorized and directed to enter into such agreements as may be reasonably necessary to ensure that title to the Eagle Mountain Parkland is transferred to the District promptly by The Trust for Public Lands after its acquisition by said entity.

ADOPTED AND APPROVED this 20th day of March, 2007.

TARRANT REGIONAL WATER
DISTRICT, a Water Control and
Improvement District

By: _____
Victor W. Henderson
President, Board of Directors

ATTEST:

Jack R. Stevens
Secretary, Board of Directors

**RESOLUTION OF
THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT**

The Board of Directors of Tarrant Regional Water District, a Water Control and Improvement District (the "District") adopted the following action and resolution by unanimous vote at its meeting held on the 20th day of March, 2007:

WHEREAS, the District is a "political subdivision" of the State of Texas, as such term is defined in Section 170(c)(1) of the Internal Revenue Code; and

WHEREAS, donations to the District may qualify as taxable deductions under Section 170(a) of the Internal Revenue Code; and

WHEREAS, numerous individuals have made donations totaling \$117,037.75 to a lock box account in the name of the District at Plains Capital Bank, or directly to the District, as of March 14, 2007; and

WHEREAS, the District has not provided any of the donors any goods or services in consideration of such donations; and

WHEREAS, the Board of Directors has determined that it is in the best interests of the District to publicly accept such donations, together with any similar donations made or received for such purpose in the future; now, therefore, be it

RESOLVED, that the District formally accepts the cash donations of \$117,037.75 from the various individual donors, and accepts prospective donations made for the purpose aforesaid.

IN WITNESS WHEREOF, the undersigned have set their hand hereunto, effective the 20th day of March, 2007.

ADOPTED:

Victor W. Henderson
President

ATTEST:

Jack Stevens
Secretary

14.

With the recommendation of management, Director Lane moved to approve an interlocal agreement with Tarrant County for the transfer of funds by Tarrant County to the Water District for the purchase of the Eagle Mountain Park Land. Director Leonard seconded the motion and the vote in favor was unanimous.

15.

With the recommendation of management, Director Leonard moved to approve the purchase and installation of a high tech security system from Maez Security Consultants at a cost not to exceed \$1,871,611. Funding for this purchase is included in the 2006 Bond Issue. Director Lane seconded the motion and the vote in favor was unanimous.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
TARRANT REGIONAL WATER DISTRICT**

March 20, 2007

WHEREAS, the Board of Directors of the Tarrant Regional Water District (“TRWD” or the “District”) has determined that it is necessary and appropriate, and in the public interest, that the District undertake an upgrade of its security systems securing its installations and facilities from unauthorized access or damage;

WHEREAS, by action of the Board of Directors on May 16, 2006, the Board authorized staff to enter into a contract with Maez Security Consultants providing for, among other things, recommendations regarding an upgrade of the District’s security systems;

WHEREAS, funds in the total amount of \$2 million were approved in 2006 for the purpose of upgrading the District’s security systems and approximately \$1.9 million out of such funds are currently available for such purpose;

WHEREAS, the Board of Directors of TRWD has determined that it is necessary, appropriate, and advisable to authorize staff to enter into one or more contracts with Maez Security Consultants, Dell, Inc. and/or Flair Data Systems for the purpose of purchasing and installing an integrated electronic security management system for District facilities, consisting of, among other things, some or all of the following:

1. Data processing equipment and software and firmware in connection with such equipment;

2. Telecommunications, radio and/or microwave systems;
3. Electronic distributed control systems; and
4. Technical services related to the foregoing high technology items;

WHEREAS, the Board of Directors has also found and determined that advertising or seeking competitive bids for such high technology electronic security/surveillance systems and components thereof would compromise the safety and security of District facilities or residents.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TARRANT REGIONAL WATER DISTRICT:

1. That the Risk Manager of the District should be and is hereby authorized to enter into one or more phased contracts providing for the purchase and implementation of one or more high technology security and/or surveillance systems, including software and hardware, at appropriate District facilities.
2. That the total cost of such systems shall not exceed \$1,871,611.

PASSED, APPROVED AND ADOPTED THIS _____ DAY OF MARCH, 2007.

TARRANT REGIONAL WATER DISTRICT

BY: _____
Victor W. Henderson
President
Board of Directors

ATTEST:

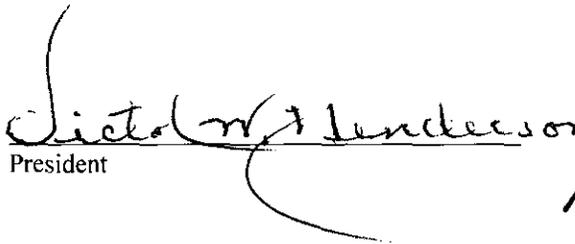
Jack R. Stevens
Secretary

16.

With the recommendation of management, Director Lane moved to ratify the salary increase of 5%, effective October 1, 2006, for the General Manager. The increase brings the annual salary to \$262,500. Director Leonard seconded the motion and the vote in favor was unanimous.

17.

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


President


Secretary