

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 17TH DAY OF APRIL 2007 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
James W. Lane

Also present were James M. Oliver, Alan Thomas, Ken Brummett, Steve Christian, Linda Christie, Woody Frossard, Nancy King, David Marshall, Wayne Owen, 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 and Jonathan Rice of Trinity Communications; Richard Sawey of CDM; Dick Fish of Save Eagle Mountain Lake; Rusty Gibson of Freese and Nichols; Robert Francis of the Business Press; Max Baker of the Fort Worth Star Telegram; Denis Qualls, Timothy Nold 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 March 20, 2007. It was accordingly ordered that these minutes be placed in the permanent files of Tarrant Regional Water District.

3.

During public comments, Dick Fish thanked the Board for everything they did to get the Eagle Mountain Parkland purchase finalized. He also indicated they have 14 volunteers lined up for the May 5th cleanup. Timothy Nold expressed concerns at the District restricting access to, and potentially leasing, property that was dedicated to use by the property owners.

4.

With the recommendation of management, Director Leonard moved to approve an interlocal cooperative contract with the City of Dallas providing for the cost shared study of joint transmission facilities at cost not to exceed \$400,000. Partial funding for this contract is included in the FY 2007 Revenue Fund Budget. The remainder will be included in the FY 2008 Revenue Fund Budget. Director Stevens seconded the motion and the vote in favor was unanimous.

5.

With the recommendation of management, Director Sparks moved to approve JPMorgan Chase as the depository service provider for TRWD. Director Leonard seconded the motion and the vote in favor was unanimous.

6.

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

Equipment	Recommended Vendor	Amount	Funding Source(s)
ITB #07-022 15' (2) Flexwing Mowers	Waxahachie Equipment, Waxahachie, TX	\$9,989	Revenue
		\$9,989	Revenue
ITB #07-023 20' Flexwing Mower	Austin Turf and Tractor, Farmers Branch, TX	\$14,446	Revenue
ITB #07-024 (2) 100HP 4WD Agricultural Tractors	Hendershot Equipment Company, Stephenville, TX	\$48,569	General
		\$48,569	General
ITB #07-034 15' Commercial Mower	Luber Brothers, Dallas, TX	\$66,989	General

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

7.

With the recommendation of management, Director Stevens moved to approve a contract with CDM for conversion of all of the existing historical reservoir operations data spread sheet files into the new Engineering Operations SQL Database for a not-to-exceed cost of \$68,453; and for the development of SCADA/MAXIMO condition based maintenance work order interface for a not-to-exceed cost of \$45,000, for a total cost not to exceed \$113,453. Funding for this contract is included in the FY 2007 Revenue Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

8.

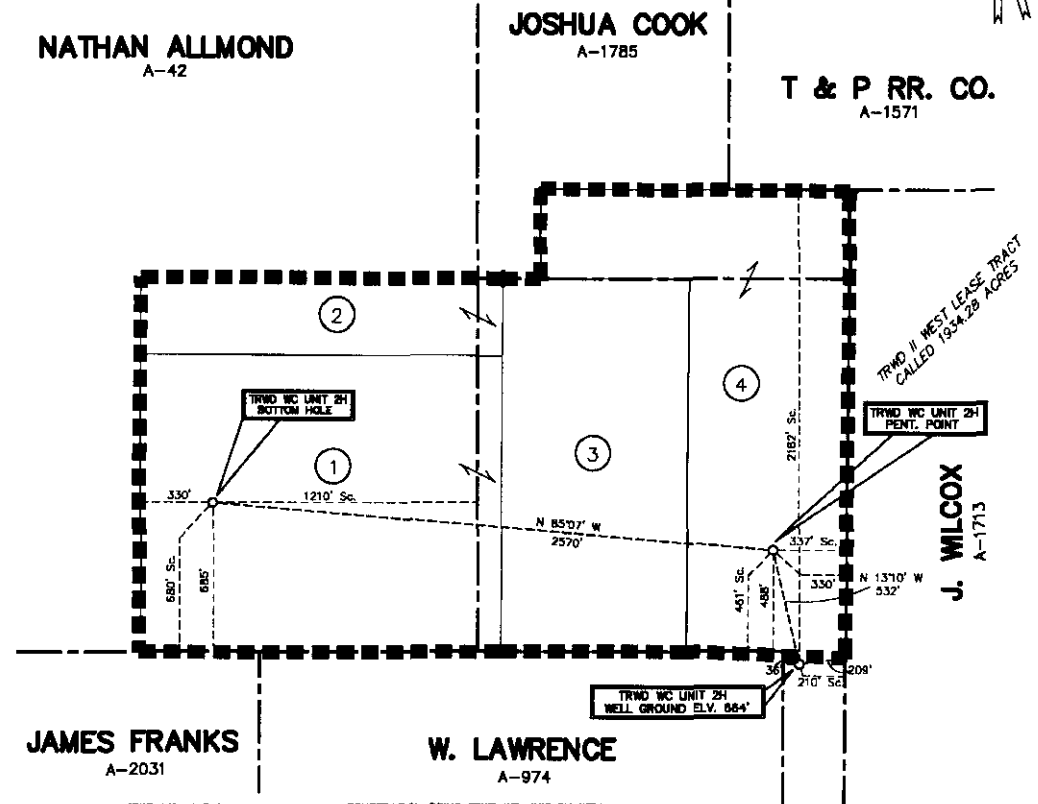
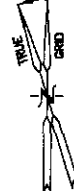
With the recommendation of management, Director Leonard moved to ratify the pooling agreement executed by Ken Brummett on behalf of the Water District for the (1) XTO TRWD WC #2H Unit oil and gas well located at Eagle Mountain Lake as shown on Exhibit below. Director Sparks seconded the motion and the vote in favor was unanimous.

**** NOTES ****

This plat does not represent a boundary survey.
 Acreages shown hereon are deed called or
 calculated from deeds furnished by others.
 Monumentation shown hereon was found.
 Surface Location ties are shown from the
 location surveyed 9/12/06.
 The Bearing Base is "GRID", N.A.D. 27' Datum,
 Tx. North Central Zone, Convergence: +00°07'19".0
 at the Surface Location.

+00°07'19".0

1 - CALLED 41.80 ACRES	MARY MILLER et al
2 - CALLED 20.43 ACRES	WANDA HUSBENET
3 - CALLED 24.18 ACRES	DONEY TRUST et al
4 - CALLED 30.34 ACRES	TRWD II
125.75 TOTAL CALLED ACRES IN UNIT & ORLG. UNIT	



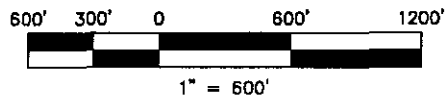
SURFACE LOCATION TRWD WC UNIT 2H WELL,
 IN THE W.H.H. MOORE, A-1938
 BEING 210' FROM THE EAST LINE OF SAME
 AND ALSO BEING THE WEST LINE OF THE
 J. WILCOX SURVEY, A-1713, AND BEING
 2182' FROM THE NORTH LINE OF THE
 W.H.H. MOORE, A-1938
 BEING THE SOUTH LINE OF THE T & P RR. CO.
 SURVEY, A-1571, ALSO BEING 36' FROM
 THE SOUTH UNIT LINE, ALSO BEING 209'
 FROM THE EAST UNIT CORNER.

PENETRATION POINT TRWD WC UNIT 2H WELL,
 IN THE W.H.H. MOORE, A-1938
 BEING 337' FROM THE EAST LINE OF SAME
 AND ALSO BEING THE WEST LINE OF THE
 J. WILCOX, A-1713, AND BEING
 481' FROM THE SOUTH LINE OF THE
 W.H.H. MOORE SURVEY, A-1938
 BEING THE NORTH LINE OF THE W. LAWRENCE
 SURVEY, A-974, ALSO BEING 330' FROM
 THE EAST UNIT LINE AND BEING 488' FROM
 THE SOUTH UNIT LINE.

BOTTOM HOLE LOC. TRWD WC UNIT 2H WELL
 IN THE NATHAN ALLMOND, A-42
 BEING 1210' FROM THE EAST LINE OF SAME
 AND ALSO BEING THE WEST LINE OF THE
 W.H.H. MOORE, A-1938, AND BEING
 680' FROM THE SOUTH LINE OF THE
 NATHAN ALLMOND, A-42
 BEING THE NORTH LINE OF THE JAMES FRANKS
 SURVEY, A-2031, ALSO BEING 330' FROM
 THE WEST UNIT LINE AND BEING 685'
 FROM THE SOUTH UNIT LINE.

****DRIVING DIRECTIONS****
 FROM THE INTERSECTION OF HWY 190 & FM 730 IN AZLE
 GO 2.2 MILES NORTH ON 730 TO SANDY BEACH ROAD
 GO EAST ON SANDY BEACH ROAD 0.75 MILES TO LEASE ROAD
 ON SOUTH SIDE OF ROAD, FOLLOW LEASE ROAD TO PAD.

**WELL LOCATION PLAT
 XTO ENERGY INC.
 TRWD WC UNIT 2H
 125.75 ACRE UNIT
 TARRANT COUNTY, TEXAS**



N.A.D. 27 DATUM
 TEXAS NORTH CENTRAL ZONE

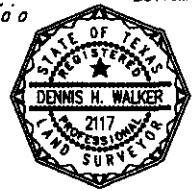
**** SURFACE LOCATION TRWD WC UNIT 2H WELL ****
 N: 456639.44
 E: 1989750.25
 LAT.: 32°55'19".70
 LONG.: 97°32'00".25

**** PENETRATION POINT TRWD WC UNIT 2H WELL ****
 N: 457157.28
 E: 1989629.13
 LAT.: 32°55'23".82
 LONG.: 97°32'01".68

**** BOTTOM HOLE TRWD WC UNIT 2H WELL ****
 N: 457376.00
 E: 1987068.00
 LAT.: 32°55'25".97
 LONG.: 97°32'31".73

WALKER & ASSOCIATES SURVEYING, INC.
 TYLER, TEXAS PH: 903-534-9000

I, Dennis H. Walker, Registered Professional Land Surveyor do hereby state
 that this plat was prepared from a partial survey and from public record
 information and is true and correct to the best of my knowledge.
 GIVEN UNDER MY HAND AND SEAL, this the 31st day of January, 2007.



By: _____
 Dennis H. Walker
 Registered Professional Land Surveyor
 State of Texas No. 2117

Surface Location is located
 2.1 Mile Northeast of Azle
 "AZLE" Quadrangle

9.

With the recommendation of management, Director Sparks moved to conditionally approve a lease to Chesapeake Exploration Limited Partnership, as the highest and best bidder in the Jacksboro Highway to University Oil and Gas lease with a bid of \$200,250, 25 percent royalty, three (3) year primary term for the Water District's mineral interest in 22.5 net acres as shown on Exhibit A. This lease will be approved based on further review and determination of a minimum distance for drilling sites from the levee. In addition, Ken Brummett is granted authority to execute the lease and all other documents necessary to complete this transaction. Director Lane seconded the motion and the vote in favor was unanimous.

EXHIBIT "A"

(Attached to Oil, Gas and Mineral Lease from the Tarrant Regional Water District a Water Control and Improvement District to Chesapeake Exploration Limited Partnership)

Jacksboro Highway to University

22.5 acres, more or less, described as follows:

22.5 acres, more or less, out of the R. Crowley Survey, Abstract No.313, more particularly described by metes and bounds in that certain Warranty Deed dated December 3, 1952 by and between Susa C. Bailey, a widow, Sanny Sue McCleery, a widow, and John T. Bailey, Independent Executors and Trustees under the will of William J. Bailey, Deceased, as Grantors and the Tarrant Country Water Control and Improvement District No. 1, a corporation, as Grantee, recorded in Volume 2506, Page 622 of the Deed Records, Tarrant County, Texas.

10.

With the recommendation of management, Director Stevens moved to conditionally approve a lease to Chesapeake Exploration Limited Partnership, as the highest and best bidder to the 121 to North Side Dr. Oil and Gas lease with a bid of \$455,065.90, 25 percent royalty, three (3) year primary term for the Water District's mineral interest in 51.131 net acres as shown on Exhibit A. This lease will be approved based on further review and determination of a minimum distance for drilling sites from the levee. In addition, Ken Brummett is granted authority to execute the lease and all other documents necessary to complete this transaction. Director Lane seconded the motion and the vote in favor was unanimous.

EXHIBIT "A"

(Attached to Oil, Gas and Mineral Lease from the Tarrant Regional Water District a Water Control and Improvement District to **Chesapeake Exploration Limited Partnership**)

Highway 121 to Northside Drive – Legal Description

51.131 acres, more or less, as described in the following four (4) tracts:

- Tract #1: **7.32 acres**, more or less, out of the Greenway Place East Addition, an Addition to the City of Ft. Worth, Tarrant County, Texas, more particularly as **Parcel #1** described by metes and bounds in that certain Warranty Deed dated March 8, 1951 by and between George H. Kiosseff, and wife Esther O. Kiosseff, as Grantors and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 2293, Page 363 of the Deed Records in Tarrant County, Texas;
- Tract #2: **20.316 acres**, more or less, out of the John Little Survey, Abstract No. 958, and the W. H. Little Survey, Abstract No. 945, more particularly as **Parcel #2** described by metes and bounds in that certain Warranty Deed dated March 8, 1951 by and between George H. Kiosseff, and wife Esther O. Kiosseff, as Grantors and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 2293, Page 363 of the Deed Records in Tarrant County, Texas;
- Tract #3: **11.52 acres**, more or less, out of the S. K. Smith Survey, Abstract No. 1417, more particularly as described by metes and bounds in that certain Warranty Deed dated December 31, 1951 by and between Irma Eason, W. E. Eason, and Rudolph Teichmann, as Grantors and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 2385, Page 468 of the Deed Records in Tarrant County, Texas;
- Tract #4: **.28 acres**, more or less, out of the John Little Survey, Abstract No. 958, more particularly as **Tract #1** described by metes and bounds in that certain Special Warranty Deed dated March 5, 1951 by and between Tarrant County, acting herein by and through the Commissioners Court, as Grantor and the Tarrant County Water Control and Improvement District No. 1, as Grantee, recorded in Volume 2290, Page 295 of the Deed Records in Tarrant County, Texas;

11.

With the recommendation of management, Director Lane moved to approve a lease with *O'Ryan Family Limited Partnership* in and to those lands described in a Warranty Deed from Henry E. Mathis, et ux to the District dated 10/3/68 and recorded in Vol 4635 at Pg. 866 of the Deed Records of Freestone County, Texas with a bid of \$13,786.78, 22 percent royalty, three (3) year primary term for the Water District's mineral interest in 86.1667 net acres. 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.

12.

The President and presiding officer next called an executive session at 10:35 a.m. under V.T.C.A., Government Code, Chapter 551.071 to consider pending or contemplated litigation - Oklahoma water resources and Eagle Mountain Connection Project; and under Chapter 551.072 to consider real property issues – to discuss sale of land at Eagle Mountain Lake.

13.

Upon completion of the executive session at 11:07 a.m., the President reopened the meeting.

14.

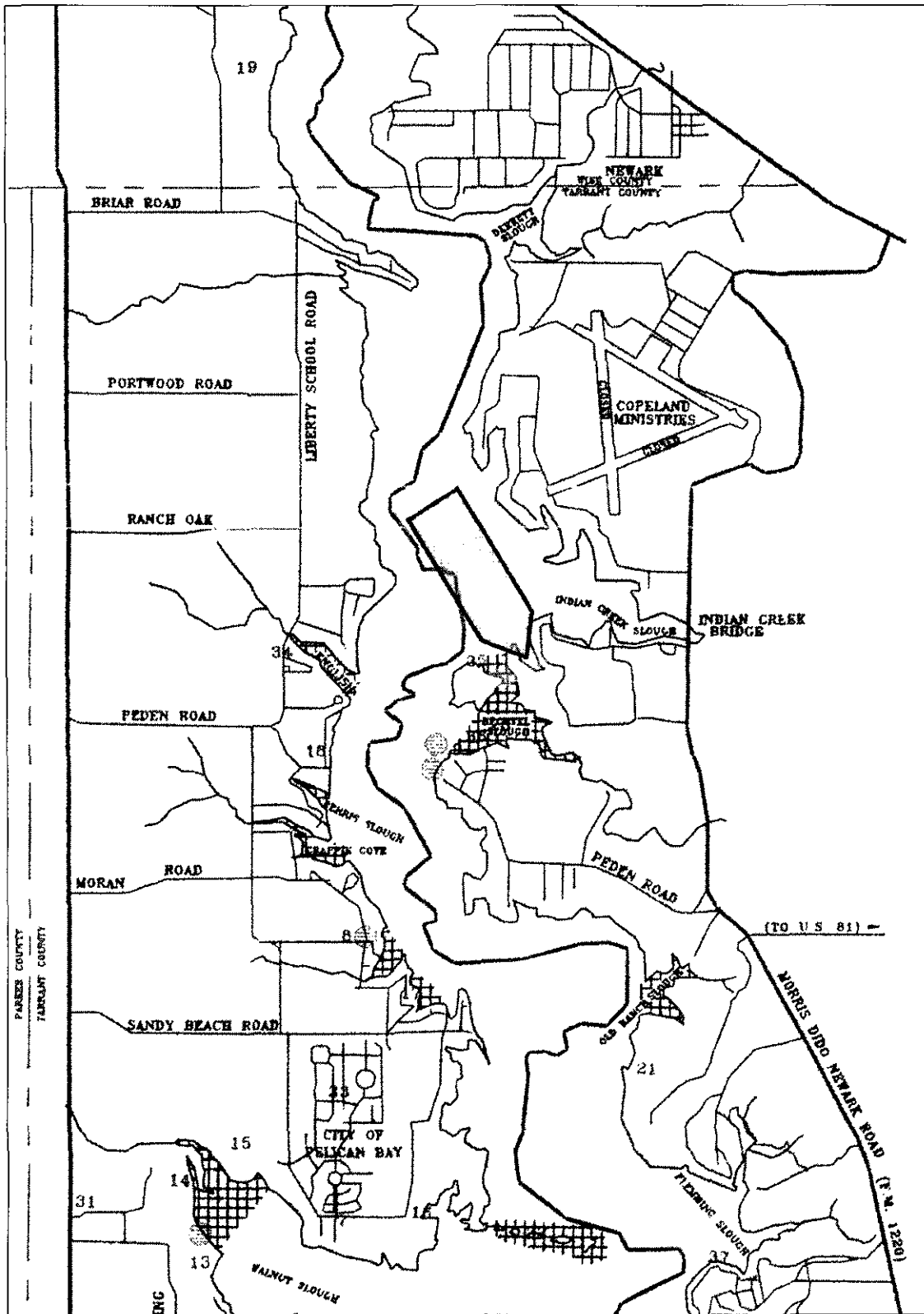
With the recommendation of management, Director Lane moved to approve a settlement agreement for the Wilkinson et al acquisition of the Eagle Mountain Connection Project. Director Leonard seconded the motion and the vote in favor was unanimous.

15.

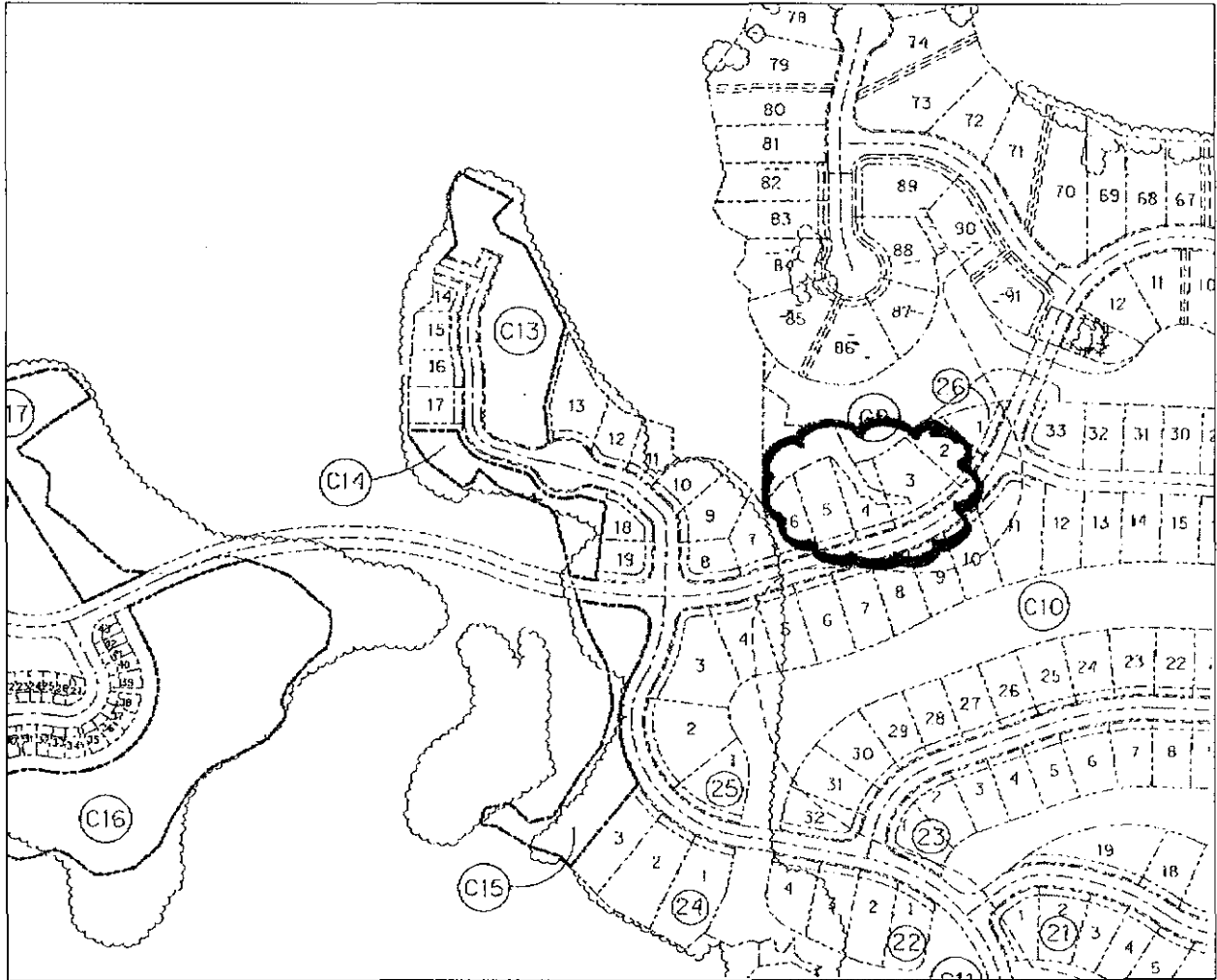
With the recommendation of management, Director Sparks moved to approve the sale of the following described tract for the appraised value of \$16,848.00 to the adjoining owners, The Resort at Eagle Mountain Lake, L.P. In addition, R. Steve Christian is granted authority to execute the deed and all other documents necessary to complete this transaction. Director Lane seconded the motion and the vote in favor was unanimous.

09/100 acre, more or less, situated in the Thomas Robinson Survey, A-1309, Tarrant County, Texas. The subject property is adjacent to proposed Lot 4, Block 26 of The Resort at Eagle Mountain Lake Addition. See attached for further description.

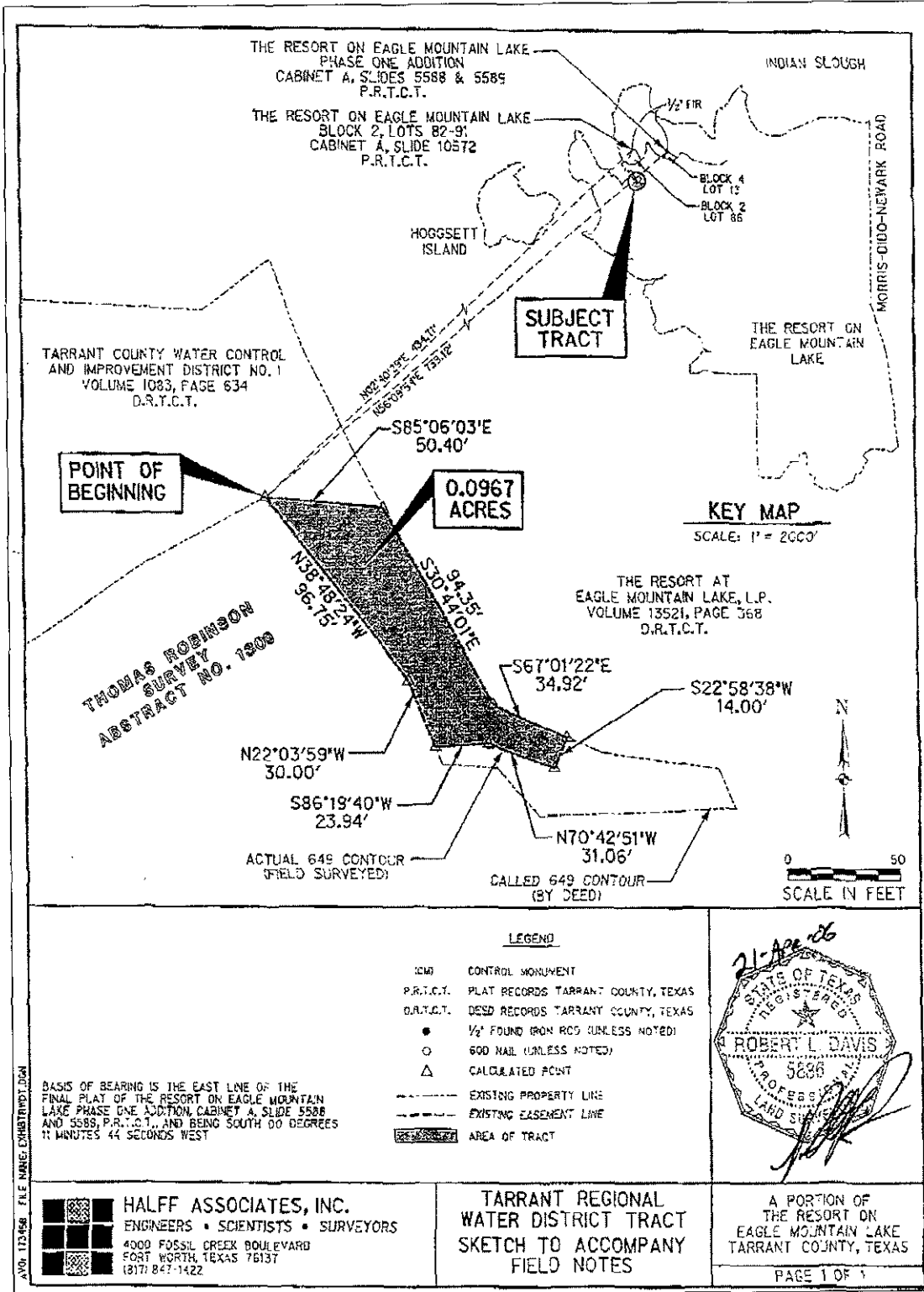
Vicinity Map



The Resort on Eagle Mountain Lake Subdivision
(Portion containing subject property)



Survey Plat of Subject Property



16.

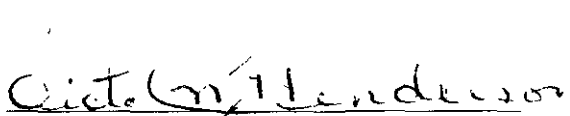
With the recommendation of management, Director Leonard moved to approve funding in the amount of \$503,500 for a water conservation campaign which includes billboards, brochures, newspaper and cable TV as mediums for educating the general public on the need to save water. Funding for these purchases is included in the FY 2007 Revenue Fund Budget. Director Sparks seconded the motion and the vote in favor was unanimous.

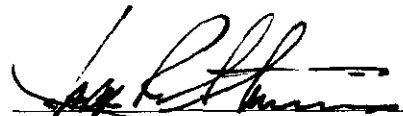
17.

The Board was updated on legislative issues.

18.

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


President


Secretary