

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 18TH DAY OF DECEMBER 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
Jim W. Lane

Also present were James M. Oliver, Alan Thomas, Ken Brummett, Linda Christie, Wesley Cleveland, Nancy King, David Marshall, Wayne Owen, Kari Schultz, and Sandy Swinnea.

Also in attendance were George Christie, General Counsel for Tarrant Regional Water District (the Water District); Dick Fish of Save Eagle Mountain Lake; Adelaide Leavens of Streams and Valleys; Alyssa Martin and Jody Allred of Weaver and Tidwell, LLP; Dan Buhman of KBR; Rusty Gibson, Wendy Shabay and Gabe Johnson of Freese and Nichols, Inc.; Max Baker of the Fort Worth Star Telegram; Jay Pritchard of Trinity River Communications 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 Leonard and seconded by Director Lane, the Directors unanimously voted to approve the minutes from the meeting held November 20, 2007. 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 announced that the Annual Boat Parade of Lights was held Sunday night, December 16, 2007.

4.

Adelaide Leavens of Streams and Valleys made a presentation on the Riverside Trailhead.

5.

With the recommendation of management and the Finance Committee, Director Sparks moved to provide for the ad valorem taxation of "goods-in-transit" which would otherwise be exempt under Section 11.253(b) of the Texas Tax Code and not exempt under other law. Director Leonard seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management and the Finance Committee, Director Sparks moved to approve the internal audit plans for fiscal years 2008, 2009 and 2010. Funding for the 2008 plan is included in the FY 2008 General Fund Budget. Director Stevens seconded the motion and the vote in favor was unanimous.

7.

Director Leonard moved to approve the appointment of Linda Christie to Tax Increment Zone #13. Additionally, Linda Christie is authorized to negotiate satisfactory agreements for both TIF #12 and TIF #13 for the Board President's signature. Director Lane seconded the motion and the vote in favor was unanimous.

8.

With the recommendation of management and the Construction Committee, Director Leonard moved to approve the purchase of materials and labor for the initial construction of the entrance and pavilions at Eagle Mountain Park. This includes: 1) purchase of structural galvanized steel fabrication for the low bid of \$136,585 submitted by NASCO, Inc; 2) purchase of materials and labor necessary in the construction of the entry gate and adjacent rock wall for the low bid of \$47, 125 submitted by TRC Construction; and 3) purchase of up to 450 cubic yards of concrete for all building slabs, adjacent sidewalk and the bus landing drop off for the low bid of \$72 per cubic yard (not to exceed a total of

\$32,400) submitted by Wide Ready Mix. Funding for these purchases is included in the FY 2008 General Fund Budget. Director Stevens seconded the motion and the vote in favor for all was unanimous.

9.

With the recommendation of management and the Operations Committee, Director Lane moved to approve capital expenditures as noted below:

Equipment	Vendor	Funding Source	Approved Amount
ITB #08-015 15' Commercial Mower	LuBer Brothers Dallas, TX	General Fund	\$67,844.75

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

10.

With the recommendation of management and the Construction Committee, Director Stevens moved to approve Change Order #01 to the Arlington Outlet Expansion Contract with Archer Western Contractors, Ltd. for the removal and replacement of the damaged section of the existing concrete discharge chute at Village Creek in the amount of \$72,635. Funding for this contract is included in the 2006 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management and the Construction Committee, Director Lane moved to approve Change Order #02 to the Eagle Mountain Connection Pipeline Contract B with Garney Construction for the construction of a stable trench bottom just north of Silver Creek Crossing for an amount not to exceed \$1,923,053.38. Funding for this contract is included in the 2006 Bond Issue. Director Leonard seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management and the Construction Committee, Director Leonard moved to approve Change Order #06 to the Eagle Mountain Connection Pump Stations Contract C for door security at the Rolling Hills and Benbrook Booster pump stations in the amount of \$27,539.87 and security system changes in the amount of \$70,652.79 for a total change amount of \$98,192.66. Funding

for this contract is included in the 2006 Bond Issue. Director Stevens seconded the motion and the vote in favor was unanimous.

13.

Staff reports were next presented which included:

-Renewable Energy

14.

The President and presiding officer next called an executive session at 10:43 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 – Eagle Mountain Emergency Spillway and Oil and Gas issues.

15.

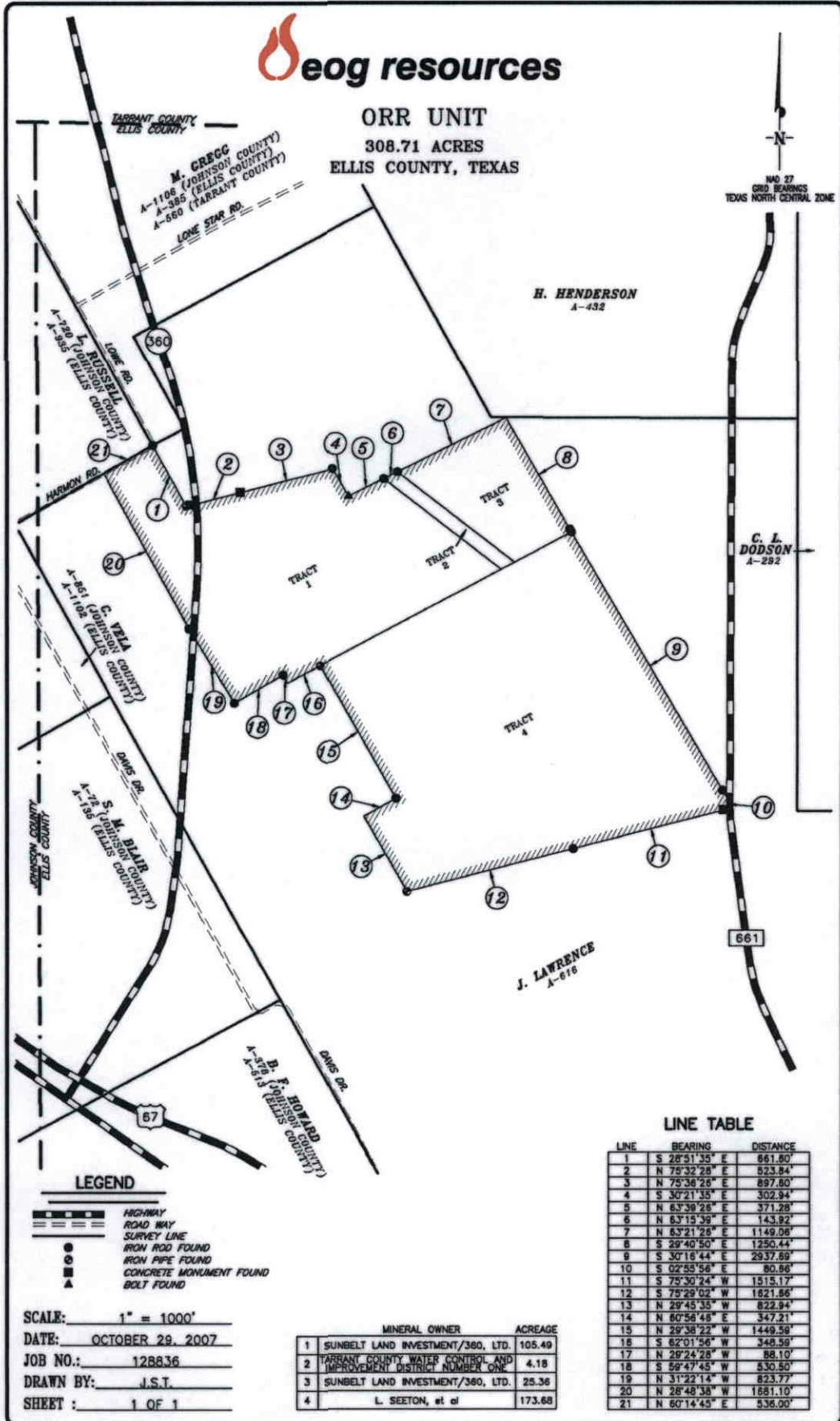
Upon completion of the executive session at 11:48 a.m., the President reopened the meeting.

16.

With the recommendation of management and the Oil and Gas Committee, Director Stevens moved to approve an oil and gas lease to EOG Resources, Inc. for terms of \$8,380, 25% royalty, three (3) year primary term for the Water District's mineral interest in 4.19 net acres, more or less as shown on the plat below.



ORR UNIT
308.71 ACRES
ELLIS COUNTY, TEXAS



LEGEND

- HIGHWAY
- ROAD WAY
- SURVEY LINE
- IRON ROD FOUND
- IRON PIPE FOUND
- CONCRETE MONUMENT FOUND
- BOLT FOUND

SCALE: 1" = 1000'
 DATE: OCTOBER 29, 2007
 JOB NO.: 128836
 DRAWN BY: J.S.T.
 SHEET: 1 OF 1

	MINERAL OWNER	ACREAGE
1	SUNBELT LAND INVESTMENT/380, LTD.	105.49
2	TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE	4.18
3	SUNBELT LAND INVESTMENT/380, LTD.	25.36
4	L. SEETON, et al	173.68

LINE TABLE

LINE	BEARING	DISTANCE
1	S 28°51'35" E	861.80'
2	N 75°32'28" E	523.84'
3	N 75°36'26" E	897.80'
4	S 30°21'35" E	302.94'
5	N 63°38'28" E	371.28'
6	N 63°15'38" E	143.92'
7	N 63°21'26" E	1149.06'
8	S 29°40'50" E	1250.44'
9	S 30°16'44" E	2937.89'
10	S 02°55'56" E	80.86'
11	S 75°30'24" W	1515.17'
12	S 75°29'02" W	1621.86'
13	N 29°45'35" W	822.94'
14	N 60°58'48" E	347.21'
15	N 29°38'22" W	1449.58'
16	S 62°01'56" W	349.59'
17	N 28°24'28" W	88.10'
18	S 59°47'45" W	530.80'
19	N 31°22'14" W	823.77'
20	N 28°48'38" W	1581.10'
21	N 60°14'45" E	536.00'

In addition, Ken Brummett is granted authority to execute the lease and all other documents necessary to complete this transaction. Director Leonard seconded the motion and the vote in favor was unanimous with Director Sparks abstaining for conflicts of interest.

17.

With the recommendation of management and the Oil and Gas Committee, Director Stevens moved to approve an oil and gas lease to Chesapeake Exploration L.L.C. for terms of \$554,587.50, 27.5% royalty, three (3) year primary term for the Water District's mineral interest in 44.367 acres as shown on the plat below.



In addition, Ken Brummett is granted authority to execute the lease and all other documents necessary to complete this transaction. Director Sparks seconded the motion and the vote in favor was unanimous with Director Lane disclosing that his wife had a lease that was purchased by Chesapeake.

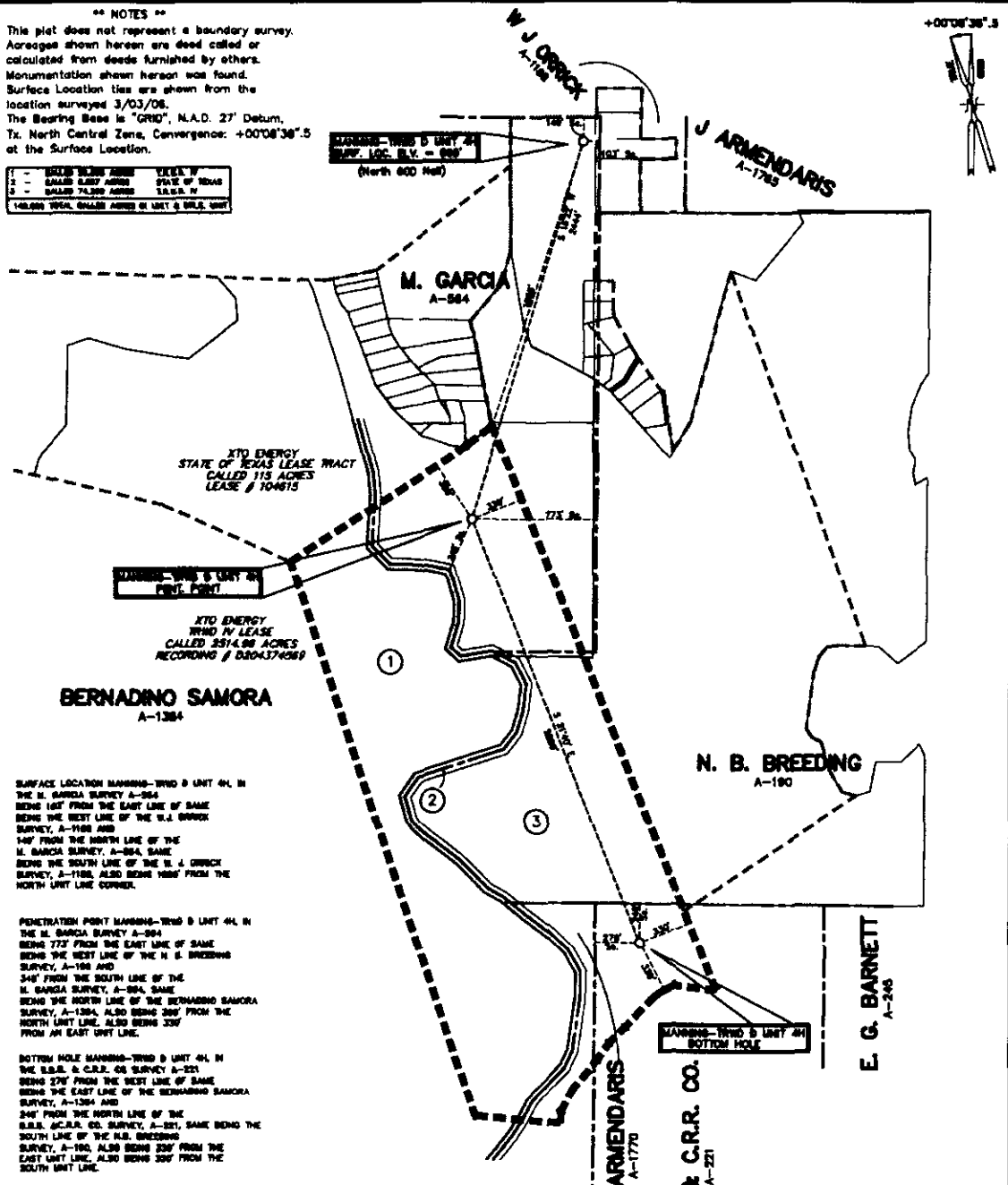
18.

With the recommendation of management and the Oil and Gas Committee, Director Sparks moved to ratify the pooling agreements executed by Ken Brummett on behalf of the Water District with XTO Energy, Inc. for the Manning TRWD D Unit #4H, and ratify the new adjusted acreage amounts which resulted from survey errors of the Armstrong TRWD #2H and Ellig #3H located at Eagle Mountain Lake as shown on Exhibits below.

NOTES

This plot does not represent a boundary survey. Acreages shown herein are deed called or calculated from deeds furnished by others. Monumentation shown herein was found. Surface Location ties are shown from the location surveyed 3/03/06. The Bearing Base is "GRID", N.A.D. 27 Datum, Tx. North Central Zone, Convergence: +00'08"36".5 at the Surface Location.

1	SHALL BE 200 ACRES	EXCERPT
2	SHALL BE 200 ACRES	EXCERPT
3	SHALL BE 200 ACRES	EXCERPT
140,000 TOTAL ACRES UNDER UNIT 4H SURV.		



SURFACE LOCATION MANNING-TRWD D UNIT 4H, IN THE M. GARCIA SURVEY A-584
 BEING 162' FROM THE EAST LINE OF SAME BEING THE WEST LINE OF THE W.J. ORRICK SURVEY, A-1188 AND
 144' FROM THE NORTH LINE OF THE M. GARCIA SURVEY, A-584, SAME BEING THE SOUTH LINE OF THE W.J. ORRICK SURVEY, A-1188, ALSO BEING 168' FROM THE NORTH UNIT LINE CORNER.

PENETRATION POINT MANNING-TRWD D UNIT 4H, IN THE M. GARCIA SURVEY A-584
 BEING 773' FROM THE EAST LINE OF SAME BEING THE WEST LINE OF THE N. B. BREEDING SURVEY, A-190 AND
 344' FROM THE SOUTH LINE OF THE M. GARCIA SURVEY, A-584, SAME BEING THE NORTH LINE OF THE BERNARDINO SAMORA SURVEY, A-1384, ALSO BEING 306' FROM THE NORTH UNIT LINE, ALSO BEING 330' FROM AN EAST UNIT LINE.

BOTTOM HOLE MANNING-TRWD D UNIT 4H, IN THE S.B.B. & C.R.R. CO. SURVEY A-221
 BEING 274' FROM THE WEST LINE OF SAME BEING THE EAST LINE OF THE BERNARDINO SAMORA SURVEY, A-1384 AND
 344' FROM THE NORTH LINE OF THE S.B.B. & C.R.R. CO. SURVEY, A-221, SAME BEING THE SOUTH LINE OF THE N. B. BREEDING SURVEY, A-190, ALSO BEING 230' FROM THE EAST UNIT LINE, ALSO BEING 230' FROM THE SOUTH UNIT LINE.

**WELL LOCATION PLAT
 XTO ENERGY INC.
 MANNING-TRWD D UNIT 4H
 140,000 ACRE UNIT
 TARRANT COUNTY, TEXAS**



WALKER & ASSOCIATES SURVEYING, INC.
 TYLER, TEXAS PH: 903-834-8888

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 16th day of September, 2007.



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

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

SURFACE LOCATION MANNING TRWD D UNIT 4H WELL
 N: 448916.79
 E: 301234.25
 LAT: 32°53'36".00
 LONG: 97°27'36".00

PENETRATION POINT MANNING TRWD D UNIT 4H WELL
 N: 448971.88
 E: 301980.81
 LAT: 32°53'44".48
 LONG: 97°27'44".18

BOTTOM HOLE LOCATION MANNING TRWD D UNIT 4H WELL
 N: 448942.91
 E: 301234.87
 LAT: 32°53'36".43
 LONG: 97°27'31".96

Surface Location is located Northwest 4.8 miles from Biggin, Tx. AVONDALE Quadrangle

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 (will be dated when stated). The Bearing Base is "GRD", N.A.D. 27 Datum. Tx. North Central Zone, Convergence: +00'06"03".4 at the Surface Location.

SURFACE LOCATION ARMSTRONG TRWD UNIT 2H WELL, IN THE DON THOMAS FLORES, A-590 BEING 316' FROM THE WEST LINE OF SAME AND ALSO BEING THE EAST LINE OF THE TOWNSEND SURVEY, A-1953, AND BEING 873' FROM THE SOUTH LINE OF THE DON THOMAS FLORES, A-590 BEING THE NORTH LINE OF THE J. WILCOX SURVEY, A-1727, ALSO BEING 863' FROM THE NORTHEAST UNIT LINE CORNER AND BEING 76' FROM THE WEST UNIT LINE.

PENETRATION POINT ARMSTRONG TRWD UNIT 2H WELL, IN THE DON THOMAS FLORES SURVEY, A-590 BEING 754' FROM THE WEST LINE OF SAME AND ALSO BEING THE EAST LINE OF THE TOWNSEND SURVEY, A-1953, AND BEING 576' FROM THE SOUTH LINE OF THE DON THOMAS FLORES SURVEY, A-590 BEING THE NORTH LINE OF THE J. WILCOX SURVEY, A-1727, ALSO BEING 301' FROM THE WEST UNIT LINE AND BEING 845' FROM AN INTERIOR NORTH UNIT LINE CORNER.

INFLECTION POINT ARMSTRONG TRWD UNIT 2H WELL, IN THE DON THOMAS FLORES SURVEY, A-590 BEING 475' FROM THE EAST LINE OF SAME AND ALSO BEING THE WEST LINE OF THE J. WILCOX SURVEY, A-1728, AND BEING 306' FROM THE SOUTH LINE OF THE DON THOMAS FLORES SURVEY, A-590 BEING THE NORTH LINE OF THE J. WILCOX SURVEY, A-1727, ALSO BEING 1506' FROM THE WEST UNIT LINE AND BEING 404' FROM AN INTERIOR NORTH UNIT LINE CORNER.

**WELL LOCATION PLAT
XTO ENERGY INC.
ARMSTRONG TRWD UNIT 2H
257.8992 ACRE UNIT
TARRANT COUNTY, TEXAS**

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

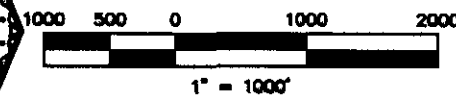
I, Dennis H. Walker, Registered Professional Land Surveyor do hereby state that this plat was prepared from a partial survey and from public record information and is true and correct to the best of my knowledge.

GIVEN UNDER MY HAND AND SEAL, this the 6th day of September, 2007.

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



Revised 10-03-07
Revised 08-18-07



**J. WILCOX
ABSTRACT 1710**

**TOWNSEND
ABSTRACT 1553**

**DON THOMAS
FLORES
ABSTRACT 510**

**J. WILCOX
ABSTRACT 1730**

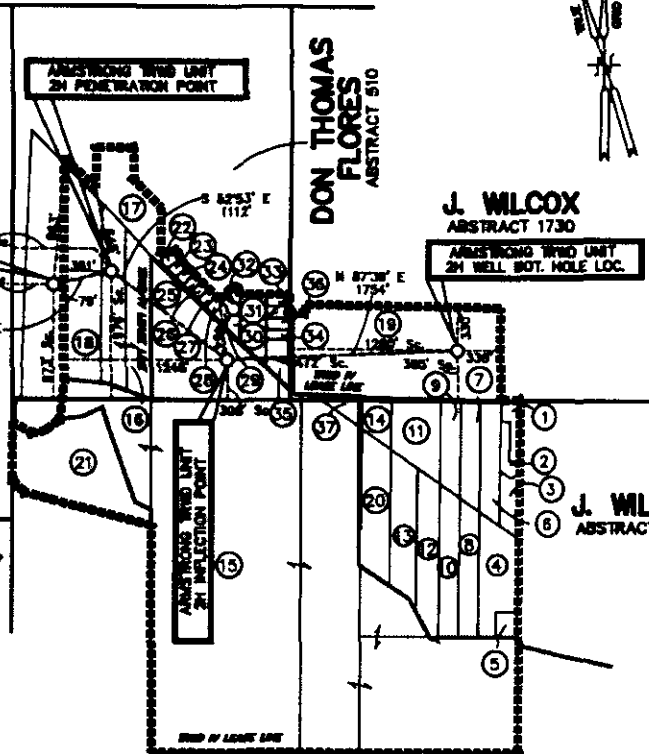
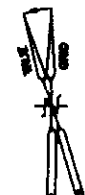
**J. WILCOX
ABSTRACT 1727**

**J. WILCOX
ABSTRACT 1703**

- ** SURFACE LOCATION ARMSTRONG TRWD UNIT 2H WELL **
- IN ABSTRACT
- OF DON THOMAS FLORES SURVEY
- LOC. 1727-28
- LONG. 873' 00" 00"
- ** PENETRATION POINT ARMSTRONG TRWD UNIT 2H WELL **
- IN ABSTRACT
- OF DON THOMAS FLORES SURVEY
- LOC. 1727-28
- LONG. 576' 00" 00"
- ** INFLECTION POINT ARMSTRONG TRWD UNIT 2H WELL **
- IN ABSTRACT
- OF DON THOMAS FLORES SURVEY
- LOC. 1727-28
- LONG. 404' 00" 00"
- ** BOTTOM HOLE LOC. ARMSTRONG TRWD UNIT 2H WELL **
- IN ABSTRACT
- OF DON THOMAS FLORES SURVEY
- LOC. 1727-28
- LONG. 845' 00" 00"

- 1 - CALLED 1.00 ACRES HENRY T. SMITH, JR
 - 2 - CALLED 1.00 ACRES ROBERT E. SMITH
 - 3 - CALLED 1.00 ACRES MARGARET CRAMP
 - 4 - CALLED 8.88 ACRES JOHN ATWELL et ux
 - 5 - CALLED 8.3982 ACRES ALBERTINE WASHINGTON
 - 6 - CALLED 3.108 ACRES BOBWHITE PROPERTIES, LP.
 - 7 - CALLED 2.78 ACRES JAMES WILKERSON et ux
 - 8 - CALLED 3.063 ACRES CORINE JO PAYNE
 - 9 - CALLED 2.38 ACRES J. ALFREDO BUENROSTRO et ux
 - 10 - CALLED 3.77 ACRES FRED HARRIS et ux
 - 11 - CALLED 4.3 ACRES JOHN HENDERSON et ux
 - 12 - CALLED 4.46 ACRES MICHAEL MURPHY
 - 13 - CALLED 4.77 ACRES DORDEE MORRIS et vr
 - 14 - CALLED 1.527 ACRES MARY ELIZA RICHARDSON
 - 15 - CALLED 143.441 ACRES TRWD #1
 - 16 - CALLED 16.00 ACRES BILLY RAY PETERS
 - 17 - CALLED 4.743 ACRES WILLIAM R. SIMMONS, JR et al
 - 18 - CALLED 6.67 ACRES PHILIP IRELAND ARMSTRONG
 - 19 - CALLED 28.01 ACRES BILL PETERS et al
 - 20 - CALLED 5.18 ACRES DARLA DEAN EDGAR
 - 21 - CALLED 12.588 ACRES CONN & SON, LTD.
 - 22 - CALLED 0.285 ACRES JOHN NEER JR. et al
 - 23 - CALLED 0.330 ACRES SARAH KELLEY et vr
 - 24 - CALLED 0.211 ACRES CYNTHIA BIRNEY
 - 25 - CALLED 0.211 ACRES KYLE BALLOCK et ux
 - 26 - CALLED 0.211 ACRES MICHAEL A. THOMAS et ux
 - 27 - CALLED 0.211 ACRES MICHAEL SURREY et ux
 - 28 - CALLED 0.211 ACRES VENNON PELKEY et ux
 - 29 - CALLED 0.264 ACRES JAMES MCNEILVAN et ux
 - 30 - CALLED 0.340 ACRES PAULA MATYOK et al
 - 31 - CALLED 2.052 ACRES TIFFANY BONE
 - 32 - CALLED 0.252 ACRES BRIGNSA AARON et vr
 - 33 - CALLED 0.721 ACRES DAVID LONG et ux
 - 34 - CALLED 0.227 ACRES DAVID LONG et ux
 - 35 - CALLED 0.577 ACRES WESLEY CHAPEL CHRISTIAN
 - 36 - CALLED 0.383 ACRES DEBRA LONG
 - 37 - CALLED 0.779 ACRES TARRANT ASHWOOD PARK, LTD.
- 257.8992 TOTAL CALLED ACRES IN UNIT & DRILLING UNIT

+00'06"03".4



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 11/06. The Bearing Base is "GRID", N.A.D. 27 Datum, Tx. North Central Zone, Convergence: +32°37'24".9 at the Surface Location.

+32°37'24".9

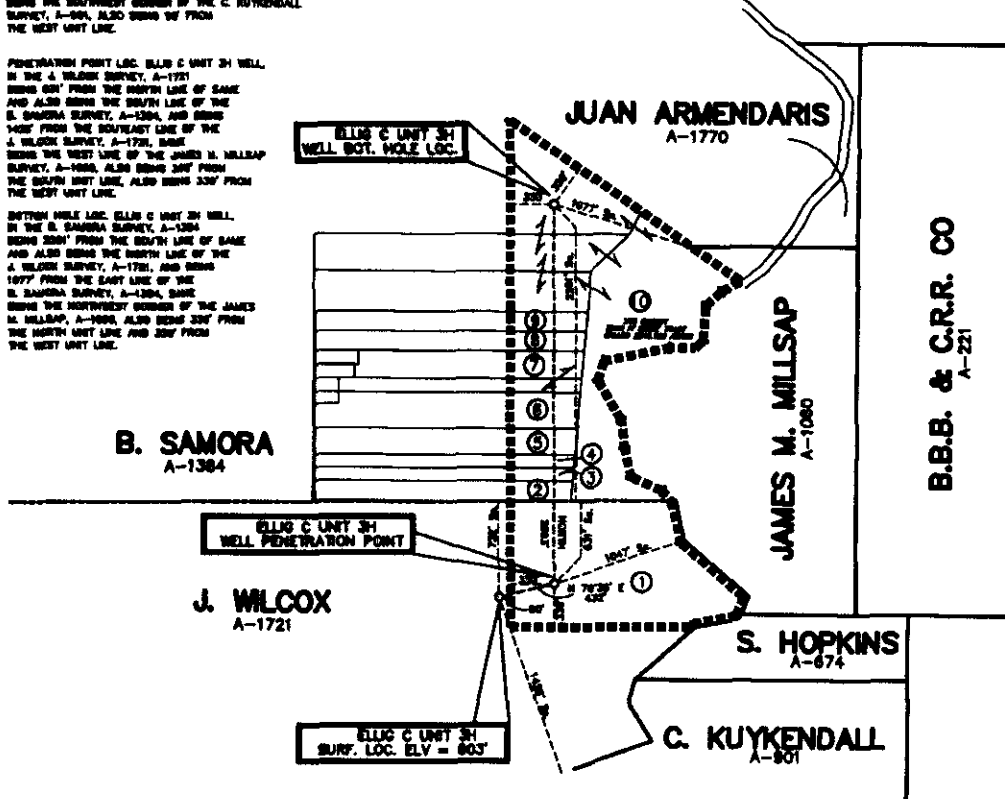
1	- CALLED 31.407 ACRES	KENNETH R. ELLIG et ux
2	- CALLED 1.6 ACRES	JAMES L. REZAC et al
3	- CALLED 1.14 ACRES	PAULINE WALDRIP
4	- CALLED 1.14 ACRES	IRENE C. GILMORE
5	- CALLED 2.29 ACRES	CHARLOTTE G. TEEL
6	- CALLED 3.24 ACRES	JESSE L. COLEMAN et ux
7	- CALLED 3.9 ACRES	DON H. PHILLIPS
8	- CALLED 1.99 ACRES	ETHEL WARREN et al
9	- CALLED 2.0 ACRES	MARTH SUE PALMER et al
10	- CALLED 48.453 ACRES	TRWD IV
97.16 TOTAL CALLED ACRES IN UNIT & DRLG. UNIT		



SURFACE LOCATION ELLIG C UNIT 3H WELL,
IN THE J. WILCOX SURVEY, A-1721
BEING 707' FROM THE NORTH LINE OF SAME
AND ALSO BEING THE SOUTH LINE OF THE
B. SAMORA SURVEY, A-1384, AND BEING
1437' FROM THE SOUTHWEST CORNER OF THE
J. WILCOX SURVEY, A-1721, SAME
BEING THE SOUTHWEST CORNER OF THE C. KUYKENDALL
SURVEY, A-901, ALSO BEING 50' FROM
THE WEST UNIT LINE.

PENETRATION POINT LOC. ELLIG C UNIT 3H WELL,
IN THE J. WILCOX SURVEY, A-1721
BEING 501' FROM THE NORTH LINE OF SAME
AND ALSO BEING THE SOUTH LINE OF THE
B. SAMORA SURVEY, A-1384, AND BEING
1407' FROM THE SOUTHWEST CORNER OF THE
J. WILCOX SURVEY, A-1721, SAME
BEING THE WEST LINE OF THE JAMES M. MILLSAP
SURVEY, A-1080, ALSO BEING 307' FROM
THE SOUTH UNIT LINE, ALSO BEING 330' FROM
THE WEST UNIT LINE.

BOTTOM HOLE LOC. ELLIG C UNIT 3H WELL,
IN THE B. SAMORA SURVEY, A-1384
BEING 3001' FROM THE SOUTH LINE OF SAME
AND ALSO BEING THE NORTH LINE OF THE
J. WILCOX SURVEY, A-1721, AND BEING
1077' FROM THE EAST LINE OF THE
B. SAMORA SURVEY, A-1384, SAME
BEING THE NORTHWEST CORNER OF THE JAMES
M. MILLSAP, A-1080, ALSO BEING 330' FROM
THE NORTH UNIT LINE AND 330' FROM
THE WEST UNIT LINE.



**WELL LOCATION PLAT
XTO ENERGY INC.
ELLIG C UNIT 3H
97.16 ACRE UNIT
TARRANT COUNTY, TEXAS**

***** DRIVING DIRECTIONS *****
AT THE INTERSECTION OF 820 AND FOSTER ROAD, GO NORTH ON FOSTER ROAD
1.6 MILES TO TEN MILE BRIDGE ROAD, GO WEST ON TEN MILE BRIDGE ROAD
3.1 MILES TO PAD ON RIGHT SIDE OF ROAD.



1" = 1000'
WALKER & ASSOCIATES SURVEYING, INC.
TYLER, TEXAS PH: 903-534-8600

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 23rd day of January, 2007.

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



N.A.S. BY BARR
TEXAS NORTH CENTRAL ZONE
** SURFACE LOCATION ELLIG C UNIT 3H WELL **
N: 436276.89
E: 309696.74
LAT: 32°37'24".93
LONG: 97°28'07".46

** PENETRATION POINT ELLIG C UNIT 3H WELL **
N: 436300.23
E: 309696.19
LAT: 32°37'24".92
LONG: 97°28'07".45

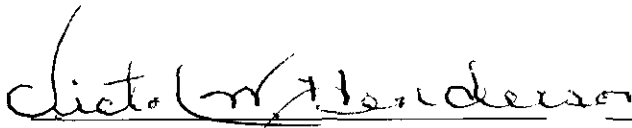
** BOTTOM HOLE ELLIG C UNIT 3H WELL **
N: 436273.07
E: 309696.19
LAT: 32°37'24".94
LONG: 97°28'07".51

Surface Location is located
6.8 Miles West of SAGINAW
"LAKE WORTH" Quadrangle

Director Stevens seconded the motion and the vote in favor was unanimous with Director Lane disclosing he has a lease agreement with XTO.

19.

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



President



Secretary