

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 16TH DAY OF DECEMBER 2008 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 Oliver, Alan Thomas, Ken Brummett, Linda Christie, Sheila Johannessen, Nancy King, David Marshall, Rachel Navajar, Wayne Owen, Tina Ptak, and Sandy Swinnea.

Also in attendance were George Christie, General Counsel for Tarrant Regional Water District (the Water District); Lee Christie and Jared Harrell representing Pope, Hardwicke, Christie, Harrell, Schell & Kelly, LLP; Jeff Salavarría of Frost Bank; Rusty Gibson of Freese and Nichols, Inc.; Dan Buhman and Kathy Berek of CDM; Kim Arnold of Jacobs; Judd Pritchard of The Epstein Group; 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 18, 2008. It was

accordingly ordered that these minutes be placed in the permanent files of Tarrant Regional Water District.

3.

Rusty Gibson announced that the Texas Council of Engineering Companies Engineering Excellence Award has been awarded for the Eagle Mountain Connection Project and that this project has also been nominated for American Council of Engineering Companies national award.

4.

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

Equipment	Vendor	Funding Source	Approved Amount
ITB #09-015	Moridge	General Fund	\$11,897
4 - 430D/72 Zero Turn Mowers	Manufacturing Moundridge, KS	Revenue Fund	\$35,691

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

5.

With the recommendation of management and the Construction and Operations Committee, Director Stevens moved to approve an agreement with Kimley-Horn and Associates for conceptual design and development of the procurement documents for aeration systems for Benbrook and Bridgeport Reservoirs at a cost not to exceed \$95,000, and a memorandum of understanding with Wise County water customers to develop, design, construct, and operate the aeration system to improve the quality of the waters of Lake Bridgeport. Funding is included in the 2009 Bond Fund with Wise County Water Supply District, City of Bridgeport, West Wise Special Utility District, and Suez Power reimbursing costs. Director Sparks seconded the motion

and the vote in favor was unanimous.

6.

With the recommendation of management and the Construction and Operations Committee, Director Stevens moved to waive the take-or-pay provisions in the TRA - Ennis water contract for fiscal years 2009 and 2010 and the TRA - Midlothian water contract be waived for fiscal year 2010. Director Leonard seconded the motion and the vote in favor was unanimous.

7.

With the recommendation of management and the Operations Committee, Director Sparks moved to approve a resolution authorizing the General Manager to act on behalf of the Board of Directors and in conjunction with, and on the behalf of, the City of Dallas in applying to the Texas Water Development Board for a regional facility planning grant in an amount not to exceed \$2 million. Director Stevens seconded the motion and the vote in favor was unanimous.

**A RESOLUTION
AUTHORIZING TARRANT REGIONAL WATER DISTRICT
TO APPLY FOR
REGIONAL FACILITY PLANNING GRANT ASSISTANCE
FROM THE TEXAS WATER DEVELOPMENT BOARD**

WHEREAS, Tarrant Regional Water District, a Water Control and Improvement District ("District") is a conservation and reclamation district created and existing under the authority of Article XVI, Section 59 of the Texas Constitution; and

WHEREAS, the City of Dallas, a municipal corporation and home rule city located in Dallas County, Texas, hereinafter called Dallas;

WHEREAS, Dallas and the District utilize two distinct and separate systems of surface water supply reservoirs and transmission facilities to supply water for treatment and distribution to a population of approximately 4 million persons in all or parts of thirteen (13) counties, and

WHEREAS, the Dallas/Fort Worth region continues to experience rapid business and population growth with accompanying increased demands for municipal water supplies, a trend expected to continue for the foreseeable future; and

WHEREAS, the District and Dallas have since 1998 actively participated in regional water supply planning administered by the Texas Water Development Board and supported the development of the 2006 Region C Regional Water Plan and 2007 State Water Plan; and

WHEREAS, Dallas and the District recognize that optimal development, conservation and use of Texas' water resources depends upon cooperative inter-regional planning and cooperative development, and

WHEREAS, Dallas has contractual water rights in Lake Palestine, located in the Neches River Basin, projected by the 2006 Region C Regional Water Plan to be required by Dallas's water supply system by 2015, and

WHEREAS, the District is projected by the 2006 Region C Regional Water Plan to expand its raw water transmission from Cedar Creek Reservoir and Richland Chambers Reservoir in the vicinity of the Dallas service area by 2018, and

WHEREAS, Dallas and the District formally agreed in 2007 to evaluate shared infrastructure to meet long-term water supply requirements and continue to evaluate partnering to design, construct, and operate raw water transmission infrastructure included in the 2006 Region C Regional Water Plan and 2007 State Water Plan to deliver additional raw water supply to the Dallas/Fort Worth region; referred to as the "Raw Water Transmission Initiative," and

WHEREAS, the Texas Water Development Board has solicited planning grant applications for regional facility planning from the Research and Planning Fund prepared in accordance with the

requirements of 31 Texas Administrative Code Section 355 Subchapter A, to be submitted by December 18, 2008; and

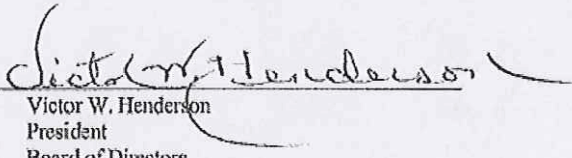
WHEREAS, the Texas Water Development Board will prioritize such applications for regional facility planning in January, 2009 in accordance with 31 TAC Section 355.5 and may award a grant contract in February, 2009 to assist in planning to determine the most feasible alternatives to meet water supply needs, estimate the costs associated with implementing feasible water supply facility alternatives and identify institutional arrangements to provide water supply service in Texas, and

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Tarrant Regional Water District that a joint application with the City of Dallas be submitted to the Texas Water Development Board requesting a planning grant for regional facility planning from the Research and Planning Fund for an amount not to exceed \$2 million, that the District's General Manager is authorized to apply for this financial assistance from the Texas Water Development Board, that the District is authorized to enter into a contract in conjunction with or on the behalf of the City of Dallas with the Texas Water Development Board concerning this financial assistance and that the District is authorized to commit local matching funds in cash and/or in-kind services in conjunction with or on behalf of the City of Dallas. Be it also resolved that this financial assistance, in addition to other funds provided by the District, the City of Dallas or others, shall be utilized for facility planning, engineering and development of institutional arrangements to provide water supply associated with development of raw water transmission facilities to serve both the City of Dallas and the District consistent with scope and purpose of strategies included in the 2006 Region C Regional Water Plan and the 2007 State Water Plan.

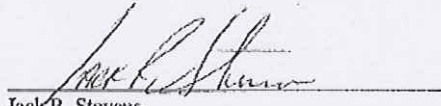
PASSED, APPROVED AND ADOPTED THIS 16TH DAY OF DECEMBER, 2008.

TARRANT REGIONAL WATER DISTRICT

BY:


Victor W. Henderson
President
Board of Directors

ATTEST:


Jack R. Stevens
Secretary

8.

The Board recessed for a break at 10:13 a.m. and reconvened at 10:25 a.m.

9.

The President and presiding officer next called an executive session at 10:25 a.m. under V.T.C.A., Government Code, Chapter 551.071 to consider pending or contemplated litigation – Montgomery litigation and Hodges litigation; and under Chapter 551.074 to consider personnel issues – evaluation of General Manager and compensation of same.

10.

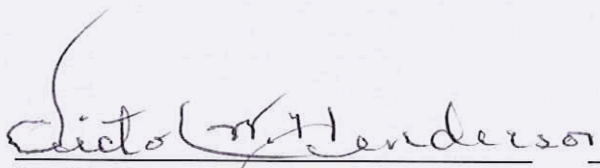
Upon completion of the executive session at 11:40 a.m., the President reopened the meeting.

11.

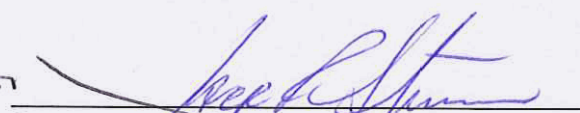
With the recommendation of management, Director Stevens moved to approve the evaluation of the General Manager and compensation of \$286,000 annually. Director Sparks seconded the motion and the vote in favor was unanimous.

12.

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



President



Secretary