

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: DECEMBER 20, 2005

THE STATE OF TEXAS
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 20th day of December 2005, the Board of Directors of the Franklin County Water District convened in REGULAR SESSION at their office located at 112 North Houston Street on the East side of the square in Mount Vernon, Texas, with the following members present:

BILLY JORDAN	PRESIDENT
GLENN MORRIS	VICE PRESIDENT
CAROL LARSEN	DIRECTOR
TIM PHILHOWER	DIRECTOR
BRUCE GATLIN	DIRECTOR

and with the following members absent: NONE.

Also present were Steve Brohard, Lillie Bush-Reves, Dave Chaffin, Paul Constantine, B.F. Hicks, Max Higgs, Alice Kirkelie, Richard Larsen, Joanna McLaren, Bill Miller, Katie Nicaastro, Brian Philhower, Linda Rich, David Weidman and Sheila Donica

The President called the meeting to order, declared a quorum present, and that the meeting was duly convened and ready to transact business.

Notice of this meeting was given, stating the time, place and purpose, all as required by Chapter 551 of the Government Code.

Invocation was given by Glenn Morris.

MOTION was made by Tim Philhower, and SECONDED by Glenn Morris, to approve the Consent Agenda as presented. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". The Consent Agenda was as follows:

1. Approval and Ratification of November 15, 2005 Minutes
2. Approval and Ratification of Payment of Bills
3. Investment Report
4. Termination of Leasehold for Joyce M. Clark, Lot 114, Block 13, Section 3, Tall Tree
5. Replat and Amendment to Lease Agreement for:
 - A. Douglas K. Bradley, Lot 1, Deer Cove;
 - B. Paul J. Constantine and Joanna E. McLaren, Lots 200 and 201, Phase VI-A, Northshore;
 - C. Harold and Carol Ann Nix, Lot 10, Spring Bluffs; and
 - D. Marc A. Sparks, 14.11 Acres, Phase 2, Lands End
6. Amended and Restated Lease Agreement for:
 - A. R. Don Morris, Lots 1 and 2 and .0687 Acre Tract, East Park;
 - B. Richard Van Winckel and Luann Copenhaver, Lots 25 and 59, El Dorado Beach; and
 - C. Randall S. and Amy Wafford, Lots 5R and 6, Block 1, Unit 2, Club Lake Estates

A copy of the Bills, Investment Report, Affidavit of Termination, Replats, Amendment to Lease Agreements and Amended and Restated Lease Agreements are attached hereto and made a part hereof.

The General Manager provided the Board with a revised budget proposal. After discussion, MOTION was made by Carol Larsen, and SECONDED by Tim Philhower, to approve the 2006 Budget as presented adding the \$62,000.00 line item for Special Assessment Income back into the budget. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the 2006 Budget is attached hereto and made a part hereof.

MOTION was made by Tim Philhower, and SECONDED by Carol Larsen, to approve the changes to the Permit Fee Schedule as presented to be effective January 1, 2006. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Permit Fee Schedule is attached hereto and made a part hereof.

MOTION was made by Carol Larsen, and SECONDED by Tim Philhower, to approve the Park Rate Fee Schedule as presented to be effective January 1, 2006. The President put the question and, after full discussion and deliberation thereon, the following members present voted "AYE": Carol Larsen, Tim Philhower, and Bruce Gatlin. The following voted "NO": Glenn Morris. Billy Jordan abstained from voting. A copy of the Park Rate Fee Schedule is attached hereto and made a part hereof.

The Manager reported on the following items:

- A. District reaching Moderate drought trigger level in Drought Contingency Plan
- B. Stocking of the grass carp

The following people addressed the Board during the public comment section:

- A. Paul Constantine
- B. Joanna McLaren
- C. Dave Chaffin

There being no further business, the meeting was adjourned.

MINUTES approved this the 17th day of December 2006.

Billy Jordan, President

Glenn Morris, Vice President

Tim Philhower, Secretary

Carol Larsen, Director

Bruce Gatlin, Director