

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: JULY 12, 2005

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 12th day of July 2005, the Board of Directors of the Franklin County Water District convened in REGULAR SESSION at their office located at 114 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

and with the following members absent: NONE.

Also present were Jan Andrews, Joe Andrews, Willie Bane, Betty Buck, Herb Buck, Ken Cejka, Dave Chaffin, Greg Dietz, Carole Dunn, Bruce Gatlin, Kim Gatlin, Janet Goryl, Joe Goryl, Jerry Hammond, Ann Holland, Johnny Kirby, Richard Larsen, Ed Loutherbak, Lillie Bush-Reves, Michael Riley, Tom Riley, Gay Snider, Moody Snider, 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 Billy Jordan.

MOTION was made by Carol Larsen, 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 June 16, 2005 Minutes
2. Approval and Ratification of Payment of Bills
3. Approval of Unpaid Bills
4. Investment Report
5. Termination of Leasehold for William Robert and Anita Friberg, Lot 3, Block 56, Section 4, Kings Country.
6. Amended and Restated Lease Agreement for:
 - A. Tommy B. and Laraye Johnson, Lots 346 and 347, Phase 3, Snug Harbor; and
 - B. Richard K. and Kristi R. Key, Lots 47, 48 and 49, Block 36, Section 4, Kings Country
7. Amendment to Lease Agreement (Extension) for Billy D. and Norma June Williams, Lot 31, El Dorado Bay
8. Replat and Amendment to Lease Agreement for Brian D. and Nancee N. Wenning, Lot 132, Block 36, Section 4, Kings Country

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

Tom Riley, lessee of Lot 18 in South Park, presented a letter of protest to the sale of the .574 acre tract of unleased land between Lots 18 and 19 in South Park. Mr. Riley asked that the Board remain consistent in their stance concerning this tract of land and allow it to remain as is. Ann Holland, real estate representative for Chock and Marcia Yates, then read a letter from the Yates regarding the same tract of land. After discussion, the Board asked the two parties to attempt to negotiate and work out a deal beneficial to both parties. If an agreement cannot be reached, the items can be placed on the next agenda for further discussion. No action was taken. Copies of both letters are attached hereto and made a part hereof.

MOTION was made by Tim Philhower, and SECONDED by Carol Larsen, to table the consideration of bids to lease the .574 acres in South Park until the next meeting. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

Manager David Weidman advised the Board of a letter from Robert Whiteside asking the Board to withdraw his name for consideration for nomination for the position of Place 2 Director's position. Glenn Morris nominated Bruce Gatlin to fill the position of Director of Place 2. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". The Oath of Office was administered by Sheila Donica.

The Manager reported on the following items:

- A. Franklin County Dam maintenance update
- B. District aquatic plant nursery
- C. Mitigation surcharge
- D. Hydrilla informational newsletter
- E. Texas Parks and Wildlife scheduled vegetation survey

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

- A. Betty and Herb Buck
- B. Willie Bane
- C. Dave Chaffin
- D. Joe Andrews
- E. Ken Cejka

There being no further business, the meeting was adjourned.

MINUTES approved this the 16th day of August 2005.

Billy Jordan, President

Glenn Morris, Vice President

Tim Philhower, Secretary

Carol Larsen, Director