

MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FRANKLIN COUNTY WATER DISTRICT  
HELD: OCTOBER 18, 2005

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 18th day of October 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
BRUCE GATLIN	DIRECTOR

and with the following members absent: NONE.

Also present were J.R. Alphin, Willie Bane, Alice Kirkelie, Richard Larsen, Ed Louthback, Bob Sehon, 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 David Weidman.

MOTION was made by Tim Philhower, and SECONDED by Carol Larsen, 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 September 20, 2005 Minutes
2. Approval and Ratification of Payment of Bills
3. Approval of Unpaid Bills
4. Investment Report
5. Replat and Amendment to Lease Agreement for:
  - A. Jan W. and Cynthia R. Kindrick, Lot 47, Block 7, Section 2, Tall Tree; and
  - B. Naus, LTD, Lots 24, 25 and 26, Phase 2, The Oaks
6. Termination of Leasehold for Joy Silvertooth, Lot 64, Phase 1, Snug Harbor
7. Amended and Restated Lease Agreement for:
  - A. Henry J. and Pamela S. Esser, Lots 311, 312 and 313, Phase 3, Snug Harbor; and
  - B. Steve and Shelby McCarty, Lot 1, Phase 1, Hickory Hill and .195 Acre Tract, Big Pine

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

There was one bid submitted for the .0687 acre tract of land in East Park that was put out for bids. MOTION was made by Tim Philhower, and SECONDED by Glenn Morris, to accept the bid of \$2,005.00 bonus payment by Don Morris for the tract of land in East Park. One of the requirements of the lease will be for Mr. Morris to tie the tract of land with one of his adjoining lots with either a replat or an Amended and Restated Lease Agreement. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the bid is attached hereto and made a part hereof.

At the last meeting, the Board had authorized the Manager to send a letter to the lessees in South Park soliciting their comments regarding the District zoning lots 4, 5 and the boat ramp for single family residential. After reading the comments, the Board elected to leave the lots as is, with the exception of posting some signs and erecting a barrier. No action was taken.

MOTION was made by Carol Larsen, and SECONDED by Glenn Morris, to accept the engagement letter from Fox, Byrd and Company, P.C. authorizing the firm to perform the District's 2005 audit. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the letter is attached hereto and made a part hereof.

At this time, the Board conducted a workshop concerning the 2006 budget. No action was taken at this time; however, the Board suggested some changes and the item will be placed on the November agenda for additional consideration and possible action.

The Manager also presented the Board with a list of the goals and objectives, short and long term, of the District. A committee consisting of Tim Philhower and Carol Larsen was appointed to meet with management and staff regarding these goals and objectives.

The Manager reported on the following items:

- A. The construction of the grass carp barrier at the Morning Glory
- B. District Christmas party
- C. District sponsored CountryFest booth

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

- A. Willie Bane

There being no further business, the meeting was adjourned.

MINUTES approved this the 15th day of November 2005.

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Billy Jordan, President

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Glenn Morris, Vice President

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Tim Philhower, Secretary

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Carol Larsen, Director

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Bruce Gatlin, Director