

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: APRIL 18, 2006

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 18th day of April 2006, the Board of Directors of the Franklin County Water District convened in REGULAR SESSION at the District 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
TIM PHILHOWER	SECRETARY
BRUCE GATLIN	DIRECTOR

and with the following members absent: CAROL LARSEN.

Also present were J.R. Alphin, Ron Barker, Dave Chaffin, Paul Constantine, Trish Kuhl, Bob Sehon, and David Weidman.

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 March 21, 2006 Minutes
2. Approval and Ratification of Payment of Bills
3. Approval of Unpaid Bills
4. Investment Report
5. New Lease Agreement for Joy Silvertooth, Lot 64, Phase 1, Snug Harbor
6. Amended and Restated Lease Agreement for:
 - A. Michael & June Clary and Robert & Gaynell Howey, Lots L95 and L96, Section 2, and Lot 17, Block 52, Section 4, Kings Country; and
 - B. Joseph Margiotta III and Elizabeth W. Margiotta, Lot 176, Block 36, Section 4, and Lot 8, Block 39, Section 4, Kings Country

A copy of the Bills, Investment Report, New Lease Agreement, and Amended and Restated Lease Agreements are attached hereto and made a part hereof.

MOTION was made by Bruce Gatlin, and SECONDED by Glenn Morris, to clarify action taken at the November 14, 1998 FCWD meeting that the zoning of Lot 1 referred to at this meeting is actually Lot 9K, Phase 7, in the Northshore Addition and is zoned as "real estate office". The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Glenn Morris, and SECONDED by Tim Philhower, to approve the changes to the Inspector, Maintenance Team Leader and Maintenance Worker job descriptions as presented. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the changes is attached hereto and made a part hereof.

MOTION was made by Tim Philhower, and SECONDED by Bruce Gatlin, to accept the FMLA policy as presented. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the FMLA policy is attached hereto and made a part hereof.

The Board discussed the possibility of accepting bids and re-leasing lots that have been terminated on. MOTION was made by Tim Philhower, and SECONDED by Glenn Morris, to advertise for bids on the available lots as discussed. Following is a breakdown as discussed:

1. Northshore Lots 94 & 95, Phase 5 – No minimum bid, advance lease fees, reduce the back fees owed to the District by \$1000.00 per lot, back taxes owed, re-leasing & recording fees
2. South Park Lots 39 & 40, Section 1 – Must be leased together, no minimum bid, advance lease fee, back fees and taxes owed, re-leasing & recording fees
3. All other lots - No minimum bid, advance lease fees, back fees and taxes owed, re-leasing & recording fees

A copy of the available lots is attached hereto and made a part hereof.

The Manager reported on the following items:

- A. Update on the conduit and slope inspection
- B. Water Development Board approving Region C Water Plan

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

- A. Paul Constantine

There being no further business, the meeting was adjourned.

MINUTES approved this the 16th day of May 2006.

Billy Jordan, President

Glenn Morris, Vice President

Tim Philhower, Secretary

ABSENT

Carol Larsen, Director

Bruce Gatlin, Director