

MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FRANKLIN COUNTY WATER DISTRICT  
HELD: NOVEMBER 21, 2006

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 21st day of November 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
CAROL LARSEN	DIRECTOR
BRUCE GATLIN	DIRECTOR

and with the following members absent: NONE.

Also present were J.R. Alphin, Willie Bane, Tim Bister, Michael Brice, Tony Hansen, Lillie Reves, 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 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 October 17, 2006 Minutes
2. Approval and Ratification of Payment of Bills
3. Approval of Unpaid Bills
4. Investment Report
5. Termination of Leasehold for:
  - A. ~~Juan and Flor Bato, Lots 1, 2 and 3, Block 52, Section 4, Kings Country;~~
  - B. Michael F. Carr, Lot 11, Block 17, Section 3, Tall Tree; and
  - C. Todd Boeding, 5 Acre Tract, Waterways
6. Replat and Amendment to Lease Agreement for Norman Howard Bender, Lot 31R, Block 5, Section 2, Tall Tree
7. Replat Amendment to Lease Agreement for:
  - A. Victor E. Clark, Lot 69R, Phase 7, Northshore;
  - B. Mark and Vicki Smith, Lot 3R, Phase 1, Whippoorwill Bay; and
  - C. Max and Rosemary Buchwald, Lots L65 and L68B, Section 2, Kings Country
8. Amended and Restated Lease Agreement for:
  - A. Victor E. Clark, Lot 69R, Phase 7, Northshore; and
  - B. Ronald and Gail Berlin, Lot 1R, Section 1, Boiler Cove and Lot 1, Phase 1, Northshore
9. Amendment to Lease Agreement (99-Year Extension) for Victor E. Clark, Lot 69R, Phase 7, Northshore
10. New Lease Agreement for James and Lynn Dunlap, Lots 24 and 24A, Phase 2, Panther Creek Pass

A copy of the Bills, Investment Report, Affidavits of Termination, Replat, Replat Amendments, Amended and Restated Lease Agreements, 99-Year Extension Lease Agreement and New Lease Agreement are attached hereto and made a part hereof.

MOTION was made by Carol Larsen, and SECONDED by Tim Philhower, to adopt the 2007 holiday calendar 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 holiday calendar is attached hereto and made a part hereof.

MOTION was made by Glenn Morris, and SECONDED by Bruce Gatlin, to approve and execute the Right-of-Way Easement agreement with Franklin County and the Panther Creek Pass POA 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 Right-of-Way Easement is attached hereto and made a part hereof.

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 2006 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 discussed the 2007 budget proposal. No action was taken at this time and the item will be placed on the December agenda for additional consideration and possible action.

The Manager reported on the following items:

- A. Drought condition and low lake level
- B. Tim Bister and Michael Brice, Texas Parks and Wildlife Department, gave a presentation on their Hydrilla Management Plan and Fishery Update for Lake Cypress Springs
- C. J.R. Alphin gave an Aquatic Plant Management update
- D. District Christmas party

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

- A. Willie Bane

There being no further business, the meeting was adjourned.

MINUTES approved this the 19th day of December 2006.

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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