

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: JUNE 20, 2006

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 20th day of June 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, Jim Blanchard, Dave Chaffin, Cindy Coffey, Paul Constantine, Carole Dunn, Kim Gatlin, Brenda Hammond, Jerry Hammond, Tony Hansen, Reeves Hayter, J.D. Inman, Dale Kenas, Ronny Knight, Larry Knutson, John Martin, Bill Miller, Katie Nicasro, Lloyd Parker, Henk Post, Moses Ogolla, Bob Sehon, Jonathan Smith, Nancy Smith, Pam Swanner, Richard Zachary, 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 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 May 16, 2006 Minutes
2. Approval and Ratification of Payment of Bills
3. Approval of Unpaid Bills
4. Investment Report
5. Amendment to Lease Agreement (99 Year Extension) for James and Becky Grant, Lot 175, Block 36, Section 4, Kings Country
6. New Lease Agreement for:
 - A. John D. Hudson and Lindsay N. Howard, Lot 22, Block 16, Section 3, Tall Tree;
 - B. Harry S. Earl Jr., Lot 6, Block 38, Section 4, Kings Country;
 - C. Randy and Donna Ware, Lot 32, Block 22, Section 3, Tall Tree; and
 - D. Susan McCaulley and Rick Mitchell, Lot 324, Section 1, Pine Valley
7. Termination of Lease Agreement for James F. & Lynn R. Dunlap and D. Scott & Sally Crowe, Lots 24 and 24A, Phase 2, Panther Creek Pass
8. Replat Amendment to Lease Agreement for:
 - A. Thomas and Betty Austin, Lot 30, Block 36, Section 4, Kings Country; and
 - B. Gary and Holly Steen, Lot 29, Block 36, Section 4, Kings Country
9. Corrected Replat Amendment to Lease Agreement for Edward and Ada Gail Brook, Lots 3R, 4R and 5R, Block 55, Section 4, Kings Country
10. Amended and Restated Lease Agreement for:
 - A. Michael R. and Dequita E. Willard, Lot 1, Tall Tree South; and
 - B. Gary and Laurie Tipton, Lots 306 and 303R, Pine Valley

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

The Franklin County Chamber of Commerce sent a letter to the District requesting the opportunity to set up a concession stand in Overlook Park during the annual fireworks show on Sunday, July 2nd. Chamber representative Brenda Hammond was available to answer questions from the Board members. MOTION was made by Tim Philhower, and SECONDED by Carol Larsen, to approve the Chamber's request with the stipulation that they obtain a special events permit. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the request letter is attached hereto and made a part hereof.

Jonathan Smith, the District's attorney with Chaiken and Chaiken, was on hand to review with the Board the draft of the recodified Rules and Regulations. The General Manager advised the Board of two proposed changes to the draft that they had previously received. After discussion by the Board and comments from the audience, MOTION was made by Glenn Morris, and SECONDED by Tim Philhower, to adopt the Rules and Regulations 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 Rules and Regulations is attached hereto and made a part hereof.

Reeves Hayter with Hayter Engineering presented the Board with a proposed modification to the District's Drought Contingency Plan. MOTION was made by Tim Philhower, and SECONDED by Bruce Gatlin, to authorize the changes to be made to the Drought Contingency Plan with it to be brought back to the Board for final approval. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Carol Larsen, and SECONDED by Glenn Morris, to accept the renewal quote from Blue Cross / Blue Shield for the District's health insurance as recommended by the Manager. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

While the Kings Country POA was trying to obtain a retaining wall permit, it was discovered that a part of their main boat ramp was located on un-leased property. They proposed to lease that property and replat it into the adjacent part of Lot 1, Block 55, Section 4 that they currently lease. MOTION was made by Carol Larsen, and SECONDED by Tim Philhower, to lease the Kings Country POA that portion of un-leased property and approve a replat and replat amendment on same. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the new lease agreement, replat and replat amendment is attached hereto and made a part hereof.

The Manager reported on the following items:

- A. Emergency Action Plan Update
- B. Director's open meeting training set for Thursday, July 27, 2006 at 6 p.m.
- C. Proposed Chamber sponsored AquaFest
- D. Director e-mail set up
- E. Possibility of county-wide Election Administrator

The following addressed the Board during the public comment session:

- A. Dave Chaffin
- B. Bill Miller
- C. Larry Knutson
- D. Katie Nicastro
- E. Paul Constantine
- F. Pam Swanner.

There being no further business, the meeting was adjourned.

MINUTES approved this the 18th day of July 2006.

Billy Jordan, President

Glenn Morris, Vice President

Tim Philhower, Secretary

Carol Larsen, Director

Bruce Gatlin, Director