

MINUTES OF THE MEETING OF  
 THE BOARD OF DIRECTORS OF THE  
 FRANKLIN COUNTY WATER DISTRICT  
 HELD: MAY 16, 2006

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 16th day of May 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, Eddie Brook, Paul Constantine, Don Glosser, Richard Larsen, Ed Louthback, Katie Nicastro, Brian Philhower, 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 Bruce Gatlin.

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 April 18, 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 Martin G. and Karen M. Foster, Lot 25, Phase 1, Eagle Point
6. New Lease Agreement for Citibank, N.A., as Trustee for Registered Holders of Merrill Lynch Mortgage Investors, Inc., Series 199-H1, Lot 172, Block 36, Section 4, Kings Country
7. Amendment to Lease Agreement (Replat) for Ronald C. & Madeline J. Zahrt and Michael K. & Ashley F. Scott, Lot 41B, El Dorado Bay
8. Replat and Amendment to Lease Agreement for:
  - A. Edward and Ada Gail Brook, Lots 3R, 4R & 5R, Block 55, Section 4, Kings Country; and
  - B. Jeff and Lesley Wagner, Lot 6R, Block 55, Section 4, Kings Country
9. Amended and Restated Lease Agreement for Barry E. and Antoinette M. Davis, Lots 161, 162 and 163, Block 36, Section 4, Kings Country

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

Mike Burkhart wrote a letter to the Board requesting an extension to complete his replatting process on the .015 acre tract and the Common Area of Lost Creek. MOTION was made by Glenn Morris, and SECONDED by Tim Philhower, to grant Mike Burkhart a 30 day extension to complete his replatting process. 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.

The Manager reported on the following items:

- A. Update on results of the lots put out for bid
- B. Update on the conduit and slope inspection
- C. Draft of Breach Analysis
- D. Meet & Greet set for June 3, 2006 at the Walleye Pavilion
- E. Presented the Board with a draft of the proposed Rules and Regulations
- F. J.R. Alphin gave the Board a report on the Ecosystem Restoration Program

There being no further business, the meeting was adjourned.

MINUTES approved this the 20th day of June 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