

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: DECEMBER 18, 2007

THE STATE OF TEXAS
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 18th day of December 2007, 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:

TIM PHILHOWER	PRESIDENT
BILLY JORDAN	VICE PRESIDENT
RODNEY NEWSOM	DIRECTOR
DWAYNE BOLIN	DIRECTOR

and with the following members absent: BRUCE GATLIN.

Also present were J.R. Alphin, Gale Terhune, 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 Billy Jordan, and SECONDED by Dwayne Bolin, 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 Minutes from the November 19, 2007 Regular Meeting.
2. Ratification of Paid Bills.
3. Approval of Unpaid Bills.
4. Investment Report.
5. New Lease Agreement for Darnell and Rosella Newell, Lot 434, Pine Valley.
6. Replat and Replat Amendment to Lease Agreement for:
 - A. Timothy and Rosemary Kennedy, Lot 37R, Phase 3, Northshore; and
 - B. Louis and Barbara Walton, Lot 8R-1, El Dorado.
7. Replat Amendment to Lease Agreement for:
 - A. Mitchell and Rebecca Engle, Lots 1-31, 1-32, 1-33, 1-34, 1-35, 1-36, 1-37, 1-38, and 1-39, Phase 1, Panther Creek Pass;
 - B. Gary and Holly Steen, Lot 28R, Block 36, Section 4, Kings Country; and
 - C. Lee and Joann Asher, Lot 26, Block 36, Section 4, Kings Country.
8. Amended and Restated Lease Agreement for:
 - A. David and Jackie Anderson, Lots 373, 374, 375 and 376, Phase 3, Snug Harbor Estates;
 - B. Michael and Victoria Hellmann, Lots L25 and L28, Section 2, Kings Country; and
 - C. Michael and Rebecca Jette, Lots 133 and 134, block 36, Section 4, Kings Country.

Copies of the Bills, Investment Report, New Lease Agreement, Replats, Replat Amendment to Lease Agreements, and Amended and Restated Lease Agreements are attached hereto and made a part hereof.

At 6:34 p.m., the Board convened in Executive Session for the purpose of discussing personnel matters and the General Manager's employment contract. When the Board reconvened in Open Session at 6:56 p.m., the following action was taken: MOTION was made by Dwayne Bolin, and SECONDED by Rodney Newsom, to discontinue providing the General Manager with a company car and grant him a car allowance of \$650.00 per month to be effective January 1, 2008. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

The Manager reported on the following items:

- A. District offices closed for Christmas
- B. District office hours have been changed to 8:30 a.m. – 4:30 p.m.
- C. Update on dam remediation project
- D. Update on ecosystem restoration project presented by J.R. Alphin

There being no further business, the meeting was adjourned.

MINUTES approved this the 15th day of January 2008.

Tim Philhower, President

Billy Jordan, Vice President

Rodney Newsom, Director

Dwayne Bolin, Director