

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: NOVEMBER 19, 2007

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 19th day of November 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
BRUCE GATLIN	SECRETARY
RODNEY NEWSOM	DIRECTOR
DWAYNE BOLIN	DIRECTOR

and with the following members absent: NONE.

Also present were J.R. Alphin, Richard Hamrick, Ed Loutherbach, Charles McAfee, 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 Billy Jordan, and SECONDED by Rodney Newsom, 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 October 23, 2007 Regular Meeting.
2. Ratification of Paid Bills.
3. Approval of Unpaid Bills.
4. Investment Report.
5. Matters Concerning Termination of Leasehold for Melody Guest, Lot 46, Section 1, Eagle Point.
6. Matters Concerning Replat Amendment to Lease Agreements for:
 - A. Joe and Betty Hanson, Lot 133, Block 13, Section 3, Tall Tree; and
 - B. Virginia Dillard, Lot 134, Block 13, Section 3, Tall.
7. Matters Concerning Amended and Restated Lease Agreement for Steven and Misty Smathers, Lots 435 and 439, Pine Valley.

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

At this time, the Board closed the regular session and opened up the public hearing regarding taxing tangible personal property in transit which would otherwise be exempt pursuant to Texas Tax Code, Section 11.253. No comments were made by the public and the Board reconvened the regular session.

MOTION was made by Dwayne Bolin, and SECONDED by Bruce Gatlin, to adopt the 2008 Budget as presented. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". A copy of the Budget is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Bruce Gatlin, to amend the 2007 Budget as presented. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". A copy of the Amended Budget is attached hereto and made a part hereof.

MOTION was made by Dwayne Bolin, and SECONDED by Billy Jordan, to adopt the District's 2008 Holiday Calendar as presented. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". A copy of the Holiday Calendar is attached hereto and made a part hereof.

MOTION was made by Rodney Newsom, and SECONDED by Bruce Gatlin, to amend the District's Permit Fees and Park Fees Schedules to be effective January 1, 2008 as presented. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". A copy of the Fees Schedules is attached hereto and made a part hereof.

The President read the results of the November 6, 2007 bond election into the record. MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, to adopt the Resolution canvassing the bond election returns as stated. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". A copy of the Resolution is attached hereto and made a part hereof.

MOTION was made by Dwayne Bolin, and SECONDED by Rodney Newsom, to adopt the Resolution to tax tangible personal property in transit as presented. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". A copy of the Resolution is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Dwayne Bolin, to accept the engagement letter from Fox, Byrd and Company, P.C. authorizing the firm to perform the District's 2007 audit. 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 will be closed Thursday and Friday for Thanksgiving
- B. District's Christmas Party
- C. Revised cost estimate on dam remediation project from Freese and Nichols

There being no further business, the meeting was adjourned.

MINUTES approved this the 18th day of December 2007.

Tim Philhower, President

Billy Jordan, Vice President

Bruce Gatlin, Secretary

Rodney Newsom, Director

Dwayne Bolin, Director