

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

THE STATE OF TEXAS  
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 18th day of September 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 Tony Hansen, Alice Kirkelie, Ed Louterback, Janis Murphy, 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 Dwayne Bolin.

MOTION was made by Rodney Newsom, and SECONDED by Billy Jordan, 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 August 21, 2007 Minutes
2. Approval and Ratification of Payment of Bills
3. Investment Report
4. Affidavit of Termination for Betty Joyce Yates, Lot 24, Phase 1, Panther Creek Pass
5. Amended and Restated Lease Agreements for:
  - A. Cayenne Development, LLC and Cypress Springs Homes, LP, Lot 11, Phase 1, Boat Ramp area, 3.843 acres out of 12.528 acre tract, Blair Creek Cove Estates, and 6.5788 acres, Cypress Point; and
  - B. John McAnally, Lot 12, Phase 1, Blair Creek Cove Estates
6. Replat Amendment to Lease Agreements:
  - A. Gary and Holly Steen, Lots 28 and 29R, Block 36, Section 4, Kings Country; and
  - B. Eddie Crawford and Tall Tree POA, Lots 48, 49, 50, 51 and 52, Block 1, Tall Tree

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

Janis Murphy, Freese and Nichols, updated the Board on the design phase of the Franklin County Dam Remediation project.

MOTION was made by Dwayne Bolin, and SECONDED by Billy Jordan, to authorize the execution of the Interlocal Agreement with Franklin County regarding a joint election. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". A copy of the agreement is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, to adopt the Resolution expressing official intent to reimburse costs of improvement projects 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.

The Board discussed possible methods of voter education regarding the bond election. No action was taken.

MOTION was made by Dwayne Bolin, and SECONDED by Rodney Newsom, to amend the District's organizational chart and affected job descriptions as presented. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". A copy of the organizational chart and job descriptions are attached hereto and made a part hereof.

The Manager reported on the following items:

- A. OSSF Homeowners Maintenance, Effects of HB 2482
- B. Providing aquatic plantings for district taxpayers

At 7:20 p.m., the Board convened in Executive Session for the purpose of discussing personnel matters and employee evaluations. When the Board reconvened in Open Session at 8:36, the following action was taken: MOTION was made by Dwayne Bolin, and SECONDED by Billy Jordan, to approve employee compensation packet as presented with a 5% increase for the General Manager. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the employee compensation packet is attached hereto and made a part hereof.

The Board discussed the possibility of adopting a policy regarding longevity pay. No action was taken and they requested that the item be placed on the October agenda for further consideration.

There being no further business, the meeting was adjourned.

MINUTES approved this the \_\_\_\_ day of October 2007.

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Tim Philhower, President

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Billy Jordan, Vice President

ABSENT

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Bruce Gatlin, Secretary

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Rodney Newsom, Director

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Dwayne Bolin, Director