

MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FRANKLIN COUNTY WATER DISTRICT  
HELD: APRIL 17, 2007

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 17th day of April 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:

BILLY JORDAN	PRESIDENT
GLENN MORRIS	VICE PRESIDENT
TIM PHILHOWER	SECRETARY
BRUCE GATLIN	DIRECTOR
CAROL LARSEN	DIRECTOR

and with the following members absent: NONE

Also present were J.R. Alphin, Willie Bane, Paul Constantine, Carole Dunn, Stan Heaps, Alice Kirkelie, Richard Larsen, Ed Louthback, Janis Murphy, Rodney Newsome, Brian Philhower, John Rutledge, 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 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 March 20, 2007 Minutes
2. Approval and Ratification of Payment of Bills
3. Approval of Unpaid Bills
4. Investment Report
5. Replat Lease Amendment for:
  - A. Jeffery Chitsey, Lot 16R, Block 60, Section 4, Kings Country; and
  - B. Cypress Springs Homes, LP, Lot 17R, Block 60, Section 4, Kings Country
6. Amended and Restated Lease Amendment for Carlton and Vicki Hardin, Lots 150 and 151, Block 36, Section 4, Kings Country

A copy of the Bills, Investment Report, Replat Amendments, and Amended and Restated Lease Agreement are attached hereto and made a part hereof.

At this time, Janis Murphy and John Rutledge from Freese and Nichols presented the Preliminary Design of the dam remediation project and took questions from the Board. MOTION was made by Tim Philhower, and SECONDED by Carol Larsen, to approve the Preliminary Design and authorize the General Manager to negotiate the contract amendment for the design phase. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Preliminary Design Report is attached hereto and made a part hereof.

Mr. Stan Heaps addressed the Board regarding the District's denial of his request to waive the As-Built Survey requirement related to his pier permit. After discussing the matter, the Board declined to grant the waiver. No action was necessary.

The Manager advised the Board that the District's Park Sanitation Contract with Waste Management would be up for renewal in June 2007. He presented them with a draft contract for their review. MOTION was made by Glenn Morris, and SECONDED by Bruce Gatlin, to authorize the Manager to solicit bids for dumpster service in the parks as presented.

MOTION was made by Glenn Morris, and SECONDED by Bruce Gatlin, to amend the District's Rules and Regulations Definitions and Article XVII – Environmental Protection Regulations to prevent any mining or drilling on District property 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 amended rule is attached hereto and made a part hereof.

The Board discussed the possibility of accepting bids and re-leasing lots that have been terminated on. MOTION was made by Bruce Gatlin, and SECONDED by Carol Larsen, to advertise for bids on the available lots as discussed. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the available lots is attached hereto and made a part hereof. Following is a breakdown as discussed:

1. Tall Tree, Lot 114, Block 13, Section 3 – Minimum bid of \$10,000, advance lease fee, back fees and taxes owed, re-leasing & recording fees
2. All other lots – No minimum bid, advance lease fee, back taxes owed, re-leasing & recording fees

The Manager reported on the following items:

- A. Drought conditions
- B. Legislative sessions
- C. 2<sup>nd</sup> Annual Meet and Greet set for June 2, 2007 from 10 a.m. – 12 p.m. at the District's new shop facilities

The following people addressed the Board during the Public Comment session:

- A. Willie Bane
- B. Paul Constantine

There being no further business, the meeting was adjourned.

MINUTES approved this the 22<sup>nd</sup> day of May 2007.

---

Billy Jordan, President

---

Glenn Morris, Vice President

---

Tim Philhower, Secretary

---

Carol Larsen, Director

---

Bruce Gatlin, Director