

MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FRANKLIN COUNTY WATER DISTRICT  
HELD: AUGUST 21, 2007

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 21st day of August 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 Dan Almon, J.R. Alphin, Willie Bane, Lillie Bush-Reves, Alice Kirkelie, 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 Bruce Gatlin.

MOTION was made by Billy Jordan, and SECONDED by Bruce Gatlin, 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 July 17, 2007 Minutes
2. Approval of Unpaid Bills
3. Replat and Replat Lease Amendments for:
  - A. John Gregory Houx and Greg S. Wheeler, Lot 4 & part of Lot 5, El Dorado Bay;
  - B. Larry K. and Sandra K. Casey, Lot 35 & part of Lot 36, Phase 1, Eagle Point; and
  - C. Strawberry Development, Inc., Lots 11 and 17, Marina Point
4. Amendment to Lease Agreement (99-year extension) for Robert J. and Peggy H. Hughes, Lot 8R, Block 1, Unit 2, Club Lake Estates
5. New Lease Agreement for Countrywide Home Loans, Inc., Lots 54, 55 and 56, Phase 1, Snug Harbor

Copies of the Replats, Replat Amendments, Amendment to Lease Agreement, and New Lease Agreement are attached hereto and made a part hereof.

Dan Almon with Southwest Securities was on hand to answer questions from the Board on matters concerning calling the bond election. MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, to adopt the resolution calling a bond election as presented. The President put the question and, after full discussion and deliberation thereon, the following members present voted "AYE": Tim Philhower, Billy Jordan, Rodney Newsom, and Dwayne Bolin. The following member present "NOT VOTING": Bruce Gatlin. The President announced that the motion carried. A copy of the resolution is attached hereto and made a part hereof.

The Manager reported on the following items:

- A. OSSF Homeowners Maintenance, Effects of HB 2482
- B. Upcoming budget, evaluations and compensation
- C. Teambuilding workshop

There being no further business, the meeting was adjourned.

MINUTES approved this the 18th day of September 2007.

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Tim Philhower, President

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Billy Jordan, Vice President

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Bruce Gatlin, Secretary

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Rodney Newsom, Director

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Dwayne Bolin, Director