

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: MARCH 20, 2007

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 20th day of March 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, Dwayne Bolin, Bruce Bonnheim, Paul Constantine, Carole Dunn, Jerry Hammond, Tony Hansen, Alice Kirkelie, Ed Loutherbach, Rodney Newsome, Katie Nicastro, Ralph Robertson, Gale Terhune, Jeff Weyandt, 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 Glenn Morris.

MOTION was made by Carol Larsen, and SECONDED by Tim Philhower, 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 February 20, 2007 Minutes
2. Approval and Ratification of Payment of Bills
3. Approval of Unpaid Bills
4. Investment Report
5. Replat and Lease Amendment for:
 - A. Gale Duff-Bloom and Robert & Stephanie Dieste, Lots 383A – 386, Pine Valley; and
 - B. Frank and Kristin Earley, Lots 45 and a portion of 46, Block 7, Section 2, Tall Tree
6. Replat Lease Amendment for:
 - A. NBS Investments, LLC, Lots 25 and 26, Phase 2, Panther Creek Pass; and
 - B. John and Dorothy Castle, Lots 159 and a portion of 160, Block 36, Section 4, Kings Country
7. New Lease Agreement for Ronald Folwell, Lot 165, Block 13, Section 3, Tall Tree

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

At this time, Jeff Weyandt from Fox, Byrd and Company, P.C. gave a presentation of the 2006 Financial Statements and Independent Auditor's Report to the Board.

MOTION was made by Tim Philhower, and SECONDED by Glenn Morris, to accept the 2006 Audit Report 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 Audit Report is attached hereto and made a part hereof.

Bruce Bonnheim addressed the Board with a request to reverse Water District management's decision to reject a replat that had been submitted. He requested that the replat be allowed to include the portion of his lot on which his boathouse is currently located. After a lengthy discussion, the Board found Mr. Bonnheim's request to be legitimate and directed management to allow the replat to proceed, with the stipulation that an agreement be executed with the District that no one would be allowed to build out any further than where the current boathouse sits. The replat and amendment will be brought back to the Board when they are completed; therefore, no action was taken at this time.

MOTION was made by Tim Philhower, and SECONDED by Carol Larsen, to amend Article 14.16, Piers and Boathouses, of the District's Rules and Regulations 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. They requested that further information be obtained on a lot in Tall Tree that could possibly be considered a waterfront lot. This item will be put on April's agenda for further discussion.

MOTION was made by Glenn Morris, and SECONDED by Carol Larsen, to adopt the Certification of Unopposed Candidates and to approve the Resolution and Order of Cancellation to cancel the uncontested portions, Places Two, Four and At-Large, of the May 12, 2007 election. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". Copies of the Certification and Resolution are attached hereto and made a part hereof.

The Manager reported on the following items:

- A. 2nd Annual Meet and Greet
- B. Emails regarding the dam remediation
- C. Article regarding open meeting requirements
- D. Legislative sessions
- E. Drought conditions
- F. Northeast Texas Water Coalition update

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

- A. Paul Constantine
- B. Dwayne Bolin
- C. Rodney Newsom

There being no further business, the meeting was adjourned.

MINUTES approved this the 17th day of April 2007.

Billy Jordan, President

Glenn Morris, Vice President

Tim Philhower, Secretary

Carol Larsen, Director

Bruce Gatlin, Director