

MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FRANKLIN COUNTY WATER DISTRICT  
HELD: APRIL 15, 2008

THE STATE OF TEXAS  
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 15th day of April 2008, 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 Hannah Austin, Linda Austin, Ron Austin, Willie Bane, Ron Barker, Doyle Brown, N.R. Browning, Paul Constantine, Jim Dunn, Hal Gibson, Don Glosser, Richard Hamrick, Tony Hansen, Ann Holland, Veronica Jordan, John Martin, Glenn Morris, Charles McAfee, Rex Morris, Randy Rich, Brian Ruyle, Dan Smith, Steve Smith, Richard Starek, Richard Zachary, 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 Dwayne Bolin, 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:

- A. Approval and Ratification of Minutes from the March 18, 2008 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Replat and Replat Lease Amendment for:
  - 1. Gregg and Sherri Allen, Lot 10, Whippoorwill Bay
  - 2. John and Rebecca Vickers, Lot 168 and a portion of Lot 169, Block 36, Section 4, Kings Country; and
  - 3. Joseph and Lynda Hoffman, Lot 169 and a portion of Lot 168, Block 36, Section 4, Kings Country
- E. Amended and Restated Lease Agreement for:
  - 1. Bryan and Lisa Greenup, Lots L76, L80 and L81, Section 2, Kings Country
  - 2. Maurice and Jane Syrquin, Lots 304, 305 and 315, Pine Valley; and
  - 3. Bennie and Lisa Scarbrough, Lot 6, Block 53, Section 4, Lots L142 and L143, Section 2, Kings Country

Copies of the Bills, Investment Report, Replats, Replat Amendments, and Amended and Restated Lease Agreements are attached hereto and made a part hereof.

At the March meeting, the Board had discussed the possibility of increasing the wholesale water price for the District's wholesale customers. Richard Zachary, Manager of Cypress Springs SUD, addressed the Board requesting that they not raise the prices higher than 25%. The Board authorized the Manager to meet with Mr. Zachary and work on possible renegotiating CSSUD's contract and to agenda that for further discussion in the future. MOTION was made by Billy Jordan, and SECONDED by Dwayne Bolin, to adjust the wholesale water price from \$50 to \$75 per acre foot. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

At this time, the Board opened the floor for members of the audience to express their concerns and suggestions on the location of buoys on Lake Cypress Springs. The following people spoke: Paul Constantine, Dan Smith, Steve Smith, Hal Gibson, Willie Bane, Ron Barker, Ron Austin, Don Glosser, and Brian Ruyle.

Manager David Weidman presented an aerial view of the lake with the existing buoys shown in their actual locations. The Board discussed several possibilities and asked the Manager to bring back his recommendations for the placement of buoys.

The Manager reported on the following items:

- A. Requirement of Directors obtaining Open Meetings Training
- B. Marketing District parks
- C. Report from Freese and Nichols on sloughing of the dam
- D. Update on TCEQ approval on sale of bonds
- E. Maintenance facility upkeep
- F. Vegetation control / spraying treatments
- G. Amended and Restated Lease Agreement for Jeff and Debbie Jones
- H. Director's email address modifications

The following people addressed the Board during the public comment session: Willie Bane and Doyle Brown (Mr. Brown is a Game Warden and was unable to make it to the meeting earlier to discuss the buoy situation).

There being no further business, the meeting was adjourned.

MINUTES approved this the 20th day of May 2008.

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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