

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: AUGUST 19, 2008

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 19th day of August 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

and with the following members absent: DWAYNE BOLIN.

Also present were J.R. Alphin, Joe Andrews, Steve DeWolf, Tammy DeWolf, Carol Horn, Norman Horn, Tim Latta, Charles McAfee, Gene Oesch, Pirk Walton, Eric Westerheim, Robin Westerheim, 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 Rodney Newsom.

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:

- A. Approval and Ratification of Minutes from the July 29, 2008 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. New Lease Agreement for Robert Gruber and Katherine Ogle Gruber, Lot 14, Block 58, Section 4, Kings Country
- E. Termination of Leasehold for:
 1. Joe Gillean, Lot 75, Block 36, Section 4 and Lots 2 and 4, Block 38, Section 4, Kings Country;
 2. Herbert Dale Hall, Lot 5, Block 56, Section 4, Kings Country;
 3. Phillip Coffin Jr. and Catherine Coffin, Lot 15, Block 35, Section 4, Kings Country; and
 4. Juan Bato Jr. and Flor Bato, Lots 1, 2 and 3, Block 52, Section 4, Kings Country

Copies of the Bills, Investment Report, New Lease, and Affidavits of Termination are attached hereto and made a part hereof.

At this time, the Board closed the regular session and opened up the public hearing regarding the proposed 2008 tax rate for debt service. No comments were made by the public and the Board reconvened the regular session.

MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, to set the District's 2008 tax rate at \$0.038 per \$100 of assessed value. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Bruce Gatlin, and SECONDED by Billy Jordan, to approve the Amended and Restated Water Purchase Contract with Cypress Springs SUD 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 contract is attached hereto and made a part hereof.

Discussion was had on the amount of slip rental that the Texas Parks and Wildlife would be willing to pay should the District construct a three stall boathouse. The General Manager said that Texas Parks and Wildlife indicated that they would be willing to pay \$100 a month to rent a slip in the District's boathouse. The Board stated that they would like to proceed with the construction of a three stall boathouse, with the provisions provided at the last meeting, and that they would be willing to accept \$100 a month slip rental from the Texas Parks and Wildlife.

MOTION was made by Billy Jordan, and SECONDED by Bruce Gatlin, to authorize the General Manager to negotiate a contract with Texas Parks and Wildlife for the \$100 a month boat slip rental. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the contract is attached hereto and made a part hereof.

Steve DeWolf addressed the Board regarding the placement of the “No Wake” buoy in the Whippoorwill Bay area. After discussion, the Board agreed that the buoy could be moved from the 469 foot line in the cove to the 535 foot line.

Norman Horn addressed the Board regarding the placement of the “No Wake” buoy in the El Dorado Bay area. After discussion, the Board agreed that the buoy could be moved from the 456 foot line in the cove to the 582 foot line.

The Board discussed possible improvements to Mary King Park. No action was taken at this time.

The General Manager reported on the following items:

- A. Executive Summary of the 2008 TWDB Volumetric Study and Sedimentation Survey
- B. District office closed on September 1st for Labor Day
- C. Update on the dam remediation project

There being no further business, the meeting was adjourned.

MINUTES approved this the 16th day of September 2008.

Tim Philhower, President

Billy Jordan, Vice President

Bruce Gatlin, Secretary

Rodney Newsom, Director

ABSENT
Dwayne Bolin, Director