

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

THE STATE OF TEXAS
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 15th day of January 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 J.R. Alphin, Harry Earl, Ann Holland, Andy Jones, Liz Jones, Alice Kirkelie, Trish Kuhl, Ed Loutherback, Patricia McGee, Peggy Mize, Barbara Ryan, Patrick Ryan, 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 Dwayne Bolin.

MOTION was made by Billy Jordan, and SECONDED by Dwayne Bolin, 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 Minutes from the December 18, 2007 Regular Meeting.
2. Ratification of Paid Bills.
3. Approval of Unpaid Bills.
4. Investment Report.
5. Termination of Leasehold for:
 - A. Jennifer Yeap, et al, Lot 105, Block 36, Section 4, Kings Country;
 - B. Reese Bostick and Martha Bostick, Lot 111, Block 13, Section 3; Lot 41, Block 22, Section 3; Lot 2, Block 21, Section 3; and Lot 14, Block 13, Section 3, Tall Tree; and
 - C. ~~D. Michael and Laura Ann Travis, Lot 168, Block 13, Section 3, Tall Tree~~
6. Replat Amendment to Lease Agreement for Harold Gordon, Lots 13 and North Half of Lot 14, El Dorado Bay.
7. Amended and Restated Lease Agreement for Keith and Shawn Kennington, Lots L168 and L169, Section 2, Kings Country.
8. New Lease Agreement for Melody Guest, Lot 46, Phase 1, Eagle Point.

Copies of the Bills, Investment Report, Terminations, Replat Amendment, Amended and Restated Lease Agreement, and New Lease Agreement are attached hereto and made a part hereof.

Andy and Liz Jones approached the Board with a proposal to lease a 1/2 acre tract of land adjacent to Snug Harbor in order to allow them to have sufficient septic area to facilitate them to expand their existing residence in Snug Harbor. MOTION was made by Dwayne Bolin, and SECONDED by Billy Jordan, to lease the 1/2 acre tract of land with a \$3000.00 bonus payment plus any expenses the District may incur in the process of the leasing and with the stipulation that the District can retain an easement across the land. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the proposal is attached hereto and made a part hereof.

Patrick Ryan, along with his realtor Peggy Mize, asked the Board to allow a replat of his property, Lots A-1, W-1 and boat ramp area, in Big Pine. Objections to the replat were raised by Patricia McGee and Ann Holland. After a lengthy discussion, it was decided that Mr. Ryan had met all of the District's requirements for a replat and MOTION was made by Dwayne Bolin, and SECONDED by Rodney Newsom, to accept the replat and replat lease amendment as presented. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". Copies of the replat and replat lease amendment are attached hereto and made a part hereof.

MOTION was made by Bruce Gatlin, and SECONDED by Rodney Newsom, to accept a replat and replat lease amendment on Lots 33, 34 and 51, Block 36, Section 4, Kings Country as presented. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". Copies of the replat and replat lease amendment are attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Dwayne Bolin, to adopt a Resolution authorizing application to the TCEQ for approval of Dam Project and Bonds. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Resolution is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Dwayne Bolin, to adopt the 2007 – 2008 Hydrilla Management Plan for Lake Cypress Springs 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 Hydrilla Management Plan is attached hereto and made a part hereof.

At 7:34 p.m., the Board convened in Executive Session for the purpose of discussing personnel matters and the General Manager's employment contract. When the Board reconvened in Open Session at 8:02 p.m., no action was taken. The item will be put on the February agenda for further consideration and possible action.

The following person addressed the Board during the public comment session: Harry Earl.

The Manager reported on the following items:

- A. Update on the bond issues
- B. Upcoming retirement plan amendment**
- C. The auditor will be here on Monday, January 28th
- D. The District offices will be closed on Monday, January 21, for the Martin Luther King holiday

There being no further business, the meeting was adjourned.

MINUTES approved this the 19th day of February 2008.

Tim Philhower, President

Billy Jordan, Vice President

Bruce Gatlin, Secretary

Rodney Newsom, Director

Dwayne Bolin, Director