

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: MARCH 18, 2008

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 18th day of March 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
RODNEY NEWSOM	DIRECTOR
DWAYNE BOLIN	DIRECTOR

and with the following members absent: BRUCE GATLIN.

Also present were Lillie Bush-Reves, Richard Hamrick, B.F. Hicks, Brian Ruyle, Wayne Ruyle, 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 Billy Jordan.

MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, 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 February 19, 2008 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Replat Amendment for Donny Owens and Leslie Owens, Lots L522 and west half of L521, Section 2, Kings Country
- E. New Lease Agreement for:
 - 1. Jennifer Yeap, Jack Yeap, May Fong Yeap, Lot 105, Block 36, Section 4, Kings Country; and
 - 2. Reese Bostick, Lot 111, Block 13, Section 3; Lot 14, Block 18, Section 3; Lot 2, Block 21, Section 3; and Lot 41, Block 22, Section 3, Tall Tree
- F. Amended and Restated Lease Agreement for:
 - 1. John S. Boatner, Lots 322 and 323, Phase 3, Snug Harbor; and
 - 2. John A. and Elizabeth S. Jones, Lots 340 and 341, Phase 3, Snug Harbor and .500 Acres Adjacent to Snug Harbor and Holiday Retreat

Copies of the Bills, Investment Report, Replat Amendment, New Lease Agreements and Amended and Restated Lease Agreements 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 2007 Financial Statements and Independent Auditor's Report to the Board.

MOTION was made by Dwayne Bolin, and SECONDED by Rodney Newsom, to approve the 2007 Financial Statements and Independent Auditor's 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 is attached hereto and made a part hereof.

B.F. Hicks, representing the Franklin County Historical Association, addressed the Board with a request for funding assistance on the survey project on the west end preserve property. MOTION was made by Rodney Newsom, and SECONDED by Dwayne Bolin, to grant funding assistance to the Historical Association in the amount of \$7,500.00. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Billy Jordan, and SECONDED by Dwayne Bolin, to re-approve the District's Investment Policy 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 Investment Policy is attached hereto and made a part hereof.

The Board discussed the following items with no action being taken: A) Wholesale water contracts and B) Adopting a District buoy policy.

The Manager reported on the following items:

- A. Archaeological Survey for Franklin County Dam project
- B. Update on acquiring property from Titus County Fresh Water Supply for the Dam project
- C. List of assets sold

The following person addressed the Board during the public comment session: Brian Ruyle.

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 8:17 p.m., MOTION was made by Billy Jordan, and SECONDED by Dwayne Bolin, to adopt the employment contract with the General Manager with the terms laid out 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.

There being no further business, the meeting was adjourned.

MINUTES approved this the 15th day of April 2008.

Tim Philhower, President

Billy Jordan, Vice President

ABSENT
Bruce Gatlin, Secretary

Rodney Newsom, Director

Dwayne Bolin, Director