

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: SEPTEMBER 16, 2008

THE STATE OF TEXAS
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 16th day of September 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, Alice Kirkelie, Ed Louthback, 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 Bruce Gatlin, 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 August 16, 2008 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. New Lease Agreement for:
 - 1. Baron and Carol Decker, Lot 16, Block 12, Section 2, Tall Tree; and
 - 2. Eric and Sarah Boltz, Lot 114, Block 13, Section 3, Tall Tree
- E. Termination of Leasehold for:
 - 1. B.F. Godfrey, Lot 4, Section 2, Pelican Bay; and
 - 2. Cypress Springs Homes, LP, Lot 17R, Block 60, Section 4, Kings Country
- F. Replat Lease Amendment for:
 - 1. Theodore C. Burgdorf, Lot 38, El Dorado Bay;
 - 2. Herman David Jacquart II and Robert D. & Lisa M. Wilson, Lot 23, Phase 2, Northshore;
 - 3. Herman David Jacquart II, Lot 26, Phase 3, Northshore; and
 - 4. Vincent and Suzanne Smith, Lot 9, Block 55, Section 4, Kings Country
- G. Amended and Restated Lease Agreement for Norton and Julia Stuart, Lots 40 and 41, Block 5, Section 2, Tall Tree

Copies of the Bills, Investment Report, New Leases, Affidavits of Termination, Replat Lease Amendments and Amended and Restated Lease Agreement are attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Dwayne Bolin, to adopt the revised job descriptions 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 revised job descriptions are attached hereto and made a part hereof.

MOTION was made by Bruce Gatlin, and SECONDED by Rodney Newsom, to adopt the 2008 Amended Budget 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 budget is attached hereto and made a part hereof.

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. Update on the construction contract and the dam remediation project

At 6:52 p.m., the Board convened in Executive Session for the purpose of discussing personnel matters and employee evaluations. When the Board reconvened in Open Session at 8:25, the following action was taken: MOTION was made by Dwayne Bolin, and SECONDED by Bruce Gatlin, to approve employee compensation packet 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 employee compensation packet is attached hereto and made a part hereof.

There being no further business, the meeting was adjourned.

MINUTES approved this the 21st day of October 2008.

Tim Philhower, President

Billy Jordan, Vice President

Bruce Gatlin, Secretary

Rodney Newsom, Director

Dwayne Bolin, Director