

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: APRIL 21, 2009

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 21st day of April 2009, 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

and with the following members absent: BRUCE GATLIN and DWAYNE BOLIN.

Also present were J.R. Alphin, Lillie Bush-Reves, Larry Coleman, Gary Cunningham, Bob Jewett, Ed Loutherback, 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 Rodney Newsom, and SECONDED by Billy Jordan, 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 17, 2009 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Amended and Restated Lease Agreement for:
 - 1. Norman Howard Bender, Lot 17, Block 12, Section 2 and Lot 31, Block 5, Section 2, Tall Tree; and
 - 2. Douglas J. Crimmins, .132 Acre and .949 Acre Miscellaneous Property
- E. Replat Amendment to Lease Agreement for:
 - 1. Paul Wayne Willey, Jr., Lots 5R and 6R, Phase 1, Eagle Point; and
 - 2. Paul J. Constantine and Joanna E. McLaren, Lots 195R2 and 196R2, Phase 6, Northshore
- F. Amendment to Lease Agreement (99 year extension) for Donald J. Jancosek and Jennifer L. Dennis, Lot 6, Phase 2, Pine Haven Estates

Copies of the Bills, Investment Report, Amended and Restated Leases, Replat Amendments, and Amendment to Lease 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 2008 Financial Statements and Independent Auditor's Report to the Board.

MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, to approve the 2008 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.

MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, to adopt the Certification of Unopposed Candidates 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 Certification is attached hereto and made a part hereof.

MOTION was made by Rodney Newsom, and SECONDED by Billy Jordan, to approve the Order of Cancellation cancelling the uncontested May 9, 2009 election. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Order of Cancellation is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, to approve the Corrective Amendment to the District's old retirement plan. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Corrective Amendment is attached hereto and made a part hereof.

MOTION was made by Rodney Newsom, and SECONDED by Billy Jordan, to adopt the Resolution terminating the District's old retirement plan. 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 Rodney Newsom, and SECONDED by Billy Jordan, to approve a .50 cent salary increase for Michael Redar to reflect his Field Training Officer certification, to be effective May 1, 2009. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

The Board discussed the possibility of the county hiring an Elections Administrator and how that might affect the District. No action was taken at this time.

The Board also discussed the lots that had be re-leased and the possibility of putting remaining available lots back out for bid. No action was taken at this time.

The General Manager reported on the following items:

- A. Franklin County Dam remediation project
- B. Mary King Park construction project
- C. Sale of obsolete assets
- D. Risk Management consultation with TWCA Risk Management Fund

The following person addressed the Board during the public comment session: Bob Jewett.

There being no further business, the meeting was adjourned.

MINUTES approved this the 19th day of May 2009.

Tim Philhower, President

Billy Jordan, Vice President

ABSENT
Bruce Gatlin, Secretary

Rodney Newsom, Director

ABSENT
Dwayne Bolin, Director