

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

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 21st day of July 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	SECRETARY
DWAYNE BOLIN	DIRECTOR
GARY CUNNINGHAM	DIRECTOR

and with the following members absent: NONE.

Also present were J.R. Alphin, Larry Coleman, Gracie Damron, Michelle Damron, Rusty Damron, Carole Dunn, Robert Long, 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 Dwayne Bolin, 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 June 16, 2009 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. New Lease Agreement for Thomas C. Hendrick and Judy G. Lowe-Hendrick, Lot 12, Marina Point
- E. Amendment to Lease Agreement (99-year extension) for:
 1. Thomas C. Hendrick and Judy G. Lowe-Hendrick, Lot 12, Marina Point; and;
 2. Norman Howard Bender, Lot 17, Block 12, Section 2 and Lot 31, Block 5, Section 2, Tall Tree
- F. Replat Amendment to Lease Agreement for:
 1. D. Stephen and Jamie S. Fort, Lot 7R (.25 acres), The Oaks; and
 2. Dean R. and Terry Kennedy, Lot 6R (.22 acres), The Oaks

Copies of the Bills, Investment Report, New Lease, Amendment to Leases, and Replat Amendments are attached hereto and made a part hereof.

A Resolution of Appreciation was presented to Rusty and Michelle Damron for their life-saving efforts, which prevented two people from drowning at Walleye Park.

MOTION was made by Dwayne Bolin, and SECONDED by Billy Jordan, to authorize the General Manager to execute a contract amendment on the dam remediation project to include repairs to the low water pass thru valves. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the amendment is attached hereto and made a part hereof.

The Board discussed the proposed Administrative Penalty Policy, at which time they received comments from Robert Long with R.C. Retaining Walls. MOTION was made by Billy Jordan, and SECONDED by Dwayne Bolin, to approve the Administrative Penalty 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 Administrative Penalty Policy is attached hereto and made a part hereof.

The Board discussed potential electrical issues in the parks. 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

There being no further business, the meeting was adjourned.

MINUTES approved this the 18th day of August 2009.

Tim Philhower, President

Billy Jordan, Vice President

Rodney Newsom, Secretary

Dwayne Bolin, Director

Gary Cunningham, Director