

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: JUNE 16, 2009

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 16th day of June 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
DWAYNE BOLIN	DIRECTOR

and with the following members absent: NONE.

Also present were J.R. Alphin, Larry Coleman, Gary Cunningham, Mary Eargle, William Eargle, Bob Jewett, Rae Jewett, Bob McFarland, Karen Neat, Dorothy Nelson, Brad Osborne, Leon Pless, Sandra Pless, Mary Rekieta, Wayne Ruyle, Everett Walter, Linda Walter, 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 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 May 19, 2009 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Termination of Leasehold for Reese Bostick, Lot 41, Block 22, Section 3; Lot 111, Block 13, Section 3; Lot 14, Block 18, Section 3; and Lot 2, Block 21, Section 3, Tall Tree
- E. New Lease Agreements for Michael and Stephanie Gerardot, Lot 1, Block 21, Section 3, Tall Tree
- F. Replat Amendment to Lease Agreement for James P. and Kathy R. Holt, Lot 120R, Block L, Section 2, Kings Country
- G. Review and approve Investment Policy

Copies of the Bills, Investment Report, Affidavit of Termination, New Lease, Replat Amendment and Investment Policy are attached hereto and made a part hereof.

At the May meeting, Gary Cunningham and Bob McFarland had both expressed an interest in being appointed to fill an unexpired term for Director of Place 1. The President opened the floor for nominations. MOTION was made by Dwayne Bolin to nominate Gary Cunningham and MOTION was made by Tim Philhower to nominate Bob McFarland to fill the position of Director of Place 1. MOTION was made by Tim Philhower to nominate Bob McFarland for Director of Place 1. MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, to cease nominations. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

The President called for a vote for the position and the votes were as follows: Those in favor of Gary Cunningham: Dwayne Bolin, Billy Jordan and Rodney Newsom; those in favor of Bob McFarland: Tim Philhower. Gary Cunningham was appointed to the position by a majority of the votes. Sheila Donica administered the oath of office to Gary Cunningham.

Brad Osborne with Hayter Engineering presented the Board with the plans and specifications for the Mary King Park restroom project. MOTION was made by Billy Jordan, and SECONDED by Dwayne Bolin, to approve the plans and specifications as presented and to authorize the General Manager to advertise for bids and accept the best bid. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the plans and specifications is attached hereto and made a part hereof.

The Board discussed the proposed Administrative Penalty for violation of Article 14 of the District's Rules and Regulations. They then asked that the proposed penalty be posted on the District's website for public comments and that it be placed back on the agenda for the July meeting for possible action.

MOTION was made by Dwayne Bolin, and SECONDED by Billy Jordan, to renew the District's employee health insurance 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 insurance proposal is attached hereto and made a part hereof.

Wayne Ruyle addressed the Board regarding flooding on Lake Cypress Springs and issues pertaining to the Emergency Spillway. No action was taken.

Bob Jewett and Leon Pless addressed the Board regarding the placement buoys in the Catfish Bay area. No action was taken.

The Board discussed the possibility of holding a Meet and Greet at the lake. The Meet and Greet has been scheduled for Saturday, July 18 from 10 a.m. – 12 p.m.

The General Manager reported on the following items:

- A. Franklin County Dam remediation project
- B. Mary King Park construction project
- C. Low water pass thru valves

There being no further business, the meeting was adjourned.

MINUTES approved this the 21st day of July 2009.

Tim Philhower, President

Billy Jordan, Vice President

Rodney Newsom, Secretary

Dwayne Bolin, Director

Gary Cunningham, Director