

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: NOVEMBER 17, 2009

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 17th day of November 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
RODNEY NEWSOM	SECRETARY
DWAYNE BOLIN	DIRECTOR
GARY CUNNINGHAM	DIRECTOR

and with the following members absent: BILLY JORDAN.

Also present were Richard Hamrick, 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 Rodney Newsom, and SECONDED by Gary Cunningham, 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 October 20, 2009 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Replat Amendment to Lease Agreement for Chad and Robin Brister, Lot 12 and a Portion of Lot 13, Block L, Section 2, Kings Country
- E. Amended and Restated Lease Agreement for John L. Baldrige III, Lots 440, 441, 442, 443, 444, and 445, Pine Valley and Lot 1, El Dorado Bay
- F. First Amendment to Replat Amended and Restated 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
- G. Second Amended and Restated Lease Agreement for Richard and Terre Stoneburner, Lot 28R, Phase 2, The Oaks and Lot 14R-2, Boiler Cove
- H. Amendment to Lease Agreement (Extension) for Dale R. and Barbara L. Reed, Lot L 522R, Section 2, Kings Country

Copies of the Bills, Investment Report, Replat Amendment, Amended and Restated Lease Agreement, First Amendment to Replat Amended and Restated Lease Agreement, Second Amended and Restated Lease Agreement, and Extension Amendment are attached hereto and made a part hereof.

The General Manager reported on the following items:

- A. Franklin County Dam remediation project
- B. Mary King Park construction project
- C. Aquatic vegetation update

The Board discussed adding the Directors to the direct deposit for payroll.

The Board chose to take no action on voting for the Franklin County Appraisal District Board of Directors.

MOTION was made by Dwayne Bolin, and SECONDED by Rodney Newsom, to accept the engagement letter from Fox, Byrd & Company authorizing them to perform the District's 2009 audit. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the engagement letter is attached hereto and made a part hereof.

After discussion, MOTION was made by Dwayne Bolin, and SECONDED by Gary Cunningham, to approve the 2010 budget as presented. The President put the question, and after full discussion and deliberation thereon, the following members voted "AYE": Dwayne Bolin, Gary Cunningham and Tim Philhower. Rodney Newsom abstained from voting. A copy of the 2010 budget is attached hereto and made a part hereof.

There being no further business, the meeting was adjourned.

MINUTES approved this the 15th day of September 2009.

Tim Philhower, President

ABSENT
Billy Jordan, Vice President

Rodney Newsom, Secretary

Dwayne Bolin, Director

Gary Cunningham, Director