

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: MAY 18, 2010

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 18th day of May 2010, 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, Willie Bane, Steve Brohard, Mike Cruitt, Jim Dunn, Sharon Dunn, Hal Gibson, Robert Long, Ed Louthback, Wayne Ruyle, Ricky Self, 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 Gary Cunningham, and SECONDED by Billy Jordan, to approve the Consent Agenda as presented, with the exclusion of Item G. That item was moved to the action part of the agenda. 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 April 20, 2010 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Amended and Restated Lease Agreement for Homer and Diana Kemp, Lot 36, Block 9, Section 1, Tall Tree
- E. New Lease Agreement for Michael and Carolyn White, Lot 54R-A, Block 36, Section 4, Kings Country
- F. Destruction of Records in Accordance with Records Control Schedule
- G. Authorize General Manager to Dispose of Obsolete or Unneeded Fixed Assets (MOVED TO ACTION ITEMS)

Copies of the Bills, Investment Report, Amended and Restated Lease, New Lease Agreement and List of Records to be destroyed are attached hereto and made a part hereof.

MOTION was made by Dwayne Bolin, and SECONDED by Rodney Newsom, to authorize the General Manager to dispose of obsolete or unneeded fixed assets as amended. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the list is attached hereto and made a part hereof.

Action item A, consideration for the approval of partial release of retainage to Earth Builders for the Franklin County Dam remediation project was removed from this agenda

MOTION was made by Gary Cunningham, and SECONDED by Billy Jordan, to authorize the General Manager to solicit a formal cost estimate for the modification of the emergency spillway. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

A discussion was had on the possibility of changing the date of the June meeting. No action was taken.

The Board discussed the District's single-family residential definition. No action was taken.

The General Manager reported on the following items:

- A. Franklin County Dam remediation project

The following person addressed the Board during the public comment session: Willie Bane.

There being no further business, the meeting was adjourned.

MINUTES approved this the 15th day of June 2010.

Tim Philhower, President

Billy Jordan, Vice President

Rodney Newsom, Secretary

Dwayne Bolin, Director

Gary Cunningham, Director