

MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FRANKLIN COUNTY WATER DISTRICT  
HELD: OCTOBER 19, 2010

THE STATE OF TEXAS  
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 19th day of October 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:

BILLY JORDAN	VICE PRESIDENT
RODNEY NEWSOM	SECRETARY
DWAYNE BOLIN	DIRECTOR
GARY CUNNINGHAM	DIRECTOR

and with the following members absent: TIM PHILHOWER.

Also present were J.R. Alphin, 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 Gary Cunningham, to approve the Consent Agenda as presented. The Vice 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 September 21, 2010 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Amendment to Lease Agreement (99-year extension) for:
  - 1. Randall R. and Rhonda K. Kucera, Lot 19, Phase 1, Hickory Hill; and
  - 2. Coy Johnson, Lot 11, Phase 1, Hickory Hill
- E. Termination of Leasehold for:
  - 1. Darnell and Rosella Newell, Lot 434, Pine Valley; and
  - 2. Martin Geeters, Lot 13, Block 57, Section 4, Kings Country

Copies of the Bills, Investment Report, Lease Amendments, and Affidavits of Termination are attached hereto and made a part hereof.

MOTION was made by Dwayne Bolin, and SECONDED by Gary Cunningham, to accept the engagement letter from Fox, Byrd & Company authorizing them to perform the District's 2010 audit. The Vice President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the engagement is attached hereto and made a part hereof.

MOTION was made by Gary Cunningham, and SECONDED by Dwayne Bolin, to amend the 2010 budget as presented. The Vice President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the amended budget is attached hereto and made a part hereof.

The Board discussed the 2011 budget proposal. No action was taken at this time.

The General Manager reported on the Franklin County Dam remediation project

There being no further business, the meeting was adjourned.

MINUTES approved this the 16th day of November 2010.

ABSENT

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Tim Philhower, President

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Billy Jordan, Vice President

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Rodney Newsom, Secretary

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Dwayne Bolin, Director

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Gary Cunningham, Director