

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: JUNE 21, 2011

THE STATE OF TEXAS
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 21st day of June 2011, 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 W.T. Allison, J.R. Alphin, Eddie Arledge, Philip Arledge, Stephanie Arledge, Lillie Bush-Reves, Rick Butler, Pam Buttrick, Scott Buttrick, Kermit Ferrell, Melissa Gordineer, Ann Holland, Myra Marr, Peggy Mize, Carolyn Moody, Chris Orr, Cristy Orr, Holly Patridge, Amanda Philhower, Brian Philhower, Linda Philhower, Ralph Robertson, Pam Swanner, Steve Wilhite, 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 Gary Cunningham.

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, 2011 Special Meeting and May 24, 2011 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Amendment to Lease Agreement (99 year extension) for Weldon Smith, Jr., and Eileen F. Smith, Lot 12A, Phase 1, Hickory Hills
- E. New Lease Agreement for David Frank, Lot 12, Block 60, Section 4, Lot 1, Block 61, Section 4, and Lot 8, Block 53, Section 4, Kings Country

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

MOTION was made by Dwayne Bolin, and SECONDED by Gary Cunningham, to approve the renewal of the District's 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 renewal proposal is attached hereto and made a part hereof.

At this time, Tim Philhower presented an affidavit disclosing conflict of interest to recuse himself, turned the gavel over to the Vice President and left the meeting.

Brian Philhower, owner of the Tall Tree Marina, addressed the Board with a request to allow the marina to sell real estate and operate a real estate office on District property at the Tall Tree Marina. After his presentation and having answered questions presented by the Board, the Board then allowed the public to comment regarding this issue. The following people responded: Ann Holland, Myra Marr, Kermit Ferrell, Pam Swanner, Peggy Mize, Rick Butler, and Linda Philhower. No action was taken; however, the Board asked that this item be placed back on the agenda for July for possible action.

Tim Philhower rejoined the meeting at this time.

The General Manager reported on the dam remediation project and the TransCanada Pipeline and easement on the West End Property.

There being no further business, the meeting was adjourned.

MINUTES approved this the 19th day of July 2011.

Tim Philhower, President

Billy Jordan, Vice President

Rodney Newsom, Secretary

Dwayne Bolin, Director

Gary Cunningham, Director