

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: MARCH 19, 2013

THE STATE OF TEXAS
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 19th day of March 2013, 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
GARY CUNNINGHAM	DIRECTOR

and with the following members absent: DWAYNE BOLIN.

Also present were Lillie Bush-Reves, Frank Conroy, Kerry Johnson, Michael Redar, Chris Ward, 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.

Billy Jordan gave the invocation.

MOTION was made by Billy Jordan, and SECONDED by Gary Cunningham, to approve the Consent Agenda as amended. 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 January 15, 2013 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. New Lease Agreement with 99-Year Extension for Jeffrey C. and Sandra L. Knott, Lot 13, Phase 1, Panther Creek Pass

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

At this time, Kerry Johnson and Frank Conroy from Fox, Byrd and Company, P.C. gave a presentation of the 2012 Financial Statements and Independent Auditor's Report to the Board.

MOTION was made by Gary Cunningham, and SECONDED by Billy Jordan, to approve the 2012 Financial Statements and Independent Auditor's Report as presented. The Secretary put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Audit is attached hereto and made a part hereof.

MOTION was made by Rodney Newsom, and SECONDED by Gary Cunningham, to approve the Certification of Unopposed Candidates 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 Certification is attached hereto and made a part hereof.

MOTION was made by Rodney Newsom, and SECONDED by Billy Jordan, to approve the order canceling the uncontested election for Directors Place and Place 2. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Order is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Gary Cunningham, to change the April board meeting from April 16th to April 9th. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

The General Manager reported on the capital improvements, the Franklin County Appraisal District budget and Guthrie Park electrical issues.

At 6:54 p.m., the Board convened in Executive Session for the purpose of consulting with the District's attorney regarding pending or contemplated litigation. When the Board reconvened in Open Session at 7:41, no action was taken.

There being no further business, the meeting was adjourned.

Minutes approved this the 9th day of April 2013.

Tim Philhower, President

Billy Jordan, Vice President

Rodney Newsom, Secretary

ABSENT
Dwayne Bolin, Director

Gary Cunningham, Director