

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: MARCH 18, 2014

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 18th day of March 2014, 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:

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

and with the following members absent: NONE.

Also present were J.R. Alphin, Ron Barker, Lillie Bush-Reves, Ashley Campbell, Brian Clarke, Mike Cruitt, Jenny Dennis, Trent Graham, Jerry Hammond, Richard Hamrick, Max Higgs, Joe Jancosek, Kerry Johnson, Trish Kuhl, Ed Loutherbach, Michael Martell, Vickie Miller, Leon Pless, Tim Poland, Ricky Self, Larry Smith, Steve Stahle, Tim Steiner, Mike Storey, 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.

Dwayne Bolin gave the invocation.

MOTION was made by Billy Jordan, 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 February 18, 2014 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. New Lease Agreement for:
 1. Daniel and Ellen Schmeling, Lots 32 and 33, El Dorado Bay; and
 2. Federal National Mortgage Association, Lot 1A, Phase 2, Snug Harbor

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

At this time, Kerry Johnson from Fox, Byrd and Company, P.C. gave a presentation of the 2013 Financial Statements and Independent Auditor's Report to the Board.

MOTION was made by Tim Philhower, and SECONDED by Dwayne Bolin, to approve the 2013 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.

Ron Barker addressed the Board with a request to appeal the General Manager's stipulations regarding the repair of his boathouse on Lot 9K, Phase 7, Northshore. MOTION was made by Tim Philhower, and SECONDED by Gary Cunningham, to allow Mr. Barker 30 days to comply with the conditions set forth in the March 11, 2014 letter sent to Mr. Barker. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Gary Cunningham, and SECONDED by Billy Jordan, to adopt the Amended Dress Code Policy 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 amended policy is attached hereto and made a part hereof.

The Board discussed the possibility of requiring contractor registration. The following members of the audience spoke: Jerry Hammond, Michael Martell, Max Higgs, and Richard Hamrick. During Max Higgs' comments, an outburst by Ron Barker resulted in him being removed from the meeting.

There being no further business, the meeting was adjourned.

Minutes approved this the 15th day of April 2014.

Rodney Newsom, President

Gary Cunningham, Vice President

Billy Jordan, Secretary

Dwayne Bolin, Director

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Tim Philhower, Director