

Minutes of the Meeting of
The Franklin County Water District
Held: January 6, 1969

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 6th day of January, 1969, The Board of Directors of the Franklin County Water District convened in regular session at the regular meeting place thereof in Woodrow Edwards Office, Bolger Building, Mount Vernon, Texas, with the following members present:

W. C. NEWSOME	PRESIDENT
LONDON RAMSAY	VICE PRESIDENT
HORRIS MORRIS	SECRETARY
A. J. LAWS	DIRECTOR
D. O. ALDRIDGE	DIRECTOR

and with the following absent: NONE, constituting a quorum; and among other proceedings had were the following:

Mr. Flanagan met with the board this date and informed the board that he would be ready to start to work in the next week.

A motion was made by Horris Morris and duly seconded by D. O. Aldridge that the board pay Trinity Engineering Testing Corporation their monthly bill in the amount of \$1,430.00. Upon the question being put by the President, All members present voted "Aye". None opposed.

Mr. Morris announced it was time to pay the Mercantile National Bank at Dallas. Mr. Morris was instructed to pay the amount of \$40,032.00 on coupons due.

Mr. Postel attended the Board meeting. After discussion Mr. Postel's new contract was accepted and approved, and it is as follows:

Franklin County Water District Water
Development Contract

To the Board of Directors
Franklin County Water District
Mount Vernon, Texas

The development of the full potential of the reservoir now under construction on Cypress Creek requires: 1) the construction of revenue producing facilities that will bring water to those for whom this reservoir is the logical source, and/or 2) the location of industries that will use water from this reservoir. The construction of water facilities requires the agreement of consumers to buy water, and the location of industries demands their favorable consideration of conditions relating to this reservoir. To facilitate these developments to the end that your District may be provided with a source of revenue for maintenance and operation we propose the following:

1. We agree to provide cost studies for delivery of water to area municipalities, and to remain abreast of their developing water requirements, and their proposed solutions to meet these requirements.
2. We agree to assist the District in the determination of the various water rates to be tendered these municipalities.

3. We agree to provide data requested by any agency that may grant funds for the construction of water and/or sewer facilities.
4. We agree to assist in the preparation and negotiation of the various contracts that will be required between the District and those municipalities that propose to use water from this reservoir.
5. We agree to provide basic data in appropriate form for use as publicity in any contract ratification elections that may be required.
6. We agree to maintain the necessary contacts on behalf of the District with the State Agencies whose approval may be required to construction water and/or sewer facilities.
7. With respect to industrial development we agree to assemble in appropriate form those facts pertaining to this reservoir and its surrounding area that would be of interest to prospective industries.
8. We agree to acquaint area chambers of commerce with the new dimension in industrial potential of their communities resulting from the construction of this reservoir, and to work with them in contacting new industry. We agree to do likewise with the development departments of area utilities.
9. We agree to maintain contact with the Texas Industrial Commission to broaden the potential contacts with industrial prospects.
10. We agree to perform such other development functions as can reasonably be expected to further the interest of your District such as the evaluation of Cypress Basin proposals advanced by Federal or State water agencies, the analysis of proposed legislation and the programs of area water agencies as they affect your District, and the formulation of proposals to strengthen your District's legal and financial structure.
11. For services rendered it is agreed that we will be paid a fee of two percent of the total cost of water and/or sewer facilities constructed by the District with funds received from the sale of its own bonds or grants received from State of Federal Agencies when such facilities are owned by the District; and one percent of the cost of water facilities receiving water from the Cypress Creek Reservoir but owned by others.

Said fees to be paid at the time the District receives funds for construction, or in four equal quarterly installments beginning one year after water from the Cypress Creek Reservoir begins flowing through those facilities owned and constructed by others.
12. This contract is to remain in effect and apply to those water and/or sewer facilities for which any or all of the above services have been performed within five years from the date of this contract unless terminated by mutual agreement of both parties.

PART TWO OF AGREEMENT

The act creating the Franklin County Water District provides for the financing of water facilities by the issuance of either tax bonds and/or revenue bonds. The voters of the District have heretofore authorized the issuance of \$1.7million tax bonds, and no further tax bond authorization is contemplated. However, in order to develop fully the water resources of the District, consideration should be given to the use of revenue bonds to finance development. With respect to the issuance of revenue bonds by the Franklin County Water District we wish to submit the following proposal:

1. We agree to provide all of the necessary orders and resolutions which the Board of Directors must pass in order to issue the bonds legally and meet the requirements of the Attorney General.
2. We agree to provide the contracts between the District and water users by which the revenue is secured for the amortization of the revenue bonds.

3. The District agrees to retain a firm of recognized municipal bond attorneys to prepare the legal papers mentioned above, and we agree to pay for their services.

4. We agree to furnish the lithographed bond forms.

Volume 1 Page 203

5. We agree to pay all the costs of issuing revenue bonds except newspaper advertisements and the cost of defending any litigation.

6. We agree to maintain the necessary contacts on behalf of the District with the State Water Agencies whose approval will be required to issue revenue bonds.

7. For services rendered it is agreed that we shall be payed a fee of three percent of the par value of bonds issued up to one-half million dollars, and two percent of the par value of bonds issued over one-half million dollars. However, any amounts paid under the Water Development Contract of this date for exactly the same facilities shall be deducted before making payment. Said fees to be paid after the bond proceeds have been received.

8. This agreement is to remain in effect and apply to any revenue bonds issued by the District for which any or all of the above services have been performed with in five years from the date of this agreement unless terminated by mutual agreement of both parties.

Respectfully submitted,
Postel Securities

By: /s/ Arthur E. Postel

Accepted and Approved by order of the Board of Directors of the Franklin County Water District this the 6th day of January, 1969.

/s/W. C. Newsome
President

/s/ Landon Ramsay
Vice President

/s/ Horris Morris
Secretary

/s/ D. O. Aldridge
Director

/s/ A. J. Laws
Director

SEAL

There being no further business the meeting was adjourned.

Minutes approved January 6, 1969.

President, Board of Directors

Vice President, Board of Directors

Secretary, Board of Directors

Director, Board of Directors

Director, Board of Directors