

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: AUGUST 17, 2010

THE STATE OF TEXAS
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 17th day of August 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:

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 Willie Bane, 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 July 20, 2010 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. New Lease Agreement for:
 - 1. John and Wanda Svetina, Lot 26R, Phase 3, Northshore; and
 - 2. First National Bank of Gilmer, Lots 1 – 8, Greenbelt Property (6.1162 ac) and .0306 Acre, Cypress Point
- E. Termination of Leasehold for:
 - 1. Clayton and Kimberly Nelson, Lot 11, Phase 2, Panther Creek Pass; and
 - 2. Dustin Pierce and Tiffany Arndt, Lot 3, Block 62, Section 4, Kings Country
- F. Replat Amendment for Steve and Joan E. Scott, Lot WF20, Phase 1, Swannerland

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

MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, to set the 2010 tax rate for debt service at \$0.0279 per \$100 of assessed value. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Dwayne Bolin, and SECONDED by Gary Cunningham, to authorize the President to execute any and all documents to finalize and resolve the lease issue in the Hickory Hills Subdivision. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". Copies of the Mutual Termination of Lease, New Leases and Mutual Termination of Subleases are attached hereto and made a part hereof.

The General Manager reported on the following item:

- A. Franklin County Dam remediation project

There being no further business, the meeting was adjourned.

MINUTES approved this the 21st day of September 2010.

Tim Philhower, President

Billy Jordan, Vice President

Rodney Newsom, Secretary

Dwayne Bolin, Director

Gary Cunningham, Director