

MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FRANKLIN COUNTY WATER DISTRICT  
HELD: NOVEMBER 15, 2011

THE STATE OF TEXAS  
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 15th day of November 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 J. R. Alphin, Ed Loutherback, Amanda Philhower, Brian Philhower, Ralph Robertson, 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 Dwayne Bolin.

MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, 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 October 18, 2011 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. New Lease Agreement for:
  - 1. Johnny Murl Marshall Jr. and Kathy Cantrell Marshall, Lot 7, Tall Tree South;
  - 2. Todd R. and Victoria Y. Daniels, Lot 23R, Phase 3, Northshore; and
  - 3. Curtis Michael Beeson and Karen Renee Beeson, Lot 123, Block 36, Section 4, Kings Country
- E. ~~Termination of Leasehold for:~~
  - 1. ~~Keith and Jaye Lynn Wilhite, Lot 20, Phase 2, The Oaks; and~~
  - 2. ~~Peter S. Kania, Lot 21, Phase 2, The Oaks~~

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

MOTION was made by Dwayne Bolin, and SECONDED by Rodney Newsom, to approve the 2012 Budget 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 2012 Budget is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, to amend the 2011 Budget 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 Budget is attached hereto and made a part hereof.

MOTION was made by Rodney Newsom, and SECONDED by Gary Cunningham, to authorize the General Manager to execute new leases / amended leases in-house. They would then be put on the next agenda for the Board to ratify. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

The Board discussed cancelling the December meeting. No action was taken.

The General Manager reported on the capital improvements.

At this time, Tim Philhower recused himself from the meeting and the Board went into Executive Session to discuss the Tall Tree Marina Operating Agreement and Lease. They reconvened in open session at 7:16. MOTION was made by Gary Cunningham, and SECONDED by Rodney Newsom, to instruct the General Manager to continue the negotiations with Tall Tree Marina as discussed. The Vice President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

Tim Philhower rejoined the meeting and there being no further business, the meeting was adjourned.

Minutes approved this the 13<sup>th</sup> day of December 2011.

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Tim Philhower, President

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Billy Jordan, Vice President

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Rodney Newsom, Secretary

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Dwayne Bolin, Director

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Gary Cunningham, Director