

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: OCTOBER 18, 2011

THE STATE OF TEXAS
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 18th day of October 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, Lillie Bush-Reves, 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 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 September 20, 2011 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Amendment to Lease Agreement (99-year extension) for:
 1. Billy J. and Karen Y. Davis, Lot 18, Phase 1, Hickory Hills; and
 2. Michael C. and Marilyn S. Storey, Lot 1, Phase 2, Holiday Retreat
- E. New Lease Agreement for:
 1. James D. and Germaine M. Fullerton, Lot 144, Block 36, Section 4, Kings Country;
 2. Justin Todd and Anahita Nagini Hubbard, Lot 24, Phase 1, Eagle Point; and
 3. Mike Ayoub, Lot 13, Block 57, Section 4, Kings Country

Copies of the Bills, Investment Report, 99-Year Extension Amendments and New Lease Agreements are attached hereto and made a part hereof.

MOTION was made by Dwayne Bolin, and SECONDED by Gary Cunningham, to accept the engagement letter from Fox, Byrd & Company authorizing them to perform the District's 2011 audit. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the engagement letter is attached hereto and made a part hereof.

The Board discussed the 2012 budget proposal. No action was taken at this time.

The General Manager reported on the drought conditions, the dam remediation project, capital improvements and the District's holiday party.

There being no further business, the meeting was adjourned.

Minutes approved this the 15th day of November 2011.

Tim Philhower, President

Billy Jordan, Vice President

Rodney Newsom, Secretary

Dwayne Bolin, Director

Gary Cunningham, Director