

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: AUGUST 21, 2012

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 21st day of August 2012, 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
GARY CUNNINGHAM	DIRECTOR

and with the following members absent: DWAYNE BOLIN.

Also present were J.R. Alphin, Brian Clarke, Jenny Dennis, Jay Hammond, Max Higgs, Don Jancosek, Trish Kuhl, Vic and Terese Maryoung, Hendrick Post, 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 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 July 17, 2012 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Ratification of New Lease Agreement and Lease Extension for Chadwick and Sarah Weitzul, Lot 410B(R), Pine Valley
- E. Ratification of New Lease Agreements for:
 1. Tim and Kathy Poland, Lots 14 and 18, Block 20, Section 3, Tall Tree;
 2. Scott and Rachel Showers, Lot 11, Block 17, Section 3, Tall Tree;
 3. David W. and Rosemary W. Bain, Lot 129, Phase 1, Snug Harbor; and
 4. Jacob Ledkins, Lots 94 and 95, Phase 5, Northshore
- F. Termination of Leasehold for Lisa Uhlir Yancy, Lot 4, Section 2, Pine Haven Estates

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

MOTION was made by Billy Jordan, and SECONDED by Rodney Newsom, to set the 2012 tax rate for debt service at \$0.0272 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 Rodney Newsom, and SECONDED by Gary Cunningham, to amend Article 9 of the District's Rules and Regulations regarding reservations and payment of reservation fees as presented. The President put the question and, after full discussion and deliberation thereon, the following members voted "AYE": Rodney Newsom, Gary Cunningham and Tim Philhower. NONE voted "NO". Billy Jordan abstained. A copy of the amended rule is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Gary Cunningham, to amend Article 14.16 (f) of the District's Rules and Regulations regarding square footage of piers / boathouses 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 rule is attached hereto and made a part hereof.

MOTION was made by Gary Cunningham, and SECONDED by Rodney Newsom, to amend the Work Barge Permit to reflect the a change from three days to ten days for the length of time a work barge can be stored on the lake without working. 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 work barge permit is attached hereto and made a part hereof.

The Board had a discussion regarding the leasing of property in front of current leaseholds. No action was taken at this time.

Vic Maryoung approached the Board with a request to lease a portion of District property in front of his leasehold, Lot 9F, Phase 7, Northshore. MOTION was made by Gary Cunningham, and SECONDED by Rodney Newsom, to approve Mr. Maryoung's offer of a \$3.00 per square foot bonus payment to lease the additional land and to have it replatted into his Lot 9F. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the replat will be attached and made a part hereof.

Jim and Susan Dirting submitted a written request to lease a portion of District property in front of their leasehold, Lot 15, Phase 1, Eagle Point for a \$3.00 per square foot bonus payment. MOTION was made by Billy Jordan, and SECONDED by Gary Cunningham, to authorize the General Manager to make a counteroffer of a \$5.00 per square foot bonus payment. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the replat will be attached and made a part hereof.

MOTION was made by Gary Cunningham, and SECONDED by Rodney Newsom, to authorize the General Manager to enter into a contract with Suddenlink for the District's Internet, cable and telephone services. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the contract is attached hereto and made a part hereof.

The General Manager reported on the capital improvements.

There being no further business, the meeting was adjourned.

Minutes approved this the 18th day of September 2012.

Tim Philhower, President

Billy Jordan, Vice President

Rodney Newsom, Secretary

ABSENT
Dwayne Bolin, Director

Gary Cunningham, Director