

MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FRANKLIN COUNTY WATER DISTRICT  
HELD: MARCH 20, 2012

THE STATE OF TEXAS  
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 20th day of March 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:

RODNEY NEWSOM	SECRETARY
DWAYNE BOLIN	DIRECTOR
GARY CUNNINGHAM	DIRECTOR

and with the following members absent: TIM PHILHOWER and BILLY JORDAN.

Also present were J.R. Alphin, Jeff Weyandt, David Weidman and Sheila Donica.

The Secretary 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 Dwayne Bolin, and SECONDED by Gary Cunningham, to approve the Consent Agenda as presented. The Secretary 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 February 21, 2012 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Ratification of New Lease Agreement for:
  - 1. Eugene Michael and Jacy Noel Grossman, Lots 121 and 134, Phase 1, Snug Harbor;
  - 2. Bland T. Berry, Lot 42, South Park;
  - 3. Federal Home Loan Mortgage Corporation, Lots 38, 39, 40 and 41, Unit 2, Pelican Bay;
  - 4. Billy C. and Cynthia J. Robertson, Lot 361, Phase 3, Snug Harbor; and
  - 5. Dennis Edward and Charlotte Ann Williams, Lot 5, Unit 1, Tall Tree South
- E. Ratification of Amended and Restated Lease Agreement for Gregory S. and Lillian B. Smith, Lot 23, Unit 1 and Lot 57, Unit 2, El Dorado Beach
- F. Ratification of Amendment to Lease Agreement for Robert M. Donohue, Jr. and Rosie Humphrey Donohue, Lot 9, Marina Point (99-Year Extension)
- G. Termination of Leasehold for Gary Hudspeth, .251 acres (part of King Kent Court), Section 4, Kings Country

Copies of the Bills, Investment Report, New Lease Agreements, Amended and Restated Lease Agreement, Amendment to Lease Agreement and Termination are attached hereto and made a part hereof.

At this time, Jeff Weyandt from Fox, Byrd and Company, P.C. gave a presentation of the 2011 Financial Statements and Independent Auditor's Report to the Board.

MOTION was made by Gary Cunningham, and SECONDED by Dwayne Bolin, to approve the 2011 Financial Statements and Independent Auditor's Report as presented. The Secretary put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Audit is attached hereto and made a part hereof.

The General Manager reported on the capital improvements and the drought condition.

There being no further business, the meeting was adjourned.

Minutes approved this the 17th day of April 2012.

ABSENT  
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Tim Philhower, President

ABSENT  
\_\_\_\_\_  
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