

MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FRANKLIN COUNTY WATER DISTRICT  
HELD: JANUARY 17, 2012

THE STATE OF TEXAS  
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 17th day of January 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
DWAYNE BOLIN	DIRECTOR
GARY CUNNINGHAM	DIRECTOR

and with the following members absent: NONE.

Also present were J.R. Alphin, Lillie Bush-Reves, Ed Loutherbach, 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 Rodney Newsom, 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 December 13, 2011 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. Ratification of New Lease Agreement for Amin Hamghalam and Amir Hamghalam, Lot 22, El Dorado Bay
- E. Ratification of Amended and Restated Lease Agreement for Randall L. and Barbara J. Olson, Lots 1R and 2R, Phase 2, Hickory Hills
- F. Ratification of Amendment to Lease Agreement for:
  1. Kevin T. Karrh, Lots 2 and 3, Phase 2, Panther Creek Pass (Replat); and
  2. Paul J. Constantine and Joanna McLaren, Lots 196R3, 197R, 199 and 200R, Phase 6A, Northshore (Replat)
- G. Termination of Leasehold for Jerry F. Leith, Lot 42, Block 13, Section 3, Tall Tree

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

At the December meeting, Mark Scholten from the Tall Tree Subdivision had addressed the Board with a request to waive a \$2500.00 administrative penalty fee that was assessed by management for a permitting violation. The Board advised him that unless he could provide the Board with undisputed evidence of having submitted the proper paperwork, the penalty would stand. Mr. Scholten sent some information to the Board; however, the Board chose to uphold the administrative penalty. No action was taken.

The General Manager reported on the capital improvements.

At 6:39, the Board went into Executive Session regarding pending or contemplated litigation. They reconvened in open session at 6:57. No action was taken.

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There being no further business, the meeting was adjourned.

Minutes approved this the 21<sup>st</sup> day of February 2012.

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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