

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: SEPTEMBER 16, 2014

THE STATE OF TEXAS
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 16th day of September 2014, 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:

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| RODNEY NEWSOM | PRESIDENT |
| GARY CUNNINGHAM | VICE PRESIDENT |
| BILLY JORDAN | SECRETARY |
| DWAYNE BOLIN | DIRECTOR |
| TIM PHILHOWER | DIRECTOR |

and with the following members absent: NONE.

Also present were J.R. Alphin, 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.

Billy Jordan gave the invocation.

MOTION was made by Tim Philhower, and SECONDED by Dwayne Bolin, 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 August 19, 2014 Regular Meeting
- B. Ratification of Paid Bills
- C. Investment Report
- D. New Lease Agreement for:
 1. Virginia J. Julian, Lots 42B, 43 and 44, Phase 3, Northshore;
 2. Michael Scholten, Lot 70, Block 13, Section 3, Tall Tree; and
 3. Lance Parker Johnston, Lot WF12, Swannerland
- E. Amendment to Lease Agreement (99-Year Extension) for Randall L. and Barbara J. Olson, Lots 1R and 2R, Phase 2, Hickory Hills
- F. Amended and Restated Lease Agreement for:
 1. Chadwick E. and Sarah B. Weitzul, Lot 412B, Pine Valley; and
 2. George Bernard Theilen III Generation Skipping Trust, Lots 48 and 49, Block 13, Section 3, Tall Tree
- G. Termination of Leasehold for Bryan E. Cochran, Lots 27 and 28, Block 37, Section 4, Kings Country

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

At this time the President closed the regular meeting to go into the public hearing on the District's proposed 2014 tax rate for debt service. The public made no comments and the board closed the public hearing and went back into regular session.

MOTION was made by Billy Jordan, and SECONDED by Tim Philhower, to adopt the 2014 tax rate for debt service at \$0.02535 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 Dwayne Bolin, and SECONDED by Tim Philhower, to approve the request by David Phillips to lease approximately 276 square feet of additional property adjacent to Lot L41R, Section 2, Kings Country. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the proposal is attached hereto and made a part hereof.

The Board discussed camping rates, permit fees and wholesale water rates.

At 7:27 p.m., the Board convened in Executive Session for the purpose of discussing personnel matters and employee evaluations. When the Board reconvened in Open Session at 7:27, the following action was taken: MOTION was made by Dwayne Bolin, and SECONDED by Gary Cunningham, to approve the employee compensation packet as discussed. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

There being no further business, the meeting was adjourned.

Minutes approved this the 21st day of October 2014.

Rodney Newsom, President

Gary Cunningham, Vice President

Billy Jordan, Secretary

Dwayne Bolin, Director

Tim Philhower, Director