

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: August 12, 1996

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

ON THIS the 12th day of August 1996, the Board of Directors of the Franklin County Water District convened in REGULAR SESSION at their office located at 114 North Houston Street on the East side of the square in Mount Vernon, Texas, with the following members present:

KENNETH JAGGERS	PRESIDENT
EDSON REYNOLDS	VICE PRESIDENT
BILLY JORDAN	SECRETARY
GLENN MORRIS	DIRECTOR
ELDON WOLD	DIRECTOR

and with the following members absent: None.

Also present were Adelene McCormick, James and Arlene Jones, Jan Kuhl, Lee Deboer, Pat Wright, Bobby Burney, Walt Sears, Jr., E. C. Withers, David Weidman and Shirley Maples.

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 Eldon Wold.

Minutes of July 8, 1996 were read and approved.

MOTION was made by Glenn Morris, and SECONDED by Edson Reynolds, to ratify action taken in paying bills since the last meeting. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A list of the bills is attached hereto and made a part hereof.

The Board was advised of a recommendation from Texas Parks and Wildlife that mussel harvesting not be allowed on Lake Cypress Springs. MOTION was made by Glenn Morris, and SECONDED by Edson Reynolds, that mussel harvesting on Lake Cypress Springs be prohibited. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the recommendation is attached hereto and made a part hereof.

Following a presentation by Manager Withers, MOTION was made by Eldon Wold, and SECONDED by Edson Reynolds, to: (1) Proceed with engineering, to secure the morning glory, (2) apply for a permit to stock triploid grass carp in Lake Cypress Springs; (3) to provide funding for introduction of Pakistanae fly and triploid grass carp into Lake Cypress Springs; (4) to allocate the funds to treat algae in Lake Cypress Springs. The President put the question and, after considerable discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Billy Jordan, and SECONDED by Glenn Morris, to retain Doll, Karahal and Company to perform the 1996 audit. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Eldon Wold, and SECONDED by Glenn Morris, to terminate the lease agreement with Dan Edge on lots 18, 23 and 24, Phase 2 of Holiday Retreat for non-payment of the amounts due. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the termination is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Glenn Morris, to approve the execution of Extensions of Lease Agreements to:

Larry Kimbler--- Eagle Point 45/1
Carey Galpern--- Tall Tree South 9/1

The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the extensions is attached hereto and made a part hereof.

MOTION was made by Edson Reynolds, and SECONDED by Billy Jordan, to request a six-month extension of the State's \$3.3 million offer for the repurchase of the State's equity in Lake Cypress Springs. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

David Weidman presented a report of Lake Patrol activities on Lake Cypress Springs.

Attorney Sears reported that he had represented the District in the 360 degree communications matter and a civil suit concerning property not owned or controlled by the District.

Manager Withers advised the Board of the installation of natural hazard signs which have been installed in the parks.

The Manager also presented a schedule showing the status of the District's investments.

There being no further business, the meeting was adjourned.

MINUTES approved this the 9th day of September 1996.

Kenneth Jagers, President
Edson Reynolds, Vice President
Billy M. Jordan, Secretary
Glenn Morris, Director
Eldon Wold, Director