

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: December 8, 1997

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 8th day of December 1997, 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 M. JORDAN	SECRETARY
GLENN MORRIS	DIRECTOR
ELDON WOLD	DIRECTOR

and with the following absent: None.

Also present were Richard Chewning, Bobby Burney, Walt Sears, Jr., David Weidman, E. C. Withers 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 November 10 were approved as amended.

MOTION was made by Edson Reynolds and SECONDED by Glenn Morris, to ratify the 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.

MOTION was made by Glenn Morris, and SECONDED by Eldon Wold, to approve the 1998 holiday calendar 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 calendar is attached hereto and made a part hereof.

MOTION was made by Edson Reynolds, and SECONDED by Eldon Wold, to approve a water intake structure for Cypress Springs Water Supply Corporation at the North end of the dam (Cypress Beach Area). Manager Withers is authorized to work out the details. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Glenn Morris, and SECONDED by Eldon Wold, to approve the replat of lots 7 and 8 Phase 1 of Eagle Point. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the plat is attached hereto and made a part hereof.

MOTION was made by Glenn Morris, and SECONDED by Edson Reynolds, to approve the first reading of the replat of Swannerland Lot 11A. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the plat is attached hereto and made a part hereof.

MOTION was made by Edson Reynolds, and SECONDED by Eldon Wold, to approve the execution of Extended Lease Agreements on the following:

- A. Joyce Clark TT 114/13/3
- B. Jerry Bert Davis TT 174 & 175/13/3
- C. Robert T. Rork TT 89 & 90/13/3
- D. Foxworth-Galbraith TT 98/13/3
- E. David A. Bonnett TT 40/13/3
- F. Wayne Ruyle TT 128 & 129/13/3

The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". Copies of the agreements will be attached hereto and made a part hereof.

MOTION was made by Glenn Morris, and SECONDED by Eldon Wold, to attach a \$200.00 bonus payment (in addition to fees previously approved) for the leasing of lots turned back to the District by termination of lease. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

The Board was advised that the wastewater research grant has been approved.

The Board convened in Executive Session for the purpose of employee evaluation and salary adjustments.

Following the meeting MOTION was made by Billy Jordan, and SECONDED by Eldon Wold, to approve the proposed salary increases and an increase of 5% for Manager Withers. 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.

David Weidman presented a lake patrol report.

Attorney Sears reported on the progress of the leasing of approximately 31.106 acres and the easement for H. C. Rhoades. MOTION was made by Billy Jordan, and SECONDED by Glenn Morris, to proceed with the leasing of additional acreage as proposed to Steelescreek Investments and approve the location of ingress and egress for Rhoades in the location requested by Mr. Rhoades in writing. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

Attorney Sears reported on the water activity created by proposed lakes and the authorities involved.

MOTION was made by Edson Reynolds, and SECONDED by Eldon Wold, to convert the District's retirement plan to a 401K plan. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

Manager Withers was instructed to advertise for bids for the sale of the 1970 Chevy pickup and 28 foot trailer and the purchase of a new pickup.

Manager Withers reported on the proposed reconstruction of the rest rooms and the State's requirement for 10 hours of training for the investment officer.

There being no further business, the meeting was adjourned.

MINUTES approved this the 12th day of January 1998.

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