

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: AUGUST 13, 2001

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 13th day of August 2001, 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:

ELDON WOLD	PRESIDENT
GLENN MORRIS	VICE PRESIDENT
BILLY M. JORDAN	SECRETARY
DAN AGEE	DIRECTOR

and with the following members absent: DON MORRIS.

Also present were Robert and Peggy Hughes, Lanny Ramsay, Brooksey Crow, Harold Epps, Randy Hodge, Stan Hayes, Bob Burney, Dave Reinhartsen, Pat Wright, Kirk Garner, David Weidman, Sheila Donica 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 Billy Jordan.

MOTION was made by Billy Jordan, and SECONDED by Dan Agee, to approve the Consent Agenda. 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:

1. Approval and Ratification of Minutes.
2. Approval and Ratification of Payment of Bills.
3. Budget Comparison July 2001.
4. Matters Concerning Termination of Leases:
 - A. Debbie R. Davis – Pine Valley, Lot 324, Section 1.
 - B. James V. Henrickson and Patti A. Henrickson – El Dorado Beach, Lot 52R, Section 1.
5. Agreement Extending Lease Agreement – Donald R. and JoAnn Dobson, East Park, Lot 4.

A copy of the bills, budget comparison, termination of lease agreements and agreement extending lease agreement are attached hereto and made a part hereof.

MOTION was made by Glenn Morris, and SECONDED by Dan Agee, to approve the request made by Robert and Peggy Hughes for a partial deplat of Club Lake Estates Subdivision. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the deplat is attached hereto and made a part hereof.

Engineer Stan Hayes from NRS Consulting Engineers briefed the Board on possible long-term solutions for repairing the Franklin County Dam. Contractors Brooksey Crow and Harold Epps also gave a report on the progress of the current work being performed on the dam. MOTION was made by Billy Jordan, and SECONDED by Glenn Morris, to amend the budget to \$150,000.00 for maintenance and repair on the dam for the year 2001 and to review the situation next year. 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 Billy Jordan, to approve the Resolution and Tax Resale Deed on 0.5 acre and to waive \$7.95 in back taxes owed the District. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Resolution is attached hereto and made a part hereof.

At this time, Arnaldo Cavazos, Jr. and Craig Smitham, attorneys for Cavazos, Hendricks, Poirot & Dewey, P.C., joined the meeting.

The Board convened in an Executive Session at 4:00 p.m. for the purpose of discussing matters concerning Cypress Springs Marina filing Chapter 11 bankruptcy and all matters related thereto. The Board reconvened in regular session at 5:44 p.m. MOTION was made by Dan Agee, and SECONDED by Billy Jordan, to authorize District's counsel and management to negotiate a new lease for Cypress Springs Marina, subject to final Board approval. 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 10th day of September 2001.

Eldon Wold, President

Glenn Morris, Vice President

Billy Jordan, Secretary

ABSENT

Don Morris, Director

Dan Agee, Director