

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: MAY 9, 2001

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 9th day of May 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
BILLY M. JORDAN	SECRETARY
GLENN MORRIS	DIRECTOR
DAN AGEE	DIRECTOR

and with the following members absent: DON MORRIS.

Also present were Lanny Caffey, Woodie Brantley, David Crooks, Vivian Richie, Craig Smitham, Mike Burk, Pat Wright, Dave Reinhartsen, 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 51 of the Government Code.

Invocation was given by Dan Agee.

MOTION was made by Billy Jordan, and SECONDED by Glenn Morris, 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 April 2001.
- A copy of the bills and budget comparison are attached hereto and made a part hereof.

MOTION was made by Dan Agee, and SECONDED by Billy Jordan, to adopt the resolution declaring Billy Jordan elected as Director of Place One and Dan Agee elected as Director of Place Two. 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.

District Attorney Kirk Garner administered the oath of office to Billy Jordan and Dan Agee. The floor was then turned over to Eldon Wold for the purpose of electing officers. Officers elected were:

President	Eldon Wold
Vice President	Glenn Morris
Secretary	Billy Jordan

Bids were opened regarding the Park Sanitation Contract. Bids received were as follows:

1. Duncan Disposal - \$20,349.00 annually, \$1695.75 monthly installments, for dumpster service.
2. Olympic Waste Services - \$20,481.24 annually, \$1706.77 monthly installments, for dumpster service.
3. Waste Management, Inc. - \$22,680.00 annually for dumpster service; or \$14,400.00 annually, \$1200.00 monthly installments, for servicing barrels. Waste Management also asked for the standard rate increase, according to the Consumer Price Index (CPI) with a cap of 3%.

The District had originally discussed barrel service with representatives from the trash collection companies, but none of the companies were willing to service barrels, so bids were called for dumpster service. Since the District had solicited bids for dumpster service only, MOTION was made by Billy Jordan, and SECONDED by Dan Agee, to table the bids until new bids could be resubmitted for barrel service. Mr. Caffey of Duncan Disposal told the Board that they were willing to extend the District's current Sanitation Contract on a month-to-month basis until a new bid is accepted. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

A new plat of the Lost Creek Subdivision was presented for the first reading.

MOTION was made by Billy Jordan, and SECONDED by Glenn Morris, to adopt the new collection procedure to streamline the process of collecting past due accounts 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 collection procedure is attached hereto and made a part hereof.

MOTION was made by Dan Agee, and SECONDED by Glenn Morris, to amend the fee schedule to establish a construction permit with a fee of \$25.00 for a boathouse/pier, which would be good for six months. For an additional \$25.00, the permit can be renewed for six more months. 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 allow David Weidman to set up a Money Market Account, not to exceed \$300,000.00, and to transfer the majority of the Maintenance and Operating funds to this account. The bank will pay an interest rate of .5% below TexPool and will be adjusted weekly. This account would require David's and Shirley Maples or Sheila Donica's signature in order to transfer funds and is restricted to only transferring money to the M&O account. A minimum of \$50,000.00 must be kept in the M&O account at all times. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Billy Jordan, and SECONDED by Glenn Morris, to create a second full-time maintenance position, with a six month probation period, to be filled at the Manager's discretion. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Billy Jordan, and SECONDED by Dan Agee, to execute an addendum to the City of Winnsboro's original lease for the property where the intake structure is located. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the addendum is attached hereto and made a part hereof.

MOTION was made by Dan Agee, and SECONDED by Glenn Morris, to ratify the action taken by David Weidman to opt the District out of Senate Bill 2. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

The Board went into Executive Session at 3:55 p.m. to discuss matters concerning new developments in the Cypress Springs Marina Chapter 11 bankruptcy case. They reconvened in regular session at 5:11 p.m. MOTION was made by Glenn Morris, and SECONDED by Dan Agee, that the Board hereby authorizes the District's counsel, Kirk Garner, and special bankruptcy counsel, the law firm of Cavazos, Hendricks, Poirot & Dewey, P.C., in consultation with management, to represent the District in the bankruptcy proceedings filed by Woody Enterprises, Inc., dba Cypress Springs Marina and Resort, in order to obtain satisfactory compliance under the existing lease between the District and such debtor and to obtain adequate assurance of future performance of the lessee's obligations thereunder. 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.

Eldon Wold, President

Glenn Morris, Director

Billy Jordan, Secretary

Dan Agee, Director