

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: OCTOBER 10, 2001

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 10th day of October 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 Pat Wright, Dave Reinhartsen, David Spaht, 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 Glenn Morris.

MOTION was made by Glenn Morris, 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 September 2001.
4. Quarterly Investment Report.
5. Matters Concerning Reissuance and Continuation of Leasehold Interest for:
 - A. James V. Henrickson and Patti A. Henrickson, 52R-1, El Dorado Beach
6. Matters Concerning Termination of Leases:
 - A. HUD, Snug Harbor, 69-1
 - B. Hardcopy Corp., Kings Country, 43-36-4
7. Matters Concerning Resolution to Execute Deed, Tres Lagos, Lot 367-1

A copy of the bills, budget comparison, quarterly investment report, reissuance and continuation of leasehold interest, affidavits of terminations, and resolution to execute deed are attached hereto and made a part hereof.

MOTION was made by Glenn Morris, and SECONDED by Dan Agee, to retain Fox, Byrd and Golden, P.C. to perform the 2001 audit. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the formal engagement letter is attached hereto and made a part hereof.

MOTION was made by Dan Agee, and SECONDED by Glenn Morris, to raise the asset booking threshold from \$500.00 to \$2000.00 effective immediately. 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 Dan Agee, to contribute \$1000.00 to Texas Water Conservation Association to assist with pursuing party status in proceedings on the San Marcos River Foundation's application. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the TWCA request is attached hereto and made a part hereof.

MOTION was made by Dan Agee, and SECONDED by Glenn Morris, to reschedule the November Board meeting to Wednesday, November 14 at 3 p.m. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

Manager David Weidman reported on the following items:

1. Repairs made to the spillway containment structure.
2. State approval of the Local Aquatic Plant Management Plan.
3. A resolution to name David Weidman as Trustee of the Franklin County Water District Retirement Plan.
4. To schedule a Special Called Meeting for Thursday, October 18, 2001 to discuss possible grants that may be available to assist with the dam repair.

MOTION was made by Dan Agee, and SECONDED by Glenn Morris, to table the 2002 District Budget until after the Executive Session. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

David Spaht, owner of Tall Tree Marina, addressed the Board concerning provisions of the Tall Tree Marina lease. He proposed changing the quarterly percentages to a flat \$500.00 per quarter. After further discussion, no action was taken. Mr. Spaht will approach the Board at a future date to discuss the matter further.

The Board convened in Executive Session at 3:57 p.m. for the purpose of discussing personnel matters and employee evaluations. The Board reconvened in regular session at 5:58 p.m. No action was taken. The 2002 Budget and personnel matters will be placed on the November agenda for further discussion.

There being no further business, the meeting was adjourned.

MINUTES approved this the 14th day of November 2001.

Eldon Wold, President

Glenn Morris, Vice President

Billy Jordan, Secretary

ABSENT
Don Morris, Director

Dan Agee, Director