

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: DECEMBER 12, 2002

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 10th day of December 2002, 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 JORDAN	SECRETARY
DON MORRIS	DIRECTOR
DAN AGEE	DIRECTOR

and with the following members absent: NONE.

Also present were Tom Riley, David Weidman and Sheila Donica.

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 David Weidman.

MOTION was made by Don Morris, 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. Income / Expense Comparison November 2001 / 2002.
4. Termination of Lease for:
 - A. James A. Jorgensen, c/o Verne Di Pasca, 22-16-3, Tall Tree.
 - B. William Webb, 45-5-2, Tall Tree.

A copy of the bills, Income / Expense Comparison, and Affidavits of Terminations are attached hereto and made a part hereof.

Mr. Tom Riley approached the Board with an offer of \$750.00 for the approximate .4 acre tract of land adjacent to his Lot 18 in South Park. MOTION was made by Don Morris, and SECONDED by Billy Jordan, to direct the Manager to have the property, and the island directly in front of the property, surveyed and to get an opinion on whether or not it has the capacity to support a septic system. The Manager will then report the findings back to the Board. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Dan Agee, and SECONDED by Billy Jordan, to authorize the President and Secretary to execute the Cypress Springs Water Supply Corporation Water Purchase Contract. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Contract is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Don Morris, to execute the Agricultural Lease with Guthrie Farms, Inc. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Lease is attached hereto and made a part hereof.

MOTION was made by Don Morris, and SECONDED by Dan Agee, to amend the 2002 Budget 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 Amended Budget is attached hereto and made a part hereof.

MOTION was made by Don Morris, and SECONDED by Glenn Morris, to approve the 2003 Holiday Calendar for the District 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 Holiday Calendar is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Dan Agee, to accept the final report on "Water Quality of Lake Cypress Springs, Franklin County, Texas". The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the report is attached hereto and made a part hereof.

At this time, the Board convened in Executive Session for the purpose of discussing the possible acquisition of Real Property adjacent to Mary King Park (6.225 acres) and adjacent to West End (36.41 acres or part thereof). The Board reconvened in regular session at 6:07 at which time the following action was taken.

The Manager was instructed to draft a letter of response to Cabe Land Company regarding the 6.225 acres adjacent to Mary King Park. MOTION was made by Billy Jordan, and SECONDED by Dan Agee, to make an offer of \$1200.00 per acre on the 36.41 acres adjacent to West End. 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 14th day of January 2003.

Eldon Wold, President

Glenn Morris, Vice President

Billy Jordan, Secretary

Don Morris, Director

Dan Agee, Director