

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: JANUARY 14, 2002

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 14th day of January 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 Pat Wright, Dave Reinhartsen, Bob Burney, Pam Swanner, Lowell Vaughn, Amanda Stamps, Paul Myers, 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. Budget Comparison December 2001.
4. Quarterly Investment Report.
5. ~~Termination of Lease for:~~
 - A. ~~Spectrum Dev. Co., Inc., Unplatted Property, Eagle Point.~~ (Paid 1-14-02)

A copy of the bills, budget comparison and quarterly investment report are attached hereto and made a part hereof.

MOTION was made by Glenn Morris, and SECONDED by Dan Agee, to accept the final reading of a replat Whippoorwill Bay, 5R-1. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the replat is attached hereto and made a part hereof.

A replat of a .051 acre tract, Coots Survey, Abstract #84, near Lot 97-1, in Snug Harbor was presented for the first reading. No action was necessary at this time.

MOTION was made by Billy Jordan, and SECONDED by Glenn Morris, to appoint Eldon Wold, Dan Agee and David Weidman to the Parks Master Plan Advisory Committee. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Don Morris, and SECONDED by Dan Agee, to adopt the changes made to the Interlocal Septic System Agreement, between Franklin County and the Water District, that were accepted by the Commissioner's Court. 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 Interlocal Septic System Agreement is attached hereto and made a part hereof.

MOTION was made by Don Morris, and SECONDED by Billy Jordan, to accept the final unaudited figures of the 2001 budget. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the final unaudited 2001 budget is attached hereto and made a part hereof.

At this time the Board convened in Executive Session, with Attorneys Amanda Stamps and Paul Myers, for the purpose of discussing matters concerning the following:

1. Cypress Springs Marina / BLC Litigation;
2. Panther Creek Pass Homeowners Association;
3. Steelecreek Development, L.P.

The Board reconvened in regular session at 5:00 p.m. MOTION was made by Glenn Morris, and SECONDED by Billy Jordan, to appoint Eldon Wold, Don Morris and David Weidman to attend the settlement conference on January 29 in Sherman, that was ordered by Federal Court, to negotiate in good faith. 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 11th day of February 2002.

Eldon Wold, President

Glenn Morris, Vice President

Billy Jordan, Secretary

Don Morris, Director

Dan Agee, Director