

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: MARCH 19, 2002

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 19th day of March 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
BILLY JORDAN	SECRETARY
DON MORRIS	DIRECTOR
DAN AGEE	DIRECTOR

and with the following members absent: GLENN MORRIS.

Also present were Brent Doll, Gary Traylor, Stan Hayes, Dave Reinhartsen, David Weidman, Shirley Maples 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 Billy Jordan.

MOTION was made by Don 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. Income/Expense Comparison February 2001 / 2002.
4. Agreement Extending Lease Agreement for:
 - A. Daniel M. Schmeling and Ellen J. Schmeling, Lot 32, El Dorado Bay.
 - B. Terry Tirado and Christine Tirado, Lot 69 and ½ of Lot 68, King's Country.
5. Reissuance and Continuation of Leasehold Interest for Howard Dwaine Campbell, Lot 16, Block 16, Section 3, Tall Tree.
6. Termination of Lease for Dennis W. Landers and Joanne M. Landers. Lot 16, Phase 3, Panther Creek Pass.
7. Resolution for Creation of a Section 125 Cafeteria Plan.
8. Quarterly Investment Report and Approval of Source of Training and District Brokers List.

A copy of the bills, Income/Expense Comparison, Agreement Extending Lease Agreements, Affidavit of Reissuance and Continuation, Affidavit of Termination, Resolution, Investment Report, and Brokers List are attached hereto and made a part hereof.

MOTION was made by Dan Agee, and SECONDED by Don Morris, to accept the 2001 Audit Report as presented by Brent Doll of Fox, Byrd & Golden, P.C. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Audit Report is attached hereto and made a part hereof.

Gary Traylor of Traylor and Associates, Inc. and Stan Hayes of NRS Consulting Engineers updated the Board on the status of the grant proposal on the Franklin County Dam. MOTION was made by Billy Jordan, and SECONDED by Don Morris, to authorize Traylor and Associates, Inc. to submit a copy of the grant proposal to Congressman Max Sandlin for review and to have Traylor and Associates, Inc. to keep the District's file open. 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 contribute \$1000.00 to TWCA to assist with funding for the Sabine River Authority Amicus Curiae Brief. 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 keep Mary King Park closed pending further evaluation. 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 Don Morris, to allow Shirley Maples to retire on April 15, 2002 with the early retirement package as presented by the Manager, with the condition that Mrs. Maples would be available for consultation at no charge until her original retirement date of October 16, 2002. 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 Billy Jordan, to adopt the Off Duty Employment Policy for the Lake Patrol as submitted by the Manager. The policy is to be reviewed annually by the Board. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Policy is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Dan Agee, to authorize David Weidman to represent the District at the State District Court mandated mediation with BLC. 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 delegate the notice process on Special Board meetings to the Manager. 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 renew the contract and continue to use Paul Price and Associates to review the District's water quality testing program. 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.

The Manager reported on the following items:

1. Report on TNRCC Water Availability Model (WAM).
2. Advise the Board on an upcoming draft of Rules and Regulations amendments.

There being no further business, the meeting was adjourned.

MINUTES approved this the 9th day of April 2002.

Eldon Wold, President

ABSENT
Glenn Morris, Vice President

Billy Jordan, Secretary

Don Morris, Director

Dan Agee, Director