

MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FRANKLIN COUNTY WATER DISTRICT  
HELD: SEPTEMBER 17, 2002

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 17<sup>th</sup> day of September 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 Dr. Michael Smart, Cordell Bradford, Max Higgs, Doug Harris, Anthony Harris, Terri Cruit, Barbara Hums, Larry Woodward, Rebecca Ratliff, J.R. Alphin, Brian Jones, Cynthia Jones, Keith Drummond, 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 Glenn Morris.

MOTION was made by Don Morris, and SECONDED by Billy Jordan, 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 August 2001 / 2002.
4. Ratify Action Taken On Termination of Leases for:
  - A. First National Bank of Winnsboro, Lots 87, 88, 89, 91 & 92, Phase 5 of Northshore.
5. Execution of New Leases for:
  - A. First National Bank of Winnsboro, Lot 87, Phase 5, Northshore.
  - B. First National Bank of Winnsboro, Lot 88, Phase 5, Northshore.
  - C. First National Bank of Winnsboro, Lot 89, Phase 5, Northshore.
  - D. First National Bank of Winnsboro, Lot 91, Phase 5, Northshore.
  - E. First National Bank of Winnsboro, Lot 92, Phase 5, Northshore.
  - F. Michael L. Edwards, Lot 3, Sanctuary Village.
  - G. R. Beryl Christian and Donnie L. Christian, Lot 506R, Section 2, King's Country.
  - H. Larry and Tracy McNeely, Lot 32, Block 9, Section 1, Tall Tree.
  - I. Channon Walker, Lot 42A, Phase 3, Northshore.
  - J. Harland and Brenda Walker, Lot 42B, Phase 3, Northshore.

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

Brian Jones addressed the Board concerning an On Site Sewage Facility (OSSF) dispute with his neighbor. Mr. Jones was advised that the District had attempted to address the septic issues, but could find nothing wrong with the neighbor's septic system. Mr. Jones was advised that the next step would be to appeal to the Franklin County Commissioner's Court. Mr. Jones requested to be put on the October agenda.

Dr. Michael Smart with the U.S. Army Corps of Engineers made a presentation to the Board concerning a Lakewide Habitat and Ecosystem Enhancement and Restoration Plan. He advised the Board that they could apply for a 65-35% matching funds grant from the Corps to assist with the funding. In addition, Steelecreek Development, L.P. has committed \$10,000.00 to help fund the plan. MOTION was made by Dan Agee, and SECONDED by Billy Jordan, to approve the proposed project and provide the funding necessary to obtain the matching funds. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy is attached.

At this time, the Board convened in Executive Session with Attorneys Keith Drummond and Paul Myers for the purpose of discussing matters concerning the Cypress Springs Marina / BLC Litigation. The Board reconvened in regular session, no action was taken.

A request was submitted by Jeff Smith to hold a Charity Triathlon on Lake Cypress Springs on October 6. MOTION was made by Billy Jordan, and SECONDED by Dan Agee, to allow the triathlon as requested. 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 Glenn Morris, to accept the 2002 Amended 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.

The second reading of a replat for 3.40 acres, Lots 35-39, Block 37, Section 4, King's Country was removed from the agenda.

MOTION was made by Billy Jordan, and SECONDED by Glenn Morris, to approve the replat of Lot 14, Phase 1, of Hickory Hills. 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.

MOTION was made by Glenn Morris, and SECONDED by Billy Jordan, to amend the District's replatting procedures to require only one reading. 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 Don Morris, to adopt the revised Personnel Policy Manual 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 Policy Manual is attached hereto and made a part hereof.

Dan Agee requested that the matter of Sheila Donica's promotion to the position of Officer Manager be tabled until after the Executive Session concerning personnel matters.

The Manager reported on matters concerning the Water Rights Permit Application by Caddo Lake Institute and the Application by San Marcos River Foundation.

At this time, the Board convened in Executive Session for the purpose of discussing personnel matters and employee evaluations. When the Board reconvened, the following action was taken.

MOTION was made by Glenn Morris, and SECONDED by Billy Jordan, (1) that the employees' raises are not to exceed 5%, to be set at the Manager's discretion and are to be effective January 1, 2003; (2) to promote Sheila Donica to the position of Office Manager with a \$3,500.00 per year raise effective October 1, 2002, with no percentage increase in January; and (3) to give the Manager a 5% raise to be effective January 1, 2003. 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 8<sup>th</sup> day of October 2002.

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Eldon Wold, President

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Glenn Morris, Vice President

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Billy Jordan, Secretary

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Don Morris, Director

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Dan Agee, Director