

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: AUGUST 12, 2003

THE STATE OF TEXAS
COUNTY OF FRANKLIN

FRANKLIN COUNTY WATER DISTRICT

On this the 12th day of August 2003, 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:

BILLY JORDAN	PRESIDENT
GLENN MORRIS	VICE PRESIDENT
DAN AGEE	SECRETARY
CAROL LARSEN	DIRECTOR
JUDY SPAHT	DIRECTOR

and with the following members absent: NONE.

Also present were Willie Bane, Stan Hayes, Sam Young, Eddie Brook, Scott Buttrick, Lou Antonelli, Brad Akins, Ruth Hudman, Lillie Reves, Karen Hollingsworth, Brian Philhower, J.R. Alphin, Richard Larsen, David Spaht, Amanda Arledge, Randy Helleson, Moody Snider, Gay Snider, David Anderson, Jackie Anderson, David Weidman, Sheila Donica and several unidentified guests.

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 Judy Spaht.

MOTION was made by Carol Larsen, 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 July 2002 / 2003.
4. Investment Report.
5. New Lease Agreement for:
 - A. Spectrum Development Co., Common Area (.741 ac.), Lost Creek;
 - B. Mike Burkhart, dba Burkhart & Burkhart, Lot 4B, Lost Creek;
 - C. Timothy Alan Moore, Lot 5B, Lost Creek;
 - D. Mike Burkhart, dba Burkhart & Burkhart, Lot 6, Lost Creek;
 - E. Mike Burkhart, dba Burkhart & Burkhart, Lot 7B, Lost Creek;
 - F. Mike Burkhart, dba Spectrum Development Co., Lot 8B, Lost Creek;
 - G. Mike Burkhart, dba Spectrum Development Co., Lot 9B, Lost Creek; and
 - H. Franklin National Bank, 25-10-2, Tall Tree.
6. Amendment to Lease Agreement for David Hadlock and Richard Williams, Lots 4 and 9, Block 17, Section 3, Tall Tree.
7. Termination of Lease for:
 - A. Dale F. and Eva D. Garrett, 6-38-4, King's Country; and
 - B. Julie Shull, 47-2, Pelican Bay.

A copy of the bills, Income / Expense Comparison, Investment Report, New Lease Agreements, Amendment to Lease Agreements and Affidavits of Termination are attached hereto and made a part hereof.

At this time, discussion was had on the repair of the road at Walleye Park. The District had received one bid from David and Jackie Anderson of Total Paving Company. Sam Young, Commissioner of Precinct 4, addressed the Board with the possibility of the District entering into an interlocal agreement with the County for the repair of the road. MOTION was made by Glenn Morris, and SECONDED by Carol Larsen, to reject the bid by Total Paving Company. 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 Carol Larsen, to authorize an interlocal agreement to be executed with the County for the repair of Walleye Park road, with a budgeted amount of \$50,000. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Interlocal Agreement will be attached and made a part hereof.

Stan Hayes with NRS Engineering gave a report on the condition of the Franklin County dam. He briefed the Board on the different possible solutions to correct the erosion and sloughing of the dam. No action was taken at this time.

Eddie Brook approached the Board with a request to replat an access lot, Lot AC-12, in King's Country. Brad Atkins, on behalf of adjoining property owners Mr. and Mrs. Hudman, and Randy Helleeson, president of King's Country POA, raised some objections and concerns with replatting this lot. After further discussion, no action was taken.

Brian Philhower addressed the Board requesting the Board's approval of the assignment of the Tall Tree Marina operating agreement, so that he could purchase the marina. Mr. Philhower presented a copy of his business plan and financial statement for the Board's review. Upon further discussion, the Board decided to table the matter in order to have time to review the information provided by Mr. Philhower. The Board set a special meeting for 5 p.m. on Thursday, August 21, 2003.

MOTION was made by Carol Larsen, and SECONDED by Dan Agee, to execute an easement with Rick Clark to allow him access through Overlook Park to a tract of land that he is purchasing from David and Judy Spaht. The President put the question and, after full discussion and deliberation thereon, the following members present voted "AYE": Billy Jordan, Glenn Morris, Dan Agee, and Carol Larsen. NONE voted "NO". Judy Spaht abstained from voting. A copy of the easement is attached hereto and made a part hereof.

MOTION was made by Carol Larsen, and SECONDED by Dan Agee, to allow District employees to camp for free, excluding holiday weekends. 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 Carol Larsen, to authorize the District to post a notice for the re-leasing of available lots, setting a \$500.00 bonus payment, in addition to any back fees that are owed. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the available lots are attached hereto and made a part hereof.

MOTION was made by Glenn Morris, and SECONDED by Carol Larsen, to inform the County that the District was giving their required thirty (30) day notice to terminate the Interlocal Septic Agreement, but that the District would continue to be the designated representative until December 31, 2003. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the letter of termination notice is attached hereto and made a part hereof.

MOTION was made by Carol Larsen, and SECONDED by Judy Spaht, to amend the 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.

Mr. David Falls tendered an offer in writing to lease a portion of Overlook Park next to his fee title property. This item was tabled in order to allow Mr. Falls to be able to present his offer in person at the next meeting.

The Manager reported on the following items:

- A. Franklin County Water District featured in Texas Highways Magazine;
- B. Visit by LCRA personnel to Lake Cypress Springs;
- C. Habitat Restoration Program and Cost Sharing update;
- D. Report on cooperative effort with the City of Mt. Vernon on animal control; and
- E. Visit to LARF by directors and staff.

There being no further business, the meeting was adjourned.

MINUTES approved this the 9th day of September 2003.

Billy Jordan, President

Glenn Morris, Vice President

Dan Agee, Secretary

Carol Larsen, Director

Judy Spaht, Director