

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: DECEMBER 9, 2003

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 9th day of December 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
CAROL LARSEN	DIRECTOR
JUDY SPAHT	DIRECTOR

and with the following members absent: DAN AGEE.

Also present were Willie Bane, Gay Snider, Moody Snider, Alice Kirkelie, Kevin Kirkelie, Betty Buchanan, Buck Buchanan, Brian Philhower, J.R. Alphin, Jim Kindrick, Roy Medders, Andy Brashear, Theresa Brashear, Trish Kuhl, Carolyn Labella, 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 Billy Jordan.

At this time, the Board convened in Executive Session for the purpose of consulting with attorneys concerning the Cypress Springs Marina / BLC litigation. The Board reconvened at 6:48, at which time the following action was taken: MOTION was made by Judy Spaht, and SECONDED by Carol Larsen, to accept the agreement as discussed with the attorneys and instructed them to proceed. 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 Judy Spaht, to accept the replat and amendment to lease agreement of Lot 46A, Block 7, Section 2, Tall Tree subdivision 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 replat and amendment are attached hereto and made a part hereof.

Discussion was had regarding the job duties and job descriptions for District employees. After concerns were raised over some of the wording in the job descriptions, the matter was tabled until the January meeting.

MOTION was made by Carol Larsen, and SECONDED by Judy Spaht, 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 2002 / 2003.
4. Investment Report.
5. Amendment to Lease Agreement for:
 - A. Ted Burgdorf, Lot 18B, El Dorado; and
 - B. Victor Ellis Clark, Lots 9A and 9B, Phase 7, Northshore.
6. New Lease Agreement for:
 - A. Jessica Medders and Ron Britt, Lot 30, Phase 3, Northshore;
 - B. Jessica Medders and Ron Britt, Lot 31, Phase 3, Northshore; and
 - C. Wells Fargo Bank Document Custody, Lot 345, Phase 3, Snug Harbor.

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

MOTION was made by Carol Larsen, and SECONDED by Judy Spaht, to accept the low bid of \$18,975.00 by Cypress Ford for the purchase of a Ford Explorer for the Manager and specified that the color be white. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the bids is attached hereto and made a part hereof.

MOTION was made by Carol Larsen, and SECONDED by Glenn Morris, to use the current regulations set down by the IRS for mileage reimbursement at .34 cents per mile from January 1, 2004 until a new vehicle is purchased for 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 Carol Larsen, and SECONDED by Judy Spaht, to amend the 2004 budget to remove the line item for the Manager's car allowance and add a capital expenditure of \$19,050.00 for the purchase of the Manager's car. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the 2004 Amended Budget is attached hereto and made a part hereof.

MOTION was made by Carol Larsen, and SECONDED by Glenn Morris, to change the January meeting to Monday, January 12, 2004. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Carol Larsen, and SECONDED by Glenn Morris, to rescind the approval of a replat for Mitch Engle on Lots 31-39, Phase I, Panther Creek Pass. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

The Manager reported on the following items:

- A. General Manager's report; and
- B. Rescheduling District Christmas party.

The following people addressed the Board during the Public Comment section: Willie Bane.

There being no further business, the meeting was adjourned.

MINUTES approved this the 12th day of January 2004.

Billy Jordan, President

Glenn Morris, Vice President

ABSENT
Dan Agee, Secretary

Carol Larsen, Director

Judy Spaht, Director