

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: MARCH 11, 2003

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 11th day of March 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:

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 Brent Doll, Paul Jolas, Judy Spaht, David Spaht, J.R. Alphin, Terri Cruit, Moody Snider, 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 February 2002 / 2003.
4. Investment Report.

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

Mr. Brent Doll of Fox, Byrd and Golden, P.C. presented the 2002 audit report. MOTION was made by Don Morris, and SECONDED by Dan Agee, to accept the 2002 audit report 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 2002 audit report is attached hereto and made a part hereof.

Mr. Paul Jolas addressed the Board concerning a retaining wall permit violation fee. MOTION was made by Don Morris, and SECONDED by Billy Jordan, to waive the \$500.00 violation fee. 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 accept the amendment to Article XVII of the Rules and Regulations 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 rule is attached hereto and made a part hereof.

Bids considered for the repair on the roof of the District's main office were as follows:

1. Steve's Construction, Steve Wafford, \$16,800.00;
2. Jim's Remodeling, Jim Novell, \$17,258.00;
3. Double S Construction, \$17,800.00;
4. Cutt Construction, Chad Hunnicutt, \$23,324.90;
5. Jackson Siding, Robert Jackson, \$23,800.00;
6. Clay Penny Construction, Clay Penny, \$23,989.00; and
7. Five Star Construction, Butch Short, \$36,993.00.

MOTION was made by Billy Jordan, and SECONDED by Dan Agee, to accept the bid of \$16,800.00 by Steve's Construction, with the stipulation that there will be a short term labor guarantee on the structure to be put in writing by Mr. Wafford. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". Copies of the bids are attached hereto and made a part hereof.

MOTION was made by Don Morris, and SECONDED by Glenn Morris, to amend the capital expenditure budget to include the repair on the roof. 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 Glenn Morris, to amend the District's Racial Profiling Policy to reflect the changes 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 amendments are attached hereto and made a part hereof.

MOTION was made by Don Morris, and SECONDED by Dan Agee, to allow a public input section to be added to future agendas with the following restrictions:

1. A 3-5 minute time limit per speaker;
2. The Board will make no comments;
3. All issues will be referred to the General Manager for appropriate action; and
4. The speaker must sign in to address the Board before the meeting is started.

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 Glenn Morris, to approve the replat of Lot 156 and part of Lot 157, Block 36, Section 4 of King's Country Subdivision. 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 approve the replat and the execution of a new lease for Lots L54 and L55, Section 2 of King's Country Subdivision. 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 new lease agreement are attached hereto and made a part hereof.

MOTION was made by Dan Agee, and SECONDED by Don Morris, to abolish the \$500.00 penalty fee and amend Article XX of the District's Rules and Regulations 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 rule is attached hereto and made a part hereof.

MOTION was made by Billy Jordan, and SECONDED by Dan Agee, to authorize attorney Kerry Wooten to communicate to the Sulphur River Basin Authority (SRBA) that the offer contained in the correspondence dated February 20, 2003 from the SRBA attorney is not acceptable to the District; that the District is willing to receive and consider additional offers from the SRBA; and, that the District will not advance any further funds to the SRBA until receipt of a satisfactory offer from the SRBA. 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 Dan Agee, to change the May Board meeting from May 13 to May 6. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

At this time, the Board convened in Executive Session to discuss personnel matters and management and supervisor evaluations. The Board reconvened in Open Session at 6:17 p.m., at which time no action was taken.

There being no further business, the meeting was adjourned.

MINUTES approved this the 8th day of April 2003.

Eldon Wold, President

Glenn Morris, Vice President

Billy Jordan, Secretary

Don Morris, Director

Dan Agee, Director