

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: MAY 6, 2003

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 6th day of April 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
DAN AGEE	DIRECTOR

and with the following members absent: DON MORRIS.

Also present were David and Judy Spaht, Willie Bane, Richard and Carol Larsen, Alice Kirkelie, Mike and Darlene Dittoe, R.W. Burton, Gerald and Elease Hubbell, Linda Philhower, Lowell Vaughn, Betty Hubbard, Clint and Kaye Hopkins, Bobby Burney, Pam Buttrick, Terri Cruitt, Danny Parlington, Jackie Anderson, Kirby Hollingsworth, Trish Kuhl, 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 David Weidman.

At this time, Eldon Wold gave a brief statement, turned the meeting over to Vice President Glenn Morris and retired from the meeting.

MOTION was made by Billy Jordan, 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 April 2002 / 2003.
4. Investment Report.
5. Amended and Restated Lease Agreement for Alford Fall and Paula R. Monroe, Lots L52 and L53, Section II, King's Country.
6. New Lease Agreement for William R. Friberg and Anita Friberg, Lot 3, Block 56, Section 4, King's Country.
7. Replat and Amendment to Lease Agreement for:
 - A. C. Dan Smith, Lot 5, The Oaks.
 - B. William Brian Ruyle, Lot 92C-R, Block 13, Section 3, Tall Tree.

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

The Board canvassed the election returns and MOTION was made by Dan Agee, and SECONDED by Billy Jordan, to adopt the Resolution declaring the results of the May 3, 2003 election. The results were as follows: Glenn Morris – Director of Place Three, Judy Spaht – Director of Place Four, Carol Larsen – Director of Place Five At Large. The Vice President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Resolution and Summary of Precinct Returns are attached hereto and made a part hereof.

Sheila Donica administered the oaths of office to Glenn Morris, Judy Spaht and Carol Larsen. The floor was then turned over to Glenn Morris for the purpose of electing officers. MOTION was made by Dan Agee, and SECONDED by Carol Larsen, to nominate Billy Jordan as President. The Vice President put the question and, after full discussion and deliberation thereon, the following members present voted "AYE": Dan Agee, Glenn Morris, Carol Larsen, and Judy Spaht. NONE voted "NO". Billy Jordan abstained from voting.

MOTIONS were made by Billy Jordan to nominate Glenn Morris and by Judy Spaht to nominate Carol Larsen as Vice President. Glenn Morris SECONDED and closed the nominations. The Vice President put the question and, after full discussion and deliberation thereon, the votes were as follows. Those for Carol Larsen: Judy Spaht; those for Glenn Morris: Carol Larsen, Billy Jordan and Dan Agee. Glenn Morris abstained from voting.

MOTION was made by Billy Jordan, and SECONDED by Judy Spaht, to nominate Dan Agee as Secretary. The Vice President put the question and, after full discussion and deliberation thereon, the following members present voted "AYE": Billy Jordan, Glenn Morris, Carol Larsen, and Judy Spaht. NONE voted "NO". Dan Agee abstained from voting.

The General Manager gave the Board an update on the negotiations with Tall Tree in regards to the Marina, Fishing Lodge and Related Facilities Agreement and Second Amendment to Lease Agreement.

The Cabe Land Company made another offer to the Board regarding the sale of a 6.225 acre tract of land adjacent to Mary King Park. No action was taken.

There being no further business, the meeting was adjourned.

MINUTES approved this the 10th day of June 2003.

Billy Jordan, President

Glenn Morris, Vice President

Dan Agee, Secretary

Carol Larsen, Director

Judy Spaht, Director