

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: OCTOBER 14, 2003

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 14th day of October 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, Lou Antonelli, Richard Larsen, David Falls, Eddie Brook, Moody Snider, Gay Snider, Janice Schma, Allan Ross, 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 Dan Agee.

MOTION was made by Glenn Morris, and SECONDED by Carol Larsen, 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 September 2002 / 2003.
4. Investment Report.
5. Amendment to Lease Agreement (99 Year Extension) for Robert A. and Deanna L. Maas, Lot WF24, Section 1, Swannerland.
6. New Lease Agreement for:
 - A. Harland and Brenda Walker, 98-5, Northshore;
 - B. Linda Nelson, 46-22-3, Tall Tree;
 - C. Terry and Nancy Jones, 45-22-3, Tall Tree; and
 - D. Susan O'Dell and Robert L. Hale, 45-5-2, Tall Tree.

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

David Falls approached the Board again with an offer to lease a portion of Overlook Park next to his fee title property. MOTION was made by Judy Spaht, and SECONDED by Glenn Morris, to accept Mr. Falls offer of a \$26,000 bonus, requiring a fence permitted by the District, for a term of 66 years, and with an annual lease payment being attached to the property. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the lease agreement is attached hereto and made a part hereof.

Janice Schma and Allan Ross addressed the Board with a preliminary presentation to change a 5.44 acre tract of miscellaneous leasehold property from residential to commercial zoning for the purpose of building a Bed and Breakfast. A public hearing section will be included on the November agenda for public input.

MOTION was made by Dan Agee, and SECONDED by Carol Larsen, to accept the replat of Lot AC12 in King's Country. 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 to lease agreement is attached hereto and made a part hereof.

MOTION was made by Carol Larsen, and SECONDED by Dan Agee, to accept the engagement letter from Brent Doll with Fox, Byrd & Company, P.C. authorizing them to perform the District's 2003 audit. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the engagement letter is attached hereto and made a part hereof.

MOTION was made by Carol Larsen, and SECONDED by Judy Spaht, to accept the proposed 2004 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 2004 budget is attached hereto and made a part hereof.

MOTION was made by Carol Larsen, and SECONDED by Dan Agee, to set the regular November Board meeting for November 18th. 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. Visit by LCRA personnel;
- B. Habitat restoration cooperative program;
- C. District Christmas party;
- D. Future presentation to Texas B.A.S.S. Federation;
- E. Completion of Walleye Park roads; and
- F. J.R. Alphin's attendance of Homeland Security school and chili cook-off.

At this time, the Board convened in Executive Session for the purpose of discussing personnel matters and employee evaluation of the General Manager. When the Board reconvened at 9:01, the following action was taken:

MOTION was made by Carol Larsen, and SECONDED by Dan Agee, to increase the Manager's salary by \$10,000.00 per year; that the District will supply a car, with insurance, gas and fuel; and take away the \$650.00 per month for car allowance. 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 18th day of November 2003.

Billy Jordan, President

Glenn Morris, Vice President

Dan Agee, Secretary

Carol Larsen, Director

Judy Spaht, Director