

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: APRIL 13, 2004

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 13th day of April 2004, 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

and with the following members absent: NONE.

Also present were Amanda Arledge, Willie Bane, Dewey Bertram, Eddie Brook, Mike Burkhart, Carole Dunn, Jay Hammond, Jerry Hammond, Linda Hammond, Eleese Hubbell, Jerry Hubbell, Steve Kapsner, Trish Kuhl, Richard Larsen, Pat Norris, Brian Philhower, Tim Philhower, David Pierce, Susan Reeves, Melanie Ross, Randy Ross, Gay Snider, Moody Snider, Rick Todd, Eldon Wold, 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.

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 February 28 and March 2 Minutes
2. Approval and Ratification of Payment of Bills
3. Income / Expense Comparison March 2003 / 2004
4. Investment Report
5. New Lease Agreement for Ameriquest Mortgage Company, Lot 39, Unit 2, Pelican Bay
6. Amendment to Lease Agreement for Billy J. and Peggy White, Lot 20, Block 10, Section 2, Tall Tree
7. Amended and Restated Lease Agreement for:
 - A. Kevin and Neoma Twining, Lots 117L-119L, Section 2 and Lot 11, Block 52, Section 4, Kings Country; and
 - B. Ricky L. and Traci L. Horton, Lots 301 and 301A, Phase 3, Snug Harbor

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

The Board discussed proposed changes to the District's Rules and Regulations. Jerry Hammond of J-H Construction and Randy Ross of M & R Construction, local contractors, addressed the Board regarding the proposed rule amendments. MOTION was made by Carol Larsen, and SECONDED by Dan Agee, to accept the amended 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 Rules and Regulations is attached hereto and made a part hereof.

Dewey Bertram, president of Kings Country Property Owners Association, and Kings Country property owner, Eddie Brook, addressed the Board regarding a dispute between the POA and Mr. Brook. No action was taken.

Mike Burkhart, developer of Lost Creek Development, approached the Board concerning a .17 acre tract of land located between his development and the swim area of the Cypress Springs Marina. The Board instructed the Manager to contact BLC, lessee of the Cypress Springs Marina, regarding the .17 acre tract of land. No action was taken at this time.

MOTION was made by Glenn Morris, and SECONDED by Carol Larsen, to accept the replat and Amendment to Lease Agreement 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 is attached hereto and made a part hereof.

The Board discussed replacing flag poles and beautifying the District's lake office. Director Larsen requested that the District create a District flag and fly it, along with the United States and Texas flags, at the lake office. No action was taken at this time.

MOTION was made by Carol Larsen to nominate Tim Philhower for the position of Director of Place 4. MOTION was made by Dan Agee, and SECONDED by Glenn Morris, to cease nominations. 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 accept the nomination of Tim Philhower as Director of Place 4. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

The Manager reported on various investment possibilities that the District is considering.

The following people addressed the Board during the Public Comment section:

A. Pat Norris

There being no further business, the meeting was adjourned.

MINUTES approved this the 11th day of May 2004.

Billy Jordan, President

Glenn Morris, Vice President

Dan Agee, Secretary

Carol Larsen, Director