

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: MARCH 2, 2004

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 2nd day of March 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: JUDY SPAHT.

Also present were Jan Andrews, Joe Andrews, Willie Bane, Wendell Bell, Ben Boren, Brent Doll, John Edwards, Don Glosser, Jane Glosser, Marcia Hackett, Stan Hayes, Tom Jenkins, Steve Kapsner, Jim Kindrick, Richard Larsen, Pat Norris, Tom Sample, Dr. Michael Smart, Gay Snider, Moody Snider, Larry Sparks, Lee Ann Sparks, Rex Trevathan, John Tutor, Frank Wilson, 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 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 Minutes
2. Approval and Ratification of Payment of Bills
3. Income / Expense Comparison February 2003 / 2004
4. Investment Report
5. Approval of Destruction of Approximately 8 Boxes of Records in Accordance with the Records Control Schedule
6. Amendment to Lease Agreement (99 Year Extension) for Victor Ellis Clark, Lot 9 AB-R, Phase 7, Northshore
7. Amended and Restated Lease Agreement for Paul and Kim Lester, Lots 7 and 8, Block 52, Section 4, King's Country

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

Mr. Brent Doll of Fox, Byrd and Company, P.C. presented the 2003 audit report. MOTION was made by Carol Larsen, and SECONDED by Dan Agee, to accept the 2003 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 2003 audit report is attached hereto and made a part hereof

Dr. Michael Smart and Marcia Hackett with the U.S. Army Corps of Engineers gave the Board an update on the District's Section 206 grant request for the Eco-System Restoration Program. MOTION was Carol Larsen, and SECONDED by Glenn Morris, to adopt a Resolution requesting assistance from State Representatives to secure an appropriation of funds for the Eco-System Restoration Program. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Resolution is attached hereto and made a part hereof

Stan Hayes with NRS Consulting Engineers briefed the Board on the different possible solutions to repairing the back side of the Franklin County Dam. No action was taken at this time.

MOTION was made by Carol Larsen, and SECONDED by Dan Agee, to change J.R. Alphin's job title to Environmental Enforcement Supervisor — Chief of Lake Patrol. 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 accept the resignation of Director Judy Spaht to be effective March 2, 2004. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

The Manager reported on an Environmental spillage issue on Lake Cypress Springs in Eagle Point subdivision. Representatives from Wintex Construction, a hazardous materials firm out of Winnsboro, were on hand to answer questions from the Board.

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

- A. Willie Bane;
- B. John Tutor;
- C. Ben Boren;
- D. Wendell Bell;
- E. Pat Norris; and
- F. Joe Andrews

There being no further business, the meeting was adjourned.

MINUTES approved this the 13th day of April 2004.

Billy Jordan, President

Glenn Morris, Vice President

Dan Agee, Secretary

Carol Larsen, Director

ABSENT
Judy Spaht, Director