

MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF THE  
FRANKLIN COUNTY WATER DISTRICT  
HELD: MAY 11, 2004

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 11<sup>th</sup> day of May 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
TIM PHILHOWER	DIRECTOR

and with the following members absent: NONE.

Also present were Terry Alexander, Jackie Anderson, Lou Antonelli, Amanda Arledge, Willie Bane, Mike Burkhart, Billy Burnett, Lucas Dennis, Carole Dunn, Bonnie Edwards, John Edwards, Joe Ergonis, Vivian Fawcett, Jay Hammond, Jerry Hammond, Melissa Hill, Darrell Hoover, Donna Housewright, Claudia Jenkins, Tom Jenkins, Bill Kent, Alice Kirkelie, Richard Larsen, Ricky Nuziard, Brian Philhower, Justin Philhower, Linda Philhower, Henk Post, Susan Reeves, Jonathan Richey, JoAnn Rosch, Peter Rosch, Jason Russell, Rusty Rutledge, Ricky Self, Tom Shiels, Gay Snider, Thomas Swedoski, Dorothy Thompson, Ed Thompson, Frank Wilson, David Weidman, Sheila Donica and several unidentified guests.

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.

At this time, Sheila Donica administered the oath of office to Tim Philhower.

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 April 13, 2004 Minutes
2. Approval and Ratification of Payment of Bills
3. Approval of Unpaid Bills
4. Income / Expense Comparison April 2003 / 2004
5. Investment Report
6. Amended and Restated Lease Agreement for Twin Cove Estates POA, Lots 10 and B, Phase 2, Twin Cove Estates.

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

Bill Kent with Edward Jones Investments gave the Board a presentation on CMOs. MOTION was made by Carol Larsen, and SECONDED by Tim Philhower, to reauthorize the District's Investment Policy. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". MOTION was made by Tim Philhower, and SECONDED by Carol Larsen, to authorize the use of CMOs as a District investment vehicle with a maximum of \$500,000, a maximum of a 10 year average life, and restricted to GNMA's and government sponsored agencies. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

Mike Burkhart, developer of Lost Creek Development, approached the Board concerning leasing a .17 acre tract of land located between his development and the swim area of the Cypress Springs Marina. The Manager informed the Board that BLC, owners of the Cypress Springs Marina, had requested 90 days to market the Marina before any action was taken. No action was taken at this time.

Joe Ergonis, lessee of Lots 50R, 51R, and 51A, Phase 1, Eagle Point, addressed the Board regarding the hazardous materials spill and the pending termination of the lease on his lots. MOTION was made by Carol Larsen, and SECONDED by Dan Agee, to extend the date of cure to July 15th for Mr. Ergonis to come back and to give the Board some proposals. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

Rusty Rutledge with Williams Insurance Agency briefed the Board on information regarding pollution and occurrence policies. MOTION was made by Carol Larsen, and SECONDED by Tim Philhower, to repeal Article 18 of the District's Rules and Regulations that was passed at the April 13 Board meeting. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

Discussion was had on the District's Rules and Regulations pertaining to construction of boathouses and retaining walls. No action was taken at this time; however, the District will schedule a public hearing in the future for further discussion.

MOTION was made by Dan Agee, and SECONDED by Tim Philhower, to move the buoys back to approximately the 360 contour and open up Panther Creek Pass for skiing. The President put the question and, after full discussion and deliberation thereon, the following members present voted "AYE": Dan Agee, Tim Philhower and Carol Larsen. The following members present voted "NO": Billy Jordan and Glenn Morris. The President announced that the motion had carried.

The Manager advised the Board that the District's Park Sanitation Contract with Waste Management would be up for renewal June 30, 2004. The Board authorized the Manager to solicit bids for dumpster service in the parks.

MOTION was made by Glenn Morris, and SECONDED by Carol Larsen, to accept the Ronald Lorenz replat of Lots L73 and L74, Section 2, Kings Country 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 is attached hereto and made a part hereof.

The Board discussed the possibility of changing the time of regularly scheduled Board meetings. No action was taken.

The Manager reported on the following items:

- A. Park Admissions Coordinator vehicle use; and
- B. Possible alternatives to mowing the back side of the dam.

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

- A. Willie Bane
- B. Joe Ergonis

There being no further business, the meeting was adjourned.

MINUTES approved this the 8<sup>th</sup> day of June 2004.

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Billy Jordan, President

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Glenn Morris, Vice President

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Dan Agee, Secretary

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Carol Larsen, Director

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Tim Philhower, Director