

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: NOVEMBER 9, 2004

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 9th day of November 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 J.R. Alphin, Willie Bane, John Edwards, Alice Kirkelie, Richard Larsen, Lillie Bush-Reves, Chuck White, 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 Glenn Morris.

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 October 12, 2004 Minutes
2. Approval and Ratification of Payment of Bills
3. Approval of Unpaid Bills
4. Investment Report
5. Amended and Restated Lease Agreement for:
 - A. Neil J. and Inge E. MacDonald, Lots 6A, 7 and West ½ of 8, Phase 1, Hickory Hills;
 - B. Kenneth and MaryAnn C. Schreiner, Lot 97 and .051 Acre Tract (South of Lot 97), Phase 1, Snug Harbor; and
 - C. John M. and Verna M. McDonald, Lots 11A (fee) and 11B (leasehold, Lost Creek
6. New Lease Agreement (Re-instatement) for William H. Donald, Lots 62 and 63, Phase 1, Snug Harbor

A copy of the Bills, Investment Report, Amended and Restated Lease Agreements, and New Lease Agreement are attached hereto and made a part hereof.

MOTION was made by Glenn Morris, and SECONDED by Carol Larsen, to approve the Replat and Amendment to Lease Agreements for Lots 91L and 138L, 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 and Amendment to Lease Agreements are attached hereto and made a part hereof.

MOTION was made by Tim Philhower, and SECONDED by Dan Agee, to pass the Resolution requesting an extension of time to comment on the proposed Harts Bluff Mitigation Bank. 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.

MOTION was made by Dan Agee, and SECONDED by Tim Philhower, to adopt the 2005 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 approved Budget is attached hereto and made a part hereof.

The following people addressed the Board during the public comment section:

- A. Willie Bane; and
- B. Sheriff Chuck White

There being no further business, the meeting was adjourned.

MINUTES approved this the 14th day of December 2004.

Billy Jordan, President

Glenn Morris, Vice President

Dan Agee, Secretary

Carol Larsen, Director

Tim Philhower, Director