

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: OCTOBER 12, 2004

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 12th day of October 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, John Edwards, B.F. Hicks, Alice Kirkelie, Richard Larsen, Pat Norris, CiCi Paris, Paul Paris, Lillie Bush-Reves, 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 Tim Philhower, 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 September 14, 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. Brian and Gail Ross, Lots 142L and 143L, Section 2, Kings Country;
 - B. Michael P. and Darlene Dittoe, Lots 42 and 43, Block L, Section 2, Kings Country; and
 - C. Rickey G. and Lualice Butler & Ralph W. and Marzelle Robertson, Jr., Lots 44 and 60, Block 36, Section 4, Kings Country
6. Corrected Agreement Extending Lease Agreement for Julett Spears Broadnax, Lots 26A, 26B, and 27A, El Dorado
7. Amendment to Lease Agreement (Replat) for:
 - A. Kenneth W. Smith, Lot 141R, Block 36, Section 4, Kings Country;
 - B. K. Scott and Mary Elizabeth Canon, Lots 139B and 140R, Block 36, Section 4, Kings Country;
 - C. Mike Burkhart dba Spectrum Development Co., Common Area, .741 Ac., Lost Creek; and
 - D. Mike Burkhart dba Spectrum Development Co., Lot 6, Lost Creek
8. Replat and Amendment to Lease Agreement for:
 - A. Randall L. and Barbara J. Olson, Lots 1 and 2, Phase 2, Hickory Hill; and
 - B. Richard G. and Judith A. Jenkins, Lots 3, 4 and 5, Phase 2, Hickory Hill

A copy of the Bills, Investment Report, Amended and Restated Lease Agreements, Corrected Agreement Extending Lease Agreement, Replat and Amendment to Lease Agreements are attached hereto and made a part hereof.

Pat Norris, CiCi Paris, Paul Paris, and B.F. Hicks addressed the Board regarding the Nature Trails Park. MOTION was made by Carol Larsen, and SECONDED by Tim Philhower, to set a workshop for Saturday, November 6th at 10:00 a.m. to meet and tour the West End Nature Trails Park. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

MOTION was made by Glenn Morris, and SECONDED by Tim Philhower, to accept the engagement letter from Brent Doll with Fox, Byrd & Company, P.C. authorizing them to perform the District's 2004 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 Tim Philhower, and SECONDED by Dan Agee, to increase the Park Admission rates as discussed, effectively immediately. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Park Admission rate changes are attached hereto and made a part hereof.

The Board discussed and considered the adoption of the 2005 budget. They then requested that the matter be tabled and put on the November agenda for further discussion.

MOTION was made by Tim Philhower, and SECONDED by Carol Larsen, to set a workshop for Saturday, November 13th at 11:00 a.m. to tour the park facilities and the property in Northshore. 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 e-mails and memos regarding Lake Patrol.

The following addressed the Board in the Public Comment section:

A. Richard Larsen

There being no further business, the meeting was adjourned.

MINUTES approved this the 9th day of November 2004.

Billy Jordan, President

Glenn Morris, Vice President

Dan Agee, Secretary

Carol Larsen, Director

Tim Philhower, Director