

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: SEPTEMBER 14, 2004

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 14th day of September 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 Daniel Alford, Amanda Arledge, Willie Bane, Mike Burkhart, Greg Cooney, Mike Cooney, John Edwards, Jerry Hammond, Alice Kirkelie, Kevin Kirkelie, Richard Larsen, Brian Philhower, Lillie Bush-Reves, Ralph Robertson, Loyd Smith, Gay Snider, Moody Snider, 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 David Weidman.

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 August 10, 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 Ray and Heather Balestri, Lots 8 and 9, Section 1, South Shore
6. Termination of Leasehold for:
 - A. Shannon Steen, Lot 10, Block 62, Section 4, Kings Country
 - B. William Donald, Lots 62 and 63, Phase 1, Snug Harbor
7. Amendment to Lease Agreement (Replat) for Gary Wayne and Holly Steen, Lots 5, 6, 7 and 8, Phase 1, Panther Creek Pass

A copy of the Bills, Investment Report, Amended and Restated Lease Agreement, Affidavits of Termination, and Amendment to Lease Agreement are attached hereto and made a part hereof.

Eldon Wold addressed the Board with concerns regarding the Habitat and Eco-System Restoration Program. No action was taken.

Mike Burkhart approached the Board with a request to lease a 0.17 acre tract next to Lost Creek Subdivision. MOTION was made by Tim Philhower, and SECONDED by Carol Larsen to accept Mr. Burkhart's offer of \$2975.00 to lease the 0.17 acre tract and to have it incorporated (replatted) into the Lost Creek Subdivision. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". Copies of the Lease Agreement and replat are attached hereto and made a part hereof.

Daniel Alford and Greg Cooney of Baymon, LLC requested the Board's approval of an Assignment of Lease on the Cypress Springs Marina from BLC Real Estate (Texas), LLC. They gave a brief background presentation of themselves and their company. MOTION was made by Carol Larsen, and SECONDED by Dan Agee, to authorize consent of assignment of the lease from BLC to Baymon contingent upon the execution of the required documents. The President put the question and, after full discussion and deliberation thereon, the following members present voted "AYE": Billy Jordan, Glenn Morris, Dan Agee, and Carol Larsen; ABSTAINED: Tim Philhower; NONE voted "NO". Copies of the Assignment of Leasehold Agreement and Landlord's Estoppel Certificate are attached hereto and made a part hereof.

MOTION was made by Glenn Morris, and SECONDED by Carol Larsen, to approve the Amendment to Lease Agreement (99-year extension) for Tim and Linda Philhower, Lots 52R and 53R, Block 13, Section 3, Tall Tree. The President put the question and, after full discussion and deliberation thereon, the following members present voted "AYE": Billy Jordan, Glenn Morris, Dan Agee, and Carol Larsen; ABSTAINED: Tim Philhower; NONE voted "NO". A copy of the Amendment is attached hereto and made a part hereof.

The Manager reported on the following items:

- A. Mary King Park workday scheduled for October 23
- B. American Excelsior update

At this time, the Board convened in Executive Session at 7:11 for the purpose of discussing personnel matters and employee evaluations. When the Board reconvened in Open Session at 9:39, the following action was taken:

MOTION was made by Dan Agee, and SECONDED by Carol Larsen, to approve employee wages and salaries as presented. 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 Dan Agee, to create a Sergeant's position in the Lake Patrol division and to authorize the Manager to develop a job description of the position. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the job description is attached hereto and made a part of hereof.

The following addressed the Board in the Public Comment section:

- A. Willie Bane

There being no further business, the meeting was adjourned.

MINUTES approved this the 12th day of October 2004.

Billy Jordan, President

Glenn Morris, Vice President

Dan Agee, Secretary

Carol Larsen, Director

Tim Philhower, Director