

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: JANUARY 11, 2005

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 11th day of January 2005, 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, J.D. Baumgardner, Tony Hansen, B.F. Hicks, Ed Louthback, Bill Miller, Pat Norris, Lillie Bush-Reves, Jim Stutts, Peggy Stutts, 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 Billy Jordan.

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 December 14, 2004 Minutes
2. Approval and Ratification of Payment of Bills
3. Investment Report
4. Affidavit of Termination of Leasehold for Corinne H. Compton, Luke J. Ward and Ruclene Ward, Lot 5, Block 11, Section 2, Tall Tree
5. Replat for Kenneth W. and Lorinda Gomez, Lots 506L and part of 507L, Section 2, Kings Country
6. Amended and Restated Lease Agreement for Richard A. and Wanda L. Means, Lots 14, 15, and 16R, Phase 1, Lands End
7. Replat and Amendment to Lease Agreement for Lester F. and Cecilia Ann Starkey, Lot 6, Phase 1, Holiday Retreat

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

MOTION was made by Carol Larsen, and SECONDED by Tim Philhower, to approve the Sergeant of Lake Patrol job description 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 job description is attached hereto and made a part hereof.

MOTION was made by Carol Larsen, and SECONDED by Dan Agee, to execute the Lease Agreement with the Franklin County Historical Association in regards to Nature Trails Park. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Lease Agreement is attached hereto and made a part hereof.

The Board discussed the possibility of accepting bids and re-leasing lots that have been terminated on. MOTION was made by Tim Philhower, and SECONDED by Dan Agee, to advertise for bids on the available lots as discussed. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the available lots is attached hereto and made a part hereof. Following is a breakdown by development as discussed:

1. Kings Country – No minimum bid, advance lease fee, back taxes owed, re-leasing & recording fees
2. Northshore Lots 34 & 35, Section 3 – Must be leased together, \$30,000 minimum bid, advance lease fees, back taxes owed, re-leasing & recording fees
3. Northshore (all others) – No minimum bid, advance lease fee, back taxes owed, re-leasing & recording fees
4. Pelican Bay – No minimum bid, advance lease fee, back taxes owed, re-leasing & recording fees
5. South Park Lots 39 & 40, Section 1 – Must be leased together, no minimum bid, advance lease fee, back taxes owed, re-leasing & recording fees
6. Tall Tree – No minimum bid, advance lease fee, back taxes owed, re-leasing & recording fees

MOTION was made by Dan Agee, and SECONDED by Carol Larsen, to ratify the action taken in executing the OSSF Interlocal Government Agreement with Franklin County. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the Interlocal Agreement is attached hereto and made a part hereof.

MOTION was made by Glenn Morris, and SECONDED by Dan Agee, to approve the scope of work submitted by LARF on the proposed aquatic plant production facility. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the scope is attached hereto and made a part hereof.

MOTION was made by Carol Larsen, and SECONDED by Glenn Morris, to authorize the Manager to dispose of unused or obsolete general fixed assets. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the general fixed assets to be disposed of is attached hereto and made a part hereof.

The Manager reported on the following items:

- A. Aquatic Plant Facility
- B. John Edward's upcoming presentation with pipeline representative

At this time, the Board convened in Executive Session at 7:03 for the purpose of discussing personnel matters and employee evaluation of the Inspector. When the Board reconvened in Open Session at 7:15, the following action was taken:

MOTION was made by Tim Philhower, and SECONDED by Dan Agee, to approve the Inspector's raise as discussed. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO".

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

- A. Willie Bane

There being no further business, the meeting was adjourned.

MINUTES approved this the 8th day of February 2005.

Billy Jordan, President

Glenn Morris, Vice President

Dan Agee, Secretary

Carol Larsen, Director

Tim Philhower, Director