

MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
FRANKLIN COUNTY WATER DISTRICT
HELD: MAY 17, 2005

THE STATE OF TEXAS

FRANKLIN COUNTY WATER DISTRICT

COUNTY OF FRANKLIN

On this the 17th day of May 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
CAROL LARSEN	DIRECTOR
TIM PHILHOWER	DIRECTOR

and with the following members absent: DAN AGEE.

Also present were Paul Constantine, John Edwards, Richard Larsen, 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 Tim Philhower, 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 March 8, 2005 Minutes
2. Approval and Ratification of Payment of Bills
3. Investment Report
4. Termination of Leasehold for:
 - A. Ted Campbell, Lot 14, Block 58, Section 4, Kings Country (mutual termination); and
 - B. Debbie R. Davis, Lot 324, Section 1, Pine Valley
5. Amendment to Lease Agreement (Extension of Term) for Ronald E. and Linda J. Dewan, Lots 11R and 12R, Section 1, Boiler Cove
6. Amended and Restated Lease Agreement for:
 - A. Richard L. and Janis N. Stevens, Lot L116 and a portion of L115, Section 2, Kings Country;
 - B. Eric and Robin Westerheim, Lots 23 and 40A, El Dorado Bay;
 - C. Richard and Sarah Hamrick, Lot 42, Block 7, Section 2, and Lot 42, Block 9, Section 2, Tall Tree; and
 - D. Dorothy Jean Munn, Lots 530 and 531, Block L, Section 2, Kings Country
7. Replat and Amendment to Lease Agreement for:
 - A. Betty J. Baker Living Trust, Lot 6, El Dorado; and
 - B. Chris A. Thomas and Kenneth D. Thomas, Lot 7, El Dorado

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

Billy Jordan read the Resolution canvassing returns and declaring the results of the May 7, 2005 election. MOTION was made by Carol Larsen, and SECONDED by Glenn Morris, to amend the presented Resolution to reflect the following changes: 1) Change the first sentence to read three Directors instead of two Directors; 2) Change Section 2 to reflect that Tim Philhower will serve until the first Saturday in May 2007 instead of May 2009. 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 Glenn Morris, to adopt the Resolution as amended. 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.

Sheila Donica administered the oaths of office to Billy Jordan and Tim Philhower. The floor was then turned over to David Weidman for the purpose of electing a President. Tim Philhower nominated Billy Jordan for the office of President. No other nominations were made so nominations were closed. The Manager put the question and, after full discussion and deliberation thereon, the following members present voted "AYE": Tim Philhower, Glenn Morris, and Carol Larsen. NONE voted "NO". Billy Jordan abstained from voting.

The floor was turned back over to Billy Jordan for the purpose of electing the remaining officers. Tim Philhower nominated Glenn Morris for the office of Vice President; no other nominations were made so nominations were closed. The President put the question and, after full discussion and deliberation thereon, the following members present voted "AYE": Tim Philhower, Billy Jordan, and Carol Larsen. NONE voted "NO". Glenn Morris abstained from voting.

Glenn Morris nominated Tim Philhower for the office of Secretary; no other nominations were made so nominations were closed. The President put the question and, after full discussion and deliberation thereon, the following members present voted "AYE": Billy Jordan, Glenn Morris, and Carol Larsen. NONE voted "NO". Tim Philhower abstained from voting.

MOTION was made by Glenn Morris, and SECONDED by Carol Larsen, to approve a new agreement with the First National Bank of Mount Vernon which would allow the District's Maintenance and Operating Fund to have a minimum balance of \$1,000.00 and the Money Market Account to have no limit. The President put the question and, after full discussion and deliberation thereon, all members present voted "AYE". NONE voted "NO". A copy of the letter of agreement is attached hereto and made a part hereof.

MOTION was made by Tim Philhower, and SECONDED by Carol Larsen, to adopt the amendment to the District's Policy Manual 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 amendment is attached hereto and made a part hereof.

The Manager reported on the following items:

- A. Franklin County Dam maintenance update
- B. Aquatic nursery update
- C. District's health insurance options
- D. David Orr's accident and recovery
- E. District's safety program, presented by Maintenance Supervisor John Edwards
- F. Bills being considered in the Legislative Session

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

- A. Richard Larsen
- B. Paul Constantine

There being no further business, the meeting was adjourned.

MINUTES approved this the 14th day of June 2005.

Billy Jordan, President

Glenn Morris, Vice President

Tim Philhower, Secretary

Carol Larsen, Director