

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
FEBRUARY 20, 2006

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, February 20, 2006, at 10:00 a.m., at the Emerald Bay Club, Emerald Bay, Bullard, TX 75757. Present were Directors Jerry Ball, Bill Harris, Ray Hartley, Deena Johnson, and Howard Rutherford. Also present were four Emerald Bay Club Board members (Prudy Arnold, Pug Nickel, Hubert Mathis, and Jim Stafford) and seven other Emerald Bay residents.

The meeting was officially called to order by President Bill Harris at 10:04 a.m. First on the agenda was discussion of the drafted Minutes from meetings held on January 16 (Regular), January 23 (Special), January 30 (Construction), and February 8 (Special). **A motion to approve the Minutes as written was made by Director Rutherford (seconded by Director Hartley) and approved by unanimous consent.**

Director Harris introduced Pug Nickel to present the findings of the Emerald Bay Club Board's Engineering Committee regarding the MUD pump station (located at Tee Box #10) and lake water intake pump on the golf course (located behind Green #16). Mr. Nickel explained the Committee's diagram of the water intake system and noted the pump manufacturer advised the net suction of the pump will operate in 20 inches of water. Mr. Nickel also explained the bottom of the wet well is 3-1/2 feet below the bottom of the pipe and this will act as a natural overflow. When the level of water pumped in reaches the level of the pump intake, the water will drain out into the lake. Mr. Nickel stated that both outdoor wet wells would be eliminated by filling with gravel (Director Ball recommended filling with clay). New piping (18" Schedule 40 PVC) would be installed 3-1/2 feet above the bottom of wet well to the bottom of pipe in the lake (elevation 339-1/2 feet). **Director Ball made a motion (seconded by Director Rutherford) to approve the proposed modifications to the MUD pump as presented by the Engineering Committee with unanimous consent of the Board.** A copy of Mr. Nickel's drawing is attached to this record.

Director Hartley presented the January 31 financial report. Briefly, Mr. Hartley noted that property taxes (\$241,586) had been collected with \$37,947 remaining as tax receivable. From the property tax fund, the District paid the principal and interest (\$280,000) due February 15 to Southside Bank as installment on golf course sprinkler system bond. Russell Drilling has completed the contract for drilling two water wells and excess funds (\$40,565) was moved to Well Site Prep account (Water System Construction section of January 31 interim statement). Director Harris advised the fencing around the golf maintenance area and elevated storage tank was complete. He also noted the installation of gates in rear of boat storage area to allow access to pipeline construction area, modification of gate entrance to golf maintenance area, and new gates at MUD plant entrance. **Upon motion duly made and seconded (Hartley/Rutherford), the January financial statements were approved by unanimous consent.**

Director Hartley presented the pay request from Wilkins Contracting for \$25,870.72 for the water distribution system contract (pipeline). Mr. Harris noted that Wilkins granted an

allowance of \$850 to repair fencing around the wastewater plant damaged during pipeline construction. **Director Rutherford made a motion to approve payment of the \$25,870.72 to Wilkins. Director Harris seconded the motion contingent upon Wilkins completing removal of trees and grading along roadbed skirting the wastewater plant.** Mr. Hartley advised that ten percent retainage of \$37,646.55 would be withheld until completion of the project. **Mr. Harris then seconded the original motion without the contingency, and the Board approved the pay request by unanimous consent.**

Director Rutherford confirmed the wastewater plant and all lift stations are operating satisfactorily and biological tests of TSS and BOD remain less than 2 mg per liter. The addition of defusers in the retention ponds should solve the odor problem during summer golf course sprinkler operation. Emergency power disconnects on pump stations must be reconfigured by Griffith Electric.

Director Ball inspected a new tap connection at 221 S. Bay and the homeowner did not have a building permit. Mr. Rutherford will consult the Club architectural director (Jim Stafford) to rectify this oversight. The MUD will also police all sewer taps outside the District borders (Windcliff Harbor).

Mr. Hartley contacted Mr. Michael Farrell of Southern Utilities to request permission for the District to read the water meters jointly for three months prior to transfer of service. The District has asked Wilkins Contracting (current sewer plant operator) to submit a proposal to operate the new water system and read the meters.

Director Harris briefly explained the new water service billing program. The usage amount will be a line item on the Emerald Bay Club's monthly billing statement. Director Hartley added that the *Club Systems* program will only print two numbers--the billing amount and gallon usage. The program will not show beginning and ending meter readings.

President Harris opened discussion on the District disconnecting water service to any resident who failed to pay the final billing from Southern Utilities. Mr. Harris will consult the District's attorney, Mr. Glen Patrick, for a determination of the legality of such action.

Director Harris presented road construction proposals for two separate sites. He first discussed the latest proposed easement from Gary Woodring whereby the District would escrow \$40,000 for Mr. Woodring to construct a road (a 555-foot extension of CR 1347) for ingress and egress to well site #1. The District would still have to build an additional 116 feet of roadbed from gate to the wellsite. Russell Excavating bid \$34,800 for the 555-foot road on Woodring's property, which does not include the 30 foot easement or the 116 feet to the wellsite.

The other option is to build a road on the Simpson easement. Bob Waters Construction offered two bids for the 12' X 1,550' roadbed: (1) \$27,000 for a dirt road with 4 inches of kalechi base and (2) \$43,874 to lay 2 inches of asphalt over the 4 inch kalechi base. Russell Excavating bid \$15,650 for a dirt road with 4 inches of base and \$32,350 to lay 2 inches of asphalt over the 4 inch base.

After further discussion, Mr. Ball made a motion to accept the Russell Excavating proposal of \$32,350 to construct a 12' X 1,550' dirt road with 4 inches of base and 2 inches of asphalt on the Simpson easement for access to well site #1. The motion was seconded by Mr. Rutherford and approved by unanimous consent.

In regard to other matters affecting the District providing domestic water, Director Harris addressed the issue of weld inspections of the elevated storage tank. Ameritank representatives have assured the Board that the elevated storage tank is structurally sound and will provide an extended 10-year fully-bonded warranty against workmanship and/or material defects. Director Hartley noted that the District is also insured by the Texas Municipal League.

Director Harris gave a brief update on work remaining to complete the water system construction. Dirt work, culverts and concrete foundation work is progressing at wellsite locations. After the distribution lines are sanitized and tested by the TCEQ, the present connection between Emerald Bay property and Windcliff Harbor on Lakeshore Drive will be severed and capped off. The new connection point will be at Hicks Drive with an optional second connection point at the Emerald Bay entrance. Mr. Harris noted the District must comply with all state regulations for Emerald Bay to receive a superior rather than an approved water supply rating. Another town hall meeting will be held to update residents on the status of the water project, service rates, billing system, and applicable rules and regulations.

There being no further business, the meeting was adjourned at 11:10 a.m. upon motion duly made (Johnson) and seconded (Harris) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:

Financial Report for 1/31/06
Water Project Status 1/31/06
Wilkins Pay Request for \$25,870.72
Sprinkler Intake System Drawing
Bob Waters Construction Bid
Russell Excavating Bid
Proposed Woodring Easement