

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
JULY 17, 2006

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, July 17, 2006, at 10:00 a.m., at the Emerald Bay Club, Emerald Bay, Bullard, TX 75757. Present were Directors Bill Harris, Deena Johnson, and Howard Rutherford. Ray Hartley was excused. Also in attendance at the meeting were twelve Emerald Bay residents.

The meeting was officially called to order by President Bill Harris at 10:01 a.m. President Harris called for comments on the Minutes of the June 19, June 21 and June 27 meetings. There being none, **Mr. Rutherford made a motion to accept the Minutes of all three meetings as written. The motion was seconded by Mr. Harris and all Minutes were approved by unanimous consent.**

President Harris advised all financial issues on the agenda would be deferred to a special meeting for presentation by Director Hartley.

Director Harris updated the District members on the latest discussions with Southern Utilities regarding the date of transfer of water service from Southern to the MUD. Mr. Harris has contacted the TCEQ in Austin regarding the boundaries of the District's CCN and requested the maps to determine whether the Emerald Bay Marina is within the certificated area. During waterline work on Lakeshore Drive, it was discovered that two houses in Glen Ridge Park are connected to the Southern Utilities waterline that services the adjoining Windcliff Harbor subdivision. This will have to be corrected before the new water system is operational. August 15 is the target date for changeover from Southern Utilities to the new water system.

Mr. Harris commented on the status of the construction of the District's new water system. The pipeline is complete and pressure tested (only one leak detected and repaired on CR 188). The elevated tower must be sealed, sanitized, filled and tested. Two chlorine buildings were constructed for water treatment at the wellsites. (A third chlorine building was constructed at the MUD plant for wastewater treatment.) Mr. Harris is investigating a third wellsite for future expansion of the system. Director Hartley has read the meters jointly with Southern Utilities for several months to become familiar with meter locations and test the new meter reading program. Mr. Harris noted the possibility that future meter readings might be taken on a quarterly basis once a usage history is established for the District's residents. The new water billing system program can only print the customer's gallons used and cost.

The District's new Rules and Regulations have been compiled and an abridged version was printed in the July 12 issue of the Bullard Banner News to comply with State requirements. The complete version of the Rules and Regulations is available for review at the MUD office or Club office and on the District's new web page at www.emeraldbay-tx.gov.

In response to questions from the floor regarding water pressure of the District's system compared to Southern Utilities, Mr. Harris advised the water pressure at the base of the elevated storage tower is 64.96 psi. Southern's water pressure fluctuates because the system is pump driven and has no elevated storage tank for this area.

In response to questions regarding backflow devices, Mr. Harris explained that Southern mandated everyone have a backflow device to be inspected annually. Mr. Harris noted that the TCEQ does not require an annual inspection of backflow devices connected to potable water supply unless there is evidence of a cross-connection or contamination. The District will require backflow prevention devices on all newly installed lawn sprinkling systems and on existing lawn sprinkling systems upon change of ownership, unless mandated at an earlier date by the TCEQ.

Mr. Harris explained some of the procedures involved in the changeover of service from Southern to EBMUD. Southern will give notice when they will shut off the water to remove the backflow prevention device at the front entrance gate. There are two points of connection to the Emerald Bay subdivision---(1) front gate and (2) Hicks Drive. Mr. Harris also pointed out the new water system will have 300,000 gallons of storage or reserve which can be replenished by two wells at 400 gpm. To increase water availability for lawn sprinkling, the District could add another 212,000-gallon ground storage tank or institute alternate watering days. A town hall meeting will be scheduled as soon as practicable to explain all aspects of the new system.

Mr. Harris announced the formation of an advisory team to research all financial options and develop a long-range plan that best serves the District and its members. The team will consist of George Holmes (chairman), Harmon Hodge, Dick Parker, and David Terry.

The State Water Code (§54.101) requires that municipal utility district boards consist of five members and (§49.105) requires a vacancy be filled by appointment within 90 days thereof. Robert Worsham applied to the Board to be considered for appointment to fulfill a four-year term expiring in May 2010. President Harris introduced Mr. Worsham and briefly stated Mr. Worsham's qualifications. **President Harris made a motion to appoint Robert Worsham to serve a four-year term as director of the Emerald Bay Municipal Utility District. Upon second of said motion by Director Johnson, the appointment was approved by unanimous consent of the Board members present.**

There being no further business, the meeting was adjourned at 11:20 a.m. upon motion duly made (Harris) and seconded (Johnson) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President