

**EMERALD BAY MUNICIPAL UTILITY DISTRICT**  
**FINAL AND APPROVED**  
**MINUTES OF REGULAR MEETING**  
**SEPTEMBER 18, 2006**

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, September 18, 2006, at 10:00 a.m., at the Emerald Bay Club, Emerald Bay, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, Howard Rutherford, and Bob Worsham. Also in attendance at the meeting were Tommy Jones, Golf Course Superintendent, Mike Matthews, Security Chief, and ten Emerald Bay residents.

The meeting was officially called to order by President Bill Harris at 10:04 a.m. President Harris called for comments on the Minutes of the August 16 (Construction), August 21 (Regular), September 7 (Special), and September 8 (Special Emergency) meetings. One correction was made to the September 7 Special meeting Minutes to change Griffith Electric invoice amount from \$425 to \$450. **Director Johnson made a motion to approve the Minutes of the meetings along with the noted change. The motion was seconded by Mr. Hartley and all Minutes were approved by unanimous consent.**

Mr. Harris changed the order of the agenda to discuss several matters of shared responsibility between the MUD and the Emerald Bay Club Board. The fire control system is critically important to the community. There are 14 red fire hydrants on the potable water supply and the purple fire hydrants are on effluent water supply. Marina Drive is equipped with dry line fire control outlets. The elevation on North Bay is too high for the fire department pump trucks. Only one of the four pumps in the golf course pump house is connected to the emergency generator in case of a power outage. The generator must be placed in standby mode when there is a fire. The system turns off the sprinkler system and sets the generator in standby. Mr. Harris reiterated the importance of regular monthly fire drills to familiarize all personnel (golf course and security) with the proper operation and maintenance of the fire control system. Director Worsham was appointed to act as fire chief to ensure that the system is tested regularly.

Director Harris addressed the issue of generator power to the water pump behind the 16th green. The EBMUD will take responsibility for connecting power to the generator to run the pump. Tommy Jones suggested putting a timer on the pump to keep it primed.

The Club directors and Tommy Jones requested the EBMUD provide potable water for irrigation of the golf course as only 4 million gallons remains of the Club's annual lake allotment. Director Harris queried Tommy Jones regarding the amount of water needed for the irrigation of the tees and greens. Mr. Jones calculated (based on ET of .17 rate) 100,000 gallons/day or 700,000 gallons/week. In order to provide such

a large volume of water to the golf course, the EBMUD would be forced to issue watering restrictions for District residents. Mr. Harris will explore options for increased output; i.e., installation of larger pumps and additional stages.

Potable water could be pumped into the effluent ponds to supply the golf course with approximately 70,000 gallons/day. This would require the installation of an air gap, RPZ (backflow prevention device) and flowmeter to charge the Club for water usage. Tommy Jones stated that the water situation for the golf course irrigation is not critical at this time. If rainfall is not sufficient by yearend to sustain the tees and greens, alternative measures will be necessary. The total annual lakewater allotment will be available for the golf course in January 2007.

Director Harris polled the Club directors present regarding acceptance of a one-time charge of \$32 to each resident to cover the cost of new water meters. The new meter registers can be changed later to be read electronically. This matter will be given further consideration. Director Hartley noted that the EB water system pumped 11 million gallons of water between August 14 and September 9. The cumulative meter readings totaled 10.9 million gallons evidencing that most community meters are functioning properly.

In a brief operations update, it was noted that a new blower was ordered for the MUD plant and a fuse was replaced at #2 lift station. Otherwise, all systems are operating satisfactorily.

Director Hartley opened discussion on installation of new meters to replace defective ones. Mr. Hartley emphasized the importance of recording new meter numbers assigned to District customer name and tagging old meters for disposal. He also recommended installing yokes on the water meters to raise to ground level and installing cut-off valves at each new meter location. District representatives will contact Wilkins Contracting to discuss labor charges (\$45/hour) to replace defective meters.

Director Hartley presented the August 31 financial statements for review and comment. The sewer system has excess income of \$9,227 and the water system has excess income of \$15,802 for the month. The water fund owes the sewer fund \$52,211 borrowed during construction project. It was noted that the \$1,768 retainer for the elevated storage tank contractor will be held pending outcome of breach of contract claims. Director Worsham is compiling a list of all expenses associated with the sealing and disinfecting of the tower for submission to the District's legal counsel to support our claims. **Upon motion duly made (Johnson) and seconded (Worsham), the August financials were approved by unanimous consent.**

During review of the water project status as of 8/31/06, Director Harris noted a third well site has been purchased from Cowan Land & Cattle with full ingress and egress rights. A sanitary easement and utility line easement must be purchased so the total cost of the well site should be about \$20,000.

Director Hartley presented the 2006/2007 budget for review and comment. Director Hartley will revise the budgets to reflect the latest Wilkins operating contract fees for sewer and water. Director Harris recommended increasing the sewer budget capital expenditure figure to \$2,000/month. Some capital expenditure items: (1) clean-out of aeration chambers, (2) installation of a pre-sediment tank, and (3) replace check valve in separator. The water budget capital expenditure figure should be increased by \$20,000 for installation of larger pumps at the well sites. **Director Hartley made a motion to approve the 2006/2007 budget with the revisions of operating fees and capital expenditures discussed with the option to revise later. Upon second by Director Rutherford, the budget was approved by unanimous consent.**

There being no further business, the meeting was adjourned at 12:38 p.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 8/31/06  
2006/2007 Budgets  
Water Project Status 8/31/06