

**EMERALD BAY MUNICIPAL UTILITY DISTRICT**  
**FINAL AND APPROVED**  
**MINUTES OF REGULAR MEETING**  
**MAY 21, 2007**

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, May 21, 2007, at 10:00 a.m., at the Emerald Bay Club, Emerald Bay, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, and Howard Rutherford. Only five Emerald Bay residents attended the meeting.

President Harris called the meeting to order at 10:08 a.m. and asked for comments on the Minutes of the April 12 and April 15 special meetings and the April 16 regular monthly meeting. **Director Hartley made a motion to accept all Minutes as written and, after second by Director Rutherford, said Minutes were approved by unanimous consent.**

Director Hartley reviewed the sewer and water system operations for April 30, 2007, noting that income and expenses are close to budgeted amounts. On the statement of cash flows the beginning cash on hand should be \$367,131. **Director Rutherford made a motion to approve the April financials with the noted correction. Director Johnson seconded the motion and the April financial report was approved by unanimous consent.**

District resident, Robert McDonald, addressed the Board regarding the amount charged by Wilkins Contracting to repair a water line break at his residence. Mr. McDonald admitted responsibility for the break which occurred while digging in his yard. As the break was on the District's side of the meter, it had to be repaired by Wilkins, our operator/contractor. The incident occurred on March 24 (Saturday) and weekend rates were in effect. Mr. McDonald felt the repair invoice totaling \$364.00 was excessive and asked the Board for special consideration. The Board cannot grant any special consideration for this invoice as the rates are set by the contractor. Director Hartley noted the District will review rates/charges with Wilkins' during contract renewal negotiations.

The District has adopted non-standard rules/policies covering the extension of water and/or sewer services to future developments outside the boundaries of its CCN. These policies ensure that facility expansion will be paid by the developers, NOT the District's members. Gary Root (Tyler developer) is the first applicant for non-standard sewer service for an office building under construction at the entrance to Windcliff Harbor on CR 344. The developer (Root) must submit an application for service and pay \$2,850 in fees prior to construction. The District must conduct a rate study to establish commercial rates for this and other commercial properties, such as Blankenship and Morley properties). **Director Harris made a motion to authorize Director Johnson**

**to contact the District's engineer, Kirk Bynum of Brannon Corp., to conduct a rate structure study of other commercial developments. Upon second by Director Hartley, Director Johnson was authorized to research and report on commercial rate findings at the June meeting.**

In a field operations update by Director Rutherford, it was noted that the center blower at the wastewater treatment plant would have to be sent to Dallas to replace the bearings. Mr. Rutherford reviewed revisions to Forms #2006-1 (Applications for Sewer and Water Service) and Form #2006-2 (Transfer of Water and Sewer Service). Director Hartley noted that all fees for service are billed through the Emerald Bay Club monthly billing. Fees for water and sewer should remain separate as Windcliff Harbor residents receive sewer service only. Director Johnson verified that both sewer and water tap/connection fees are due upon approval of building permit even though connection itself is not to be made until a later date (See District Rules Sec. 2.01(d)).

Mr. Rutherford read a letter addressed to Mr. Latham regarding the removal of an area of his concrete driveway to access a sewer manhole. Mr. Rutherford also read a letter addressed to all District members advising that all sewer lines, manholes and water cutoff valves must be located, cleaned and marked for emergency use. Accessibility to manholes and cutoff valves must be unobstructed by plantings of any type, concrete or any other material or enclosure. Director Harris noted the letter should be revised to advise the homeowner that the District will not repair, replace or reimburse for damage to lawns, flower beds, or plantings as nothing can obstruct the valves, clean-outs, or manholes. The letter will be transmitted to District members via internet and the *Rainbow Review*.

Discussion ensued regarding member requests for new water meter boxes. Director Rutherford suggested the District offer new meter boxes at its cost and, if installed by a District representative, labor costs also be billed directly to the member. Director Harris suggested that Mr. Rutherford prepare a letter to all members stating that standard meter boxes and/or lids were available at the District Office. If requested, a District representative/contractor would install the box. The cost of the meter box and labor rate should be disseminated to members via internet and the *Rainbow Review*.

Mr. Rutherford noted there are maps showing location of electric lines, sewer lines, and water lines that could be overlaid (as films) on the base map of the District. Mr. Harris suggested hiring a college student knowledgeable and proficient utilizing the CAD/CAM system to input the data into the District map.

Mr. Rutherford also advised the Board it is illegal to install a blow-off valve on a sewer lift station. Therefore, it is recommended that a critical area alarm be installed at the Henry Drive lift station manhole to signal rising water level and avert overflow. This alarm can be added to the District's SCADA system.

In a plant operations update, Director Harris noted the building construction at the District plant is 85 percent complete, and a new sprinkler system will be installed to

irrigate the shrubs along the LaSalle fence line. There was a power line failure at well site #2 caused by washouts along the pipeline running between well site #1 and #2. The line has been repaired and the site is functioning properly. The power lines could be run in above ground conduit to protect against future washouts, but permission must be granted by the landowner (Cowan). A retaining wall is being built along the road at well site #1 and rock will be used to keep the water from back-washing over the road. Additionally, the TCEQ will be on-site on May 23 to test the well heads for coliform bacteria.

District resident, Ed Lander, has requested the relocation of the fire hydrant and chlorine tester on his North Bay lot prior to construction of a new home. All costs associated with such relocation will be charged to the property owner. The fire hydrant was damaged and a new hydrant will be installed on Saturday, May 26, at 1:00 a.m. The District will bear the expense of the new hydrant (\$1,300) and attempt to repair the damaged hydrant to use as a spare.

The project punch list was reviewed and updated. Director Harris has advised our legal counsel, Glen Patrick, to contact a condemnation attorney in Tyler to obtain an easement for a pipeline from our third well site to well site #1. The property owner (Fountain) has not responded to earlier correspondence from our attorney.

There being no further business, the meeting was adjourned at 11:45 a.m. upon motion duly made (Rutherford) and seconded (Harris) with unanimous consent.

Respectfully submitted,

Deena M. Johnson  
Secretary

William F. Harris  
President

Attachments:  
Financial Statements 4/30/07  
Project Punch List