

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
FEBRUARY 18, 2008

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, February 18, 2008, at 10:00 a.m., at the Emerald Bay Club, Emerald Bay, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, Paul Randolph, and Howard Rutherford. Tom Coleman, Club Board liaison, and four other Emerald Bay residents attended the meeting.

President Harris called the meeting to order at 10:02 a.m. and asked for comments on the Minutes of the January 21, 2008, Regular and February 13, 2008, Special meetings. **Director Hartley made a motion to approve the Minutes of both meetings as written. Upon second by Director Rutherford, the Minutes were approved by unanimous consent.**

Director Hartley reviewed the financial summary as of January 31, 2008. He noted the collection of property taxes (\$258,738) was ahead of budget (\$243,882) and 2007 year to date (\$245, 482) figures. This is a pass-through to pay the golf course irrigation disposal bond note due/paid on February 15 at \$280,000. YTD net income for sewer system operations (\$280,571) is also ahead of budget (\$265,298). YTD net income for water system operations (\$36,738) is more than budget (\$20,260). Total cash as of 1/31/08 is \$661,685 compared to \$605,635 in 2007. **Upon motion (Hartley) and second (Randolph), the January financials were approved by unanimous consent.**

Director Hartley asked for approval to change the required signatures for checks drawn on the water fund account at Capital One Bank to one with a notation printed on the checks stating two signatures required for checks over \$5,000. **Mr. Hartley made a motion to adopt a resolution authorizing him to change signatory requirement for checks in amount of \$5,000 or less to one (checks over \$5,000 will require two signatures). Said motion was seconded by Director Rutherford and approved by unanimous consent.** Director Johnson will prepare the appropriate resolution.

President Harris made a motion to declare March 10, 2008, as the deadline for candidates to apply for a place on ballot for the District's May 10, 2008, general election to fill two positions on the board. The motion was seconded (Johnson) and approved by unanimous consent. Director Johnson will prepare and post the notice of deadline to file with the qualifications to serve as a director.

Director Harris discussed changing the District's regular meeting date and time to an alternate Monday from the Club's (first Monday after the 15th of each month) to encourage more attendance at regular monthly meetings. He suggested changing the time to 5:30 p.m. on the Monday before the Club's meeting (the second Monday of each month). Mr. Hartley needs two weeks (10 days) after the end of the month to close the

books. Mr. Hartley suggested changing to the first Monday after the 10th of each month. This matter was tabled until the March meeting for further consideration.

Director Rutherford presented quotes from Tommy Cagle for \$3,500 to overlay the road area between the wastewater treatment tanks at the District plant and \$6,000 to repair a 280X12 foot section of the road at well site #1. The contractor will top roadway with two loads of crushed stone, grade and crown the roadbed. To top the entire 1,500 feet of road at well site#1 would cost \$22,500. **Mr. Rutherford made a motion to overlay the area at the plant for \$3,500 and repair well site road for \$6,000. Upon second (Hartley), the motion was approved by unanimous consent.**

Director Harris discussed lowering the tap fees for residents presently on septic systems as an incentive to connect to the District's sewer system. Sec. 2.12 states the homes with existing septic systems will be required to connect to the wastewater system upon change of ownership. This applies to four residences: (1) 106 Williamsburg; (2) 108 Williamsburg; (3) 265 North Bay Drive; and (4) 112 South Bay Drive. The golf course maintenance barn also uses a septic system. Director Hartley noted Jerry Ball's car garage (2 Hicks Drive) was excluded due to use of automotive chemicals. If such chemicals are no longer processed through the septic system, Mr. Ball should be given the opportunity to connect to the sewer system. Directors Harris and Hartley recommended rolling the sewer tap fee back to \$100 for these customers only. All new construction sewer tap fees will remain at \$750. **Director Hartley made a motion to lower the sewer tap fee for District members with existing septic systems to \$100. Upon second (Rutherford), the motion was approved by unanimous consent.** Director Johnson will revise Sec. 2.12 to reflect the \$100 sewer tap fee and the proper abandonment process for on-site sewage facilities set by TCEQ §285.36. The revised Sec. 2.12 will be printed in the Bullard Banner for two consecutive weeks prior to becoming effective. This rule and the applicable addresses shall also be incorporated into the statutory notice to purchasers of real property (realtors closing statement). A letter regarding these rule changes will be delivered to all customers with septic systems.

Under field operations, Director Rutherford reported two portable diesel pumps have been repaired and the cost will be split with the Club. Director Hartley reported the new meter readers are doing a better job than previous readers and only 5 or 6 meters will be checked for accuracy.

Under plant operations, Director Harris reported two of the three pumps in #8 lift station failed at the same time. One new pump has been installed with two more in shipment to provide one spare pump for #8 lift station. Mr. Harris is researching grit separation devices—whirlpool type equipment. There is approximately 100 cubic yards of grit in the tanks (2-3 feet in bottom of plant). This causes excessive electricity usage. The diffusers should also be cleaned during the grit removal process.

The TCEQ inspected the water system in January and cited requirements for compliance in certain areas; i.e., development of a District operating plan and customer agreements for sewer and water service. Mr. Harris advised the District will host a

town hall meeting at the Clubhouse on Sunday, March 30, at 4:30 p.m. to discuss CCN boundaries, member service agreements, SCADA system, bond refinancing options, and other District projects.

There being no further business, the meeting was adjourned at 10:58 a.m. upon motion duly made (Randolph) and seconded (Hartley) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Financial Summary for 1/31/08
Notice of Deadline to File