

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
MARCH 10, 2008

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, March 10, 2008, at 5:30 p.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 five other Emerald Bay residents attended the meeting.

President Harris called the meeting to order at 5:31 p.m. and asked for comments on the Minutes of the February 18 Regular and March 4 Special meetings. Director Harris noted one correction to the March 4 Minutes to state the customer service inspections will be performed by a licensed customer service inspector or plumbing inspector. **Director Hartley made a motion to approve the Minutes of both meetings with the noted modification. Upon second by Director Randolph, the Minutes were approved by unanimous consent.**

Director Hartley reviewed the summary of checks written as of February 29, 2008. **Director Randolph made a motion to approve the checks paid and Director Rutherford seconded said motion. The check summary was approved by unanimous consent.**

Director Hartley reviewed the sewer system operations for five months ended February 29, 2008. Net income for the month is \$18,828; however, \$16,099 is attributable to property tax collection. Property tax collection and net income year-to-date are \$8,530 and \$5,704, respectively, better than budget. Water system operations net income for the month is \$4,970 and year-to-date figure is \$17,595 better than budget. The budget may need to be adjusted in April for utilities expense. This expense was budgeted at \$0.43/1,000 gallons and it is running about \$0.49/1,000 gallons. Director Hartley also noted the cash accounts are over budget because the District has not completed all its construction projects; i.e., \$10,000-new building; \$12,000-clean tanks and replace diffusers; \$10,000-lift stations and SCADA system; and \$20,000-easements for well site #3. **Director Rutherford made a motion to accept the February 2008 financials. Upon second (Randolph), the February financials were approved by unanimous consent.** The budget will be reviewed in April to determine if any adjustments are necessary.

Director Johnson, as secretary and election administrator of the District, noted the deadline to file for a place on the ballot for the May 10, 2008, general election to elect two (2) directors to serve a four-year term expired at 5:00 p.m. this date. Only one person, William F. Harris, filed said application by the deadline. Mr. Harris will be automatically elected as an unopposed candidate and the election will be officially cancelled at the next open meeting. Thereafter, a notice will be posted requesting

application by any qualified District members willing to accept an appointment to fill the vacancy. Director Johnson will notify the Smith County Election Administrator that the District will not conduct a general election on May 10.

President Harris discussed the proposed Resolution to condemn a 30-foot utility easement on the property of Dean Fountain for a pipeline between the District's well site #1 and well site #3. Director Johnson read the District Resolution for the record and the members present. Mr. Harris explained the condemnation process to those present. The landowner will be offered the appraised value of the property (30-foot utility easement). If the landowner does not accept the offer within the specified time, a three-member panel will be appointed by the county court at law to resolve the issue. **Director Harris made a motion to approve the Resolution as read. Upon second (Rutherford), the Resolution was approved by unanimous consent.** Director Johnson will certify said Resolution before a notary and return to Mr. Harris for delivery to the Flowers Davis law firm for further action.

Director Johnson presented water and sewer service agreements for discussion and approval. Director Harris made one correction to the sewer service agreement. During a recent TCEQ inspection of the water system, the District was cited for not having (on file) water and sewer service agreements for every customer. This matter will be addressed at the town hall meeting to be held on Sunday, March 30. **Director Rutherford made a motion to approve the water agreement and sewer agreement (as modified by Harris). Upon second (Hartley), the water and sewer service agreements were approved by unanimous consent.**

Director Johnson presented for approval the revised statutory notice to purchasers of real property. The Board voted at its February 18 regular meeting to reduce the tap fee from \$750 to \$100 for property owners with existing septic systems to connect to the District's sewer system. Connection to the District's sewer system is mandatory upon change of ownership of these properties. Upon connection to the sewer system, the existing septic systems must be abandoned in accordance with TCEQ requirements. The statutory notice incorporates this language and the property addresses with septic systems. **Upon motion duly made (Hartley) and seconded (Rutherford), the revised statutory notice to purchasers was approved by unanimous consent.**

Under field operations update, Director Rutherford reported there were two plumbers willing to inspect backflow valves for the District. Long Irrigation quoted \$50 per inspection (five inspections at a time) for 3/4 to 1 inch meters and \$125 for 1-1/2 to 2 inch meters. Watson Plumbing quoted \$90 for inspection of 3/4 to 1 inch meters and \$150 for 1-1/2 to 2 inch meters. The cost for a backflow prevention device is \$225 to \$275 including installation and testing. The District will have to inventory the number of backflow devices within the community. The law states everyone must have a backflow prevention device as contamination is a dangerous health hazard. Director Harris will check with the TCEQ on whether every device must be inspected annually. He noted the Club facilities, marina and sewer plant must be inspected annually.

Under plant operations update, Director Harris reported problems with the SCADA system on lift station #3—radio blowing amplifier. Also two of the three pumps at the main lift station at MUD plant failed at the same time. New pumps have been ordered and one will be kept in inventory for future emergency replacement. Mr. Harris also explained the process of cleaning the treatment tanks and diffusers to remove grit accumulation. Mr. Harris must take water samples from 20 locations within the District two times per year (every six months) as mandated by the TCEQ to test for copper and lead contamination—not a risk with prevalence of PVC usage.

There being no further business, the meeting was adjourned at 6:58 p.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 2/29/08
Condemnation Resolution