

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
AUGUST 11, 2008

The Board of Directors of the Emerald Bay Municipal Utility District (District) met in regular session on August 11, 2008, at 5:32 p.m., at the Emerald Bay Club, Bullard, TX 75757. Directors William (Bill) Harris, Ray Hartley, Paul Misso, Paul Randolph and Howard Rutherford were present. Mr. Tom Coleman, the liaison person for both the Emerald Bay Club, Inc. (EBCI) and the Emerald Bay Homeowners Association (EBHA) as well as four other members of the public were present for all or part of the meeting.

President Harris called the meeting to order at 5:32 p.m. and asked for comments on the Minutes of the July 14, 2008 Regular Meeting. Director Hartley observed that the minutes should be amended in paragraph 3, page 1 to clarify that both the checks paid and the financial reports had been approved by the board in the meeting. Secretary Misso referred to his notes of the meeting and agreed with Hartley's correction. **Director Rutherford made a motion to approve the Minutes with the change. After second by Director Hartley the Minutes with the change were approved by unanimous consent.**

Director Hartley reviewed the Financial Summary as of July 31, 2008, including checks written as of July 31, 2008 as well as the Statement of Cash Flows. **Director Hartley made a motion to approve the checks paid and the financial reports, and Director Randolph seconded the motion. The checks paid and the financial reports were approved by unanimous consent.**

Director Hartley provided other members of the Board with copies of a portion of the Smith County Appraisal Office's 2008 Rollback Tax Rate Worksheet and a copy of the District's property tax rate calculation dated July 22, 2008. Discussion followed concerning the tax rate for the District for 2008. There was agreement that a valuation of 19.4 cents per \$100.00 valuation would be appropriate. **Director Hartley made a motion to set the tax rate for 2008 at 19.4 cents per \$100.00 valuation. After second by Director Randolph the motion was approved by unanimous consent.**

President Harris advised that EBCI and EBHA had approved the Fire Control Service Agreement discussed in the last regular meeting. Director Hartley made a motion to accept the Fire Control Service Agreement between the District and EBCI and EBHA. After second by President Harris the motion was approved by unanimous consent.

After discussion of the problems still associated with the District accepting responsibility for electrical inspections for new residential construction as well as significant remodeling, it was decided to postpone any motions with respect to that until a future meeting.

President Harris led a general discussion of the demand for water, primarily for irrigation of residential landscapes, and of the advisability of rates that increased with relatively high usage. This general topic also included discussion of emergency notification procedures that could be developed to protect the water system in the event of some disruption. Several ideas were advanced for opportunities to further improve the notification system. This matter will be considered further in future meetings.

President Harris gave a status report on the response to the requests for water and sanitary sewer service agreements. He provided a list identifying those who had not made a response. Directors agreed to examine the response list and continue to contact those who had not yet signed agreements. Letters are being prepared to urge voluntary compliance.

In response to a question from a member of the public present at the meeting, President Harris stated that the condemnation process related to a thirty foot permanent utility easement on certain property owned by Joyce Cowan Fountain and A. Dean Fountain, 21334 County Road 178, Flint, Texas was still underway.

President Harris was asked by Director Misso about GPS capabilities. President Harris advised that a GPS device would be purchased in the coming weeks in order to permanently record locations of taps, etc and in order to verify data provided by others, such as residents and builders.

Director Rutherford advised the Board as to the repair status of the effluent pump and observed that it affected both fire fighting support and the golf course and therefore was of the highest priority.

There being no further business, the meeting was adjourned at 7:14 p.m., upon motion duly made by Director Rutherford, seconded by Director Randolph, and approved by unanimous consent.

Respectfully Submitted,

Paul M. Misso
Secretary

William F. Harris
President

Attachments:
Financial Summary for July, 2008
Correspondence from Attorney Borgelt
Sworn Statement in Proof of Loss