

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
SEPTEMBER 15, 2008

The Board of Directors of the Emerald Bay Municipal Utility District (District) met in regular session on Monday, September 15, 2008, at 5:30 p.m., at the Emerald Bay Club, Emerald Bay, Bullard, TX 75757. Directors William (Bill) Harris, Ray Hartley, Paul Misso, and Paul Randolph were present; Emerald Bay Club liaison Mr. Tom Coleman and eight other persons also attended all or part of the meeting.

President Harris called the meeting to order at 5:33 p.m. asked for comments on the Minutes of the August 11, 2008 Regular Meeting. Director Hartley questioned the use of *effluence pump* versus *effluent pump* on page 2 of the draft Minutes. Secretary Misso stated that he would change the wording accordingly. **Director Hartley made a motion to approve the Minutes with the aforementioned change. After second by Director Randolph the Minutes were approved by unanimous consent.**

Director Hartley reviewed the summary of checks written as of August 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 Misso seconded the motion. The check summary and the financial reports were approved by unanimous consent.**

Director Hartley presented a review of the preliminary budget workpapers for the 2008/2009 fiscal year, noting that the capital improvements section for the sanitary sewer system had not yet been determined. After discussion, it was decided to add \$125,000 for anticipated improvements and replacements to that system and for anticipated purchase of easements at the #3 wellsite and to improve the SCADA system to allow remote monitoring of the generator. The agenda item related to price increases for water was coupled with the budget considerations. Director Hartley presented an analysis of water billing recovery, gallons pumped versus gallons billed from mid-August 2006 through mid-August 2008. **Director Hartley made a motion to accept the budget with the aforementioned additions. After second by Director Randolph the motion was approved unanimously.**

Item Number 7, regarding a proposed ordinance that allows the district the right to disconnect water service for failure to sign a Customer Service Agreement, and Item Number 10, regarding proposed new rules for application for service, were discussed at the same time. The actual verbiage of the ordinance and the rules was presented in a written proposal. It was observed that page one of the proposals should have stated that the proposal to create a new section (Sec. 2.16) should have been stated as

“three” subparts instead of “two” subparts. It was also determined that the failure to make application prior to the start of construction of new residences or substantial repairs or renovations of \$10,000 or more involving water and/or sanitary sewer plumbing will result in a 50% (the draft provided for only 25%) penalty being assessed with respect to all required fees and escrow costs. **Director Misso made a motion to accept the proposals regarding the rules changes and the ordinance to allow the District the right to disconnect water service for failure to sign applicable Customer Service Agreements. After second by Director Randolph, the motion was approved unanimously.**

President Harris provided copies of the proposed Plumbing and TRCC Inspections Services Contract and reviewed the need for a building inspector agreement. Following discussion, **Director Hartley made a motion to accept the proposed contract. After second by Director Randolph, the motion was approved unanimously.**

Secretary Misso read a draft of the proposed easement with Cawthon Building Systems Corporation. President Harris expressed a desire to change the width of the easement from 10 feet to 15 feet. The matter was tabled pending further discussion with Mr. Cawthon by Secretary Misso.

President Harris and Director Randolph discussed the process of completing required lead and copper tests of the water system. President Harris reported on the status of the pending condemnation proceedings. He also reported that the new GPS system has been received and will be put into service shortly. He also observed that the personal appeals to individuals who have not responded with Water Service Agreements and Sanitary Sewer Service Agreements were progressing to the point where formal notifications of failure to comply would be appropriate.

There being no further business, the meeting was adjourned at 7:44 p.m., upon motion duly made by Director Hartley, seconded by Director Misso, and approved by unanimous consent.

Respectfully Submitted,

Paul M. Misso
Secretary

William F. Harris
President

Attachments:
Financial Summary for August 31, 2008

Attachments, continued:

Proposed Budget Workpaper for fiscal years 2008/2009

Water Billing Recovery Report

Balance Sheet Comparison

Draft Proposed Changes to Rules

Plumbing and TRCC Inspections Services Contract

Draft Letter from the District to Texas State Board of Plumbing Examiners

List of Lead and Copper Water Test Locations for upcoming Sampling