

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
MARCH 15, 2010

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, March 15, 2010, at 5:30 p.m. in the Emerald Bay Club, 208 South Bay Drive, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, Paul Randolph, and Jo Sharp. Eleven (11) Emerald Bay residents attended.

Director Harris called the meeting to order at 5:30 p.m. and asked for comments on the Minutes of the February 15 (Regular), February 28 (Town Hall) and March 8 (Special) meetings. **Director Hartley made a motion to approve said Minutes with a second (Randolph); the Minutes were approved by unanimous consent.**

Treasurer Hartley presented the detail of checks written in February for review and comment. **Director Hartley made a motion to approve the checks written with a second (Randolph); the check detail was approved by unanimous consent.**

Treasurer Hartley presented the financial summary for February 28, 2010. Both sewer and water operating accounts show positive results. Under Road & Bridge, only \$200 was spent to research exception to competitive bidding requirement for single source supplier, Pilecap. Balance sheet shows cash account less than budgeted as District has not yet borrowed any money on projects; long-term liabilities are \$200,000 less than budgeted for same reason. **Director Hartley made a motion to approve the February financials. Upon second (Sharp), the financials were approved by unanimous consent.**

Director Hartley advised that a letter will be mailed to five banks (Regions, Citizens First, Austin Bank, Capital One and Southside Bank) requesting proposals for a \$499,950 revenue bond with a ten (10) year term to finance the Emerald Bay Club's golf course greens and drainage project. The District will open the sealed bids and select a lender in a special meeting on March 25. **Director Randolph made a motion to authorize Directors Harris and Hartley to seek proposals for financing the golf course greens and drainage project. Upon second (Sharp), the motion was approved by unanimous consent.**

Director Harris gave update on field and plant operations. McKinney & Moore has been called to fix a problem with Lift Station #3. The station may have to be drained and manholes pumped down by AAA Sanitation in order to repair the station. Additionally, the sewer plant operator ran the front-end loader into a drain pipe to one of the sewer plant digesters causing an unauthorized discharge sewage spill. The damage has been repaired, and an unauthorized discharge report has been faxed to the Region 5 TCEQ office.

The original water well being drilled by Andrews & Foster could not be completed as anticipated. There was a deviation in the hole causing the well casing to become stuck when the driller attempted to set the casing. The driller has moved over about 15 feet and is

re-drilling the well. This action will set project back about a month. Mr. Harris noted that the project is protected by a performance bond.

Director Harris presented the Agreement covering the financing and all plans, specifications and requirements related to the golf course greens and drainage project. It will be financed by a revenue bond in the amount of \$499,950 secured by pledging revenue collected from a surcharge against the monthly wastewater processing fees. The agreement was drafted by the members of the MUD's financial advisory group along with Club/HOA executive committee members. If the membership votes in favor of the greens renovation project, the agreement will be presented to the MUD Board for final approval on March 25 when sealed bids are opened and a lender selected to finance the project. If approved by the MUD Board, the agreement will be forwarded to Club/HOA president (Larry Henness) for his approval. President Harris asked the District Secretary to read the agreement into the record.

Lastly, Director Harris announced that three candidates (Jaymie Foote, Ray Hartley, and Paul Randolph) applied for a place on the District board to assume a four-year term commencing on May 8, 2010. As there are only three candidates applying for the three expiring terms, they are elected to the Board as unopposed and no election is necessary.

There being no further business, the meeting was adjourned at 5:56 p.m. upon motion duly made (Randolph) and seconded (Sharp) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:

Check Detail 2/28/10

Financial Summary 2/28/10

Golf Course Greens and Drainage Project Finance Agreement