

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
JUNE 21, 2010

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, June 21, 2010, at 5:30 p.m. in the Emerald Bay Club, 208 South Bay Drive, Bullard, TX 75757. Present were Directors Jaymie Foote, Bill Harris, Ray Hartley, Deena Johnson, and Paul Randolph. Seven (7) Emerald Bay residents attended.

Director Harris called the meeting to order at 5:30 p.m. President Harris asked for comments on the Minutes of the Regular meeting of May 17 and Emergency meeting of June 16. Director Hartley pointed out the water rate increase became effective June 1. The base rate for all meter sizes increased by \$2.00, usage of 2,000-10,000 gallons increased to \$2.50 per 1,000 gallons, and usage over 10,000 gallons increased to \$3.25 per 1,000 gallons. The rate increase will pay for the drilling of the third well. **Director Randolph made a motion to approve said Minutes with a second (Foote); the Minutes were approved by unanimous consent.**

Director Hartley presented the check detail for May 2010. After review, **Director Randolph made a motion to approve the May check detail. Upon second (Foote), the check detail was approved by unanimous consent.**

Director Hartley presented the financial summary for May 31, 2010. Under sewer system operations, Hartley noted the total expenses should be \$12,318 and net operating income/expense should be \$9,099 (figures reversed on summary page). Sewer expenses were down for the month resulting in a net income of \$160,524. Hartley noted he would add the golf course greens renovation to the sewer budget and include the \$150,000 collected from the Club Homeowners' Association.

Overall, water system operations (i.e.; net income) are running better than budget and better than last year. Harris reiterated the reasons for raising water rates are to pay for third water well and pay increased labor costs. The third well increases water capacity for high summer usage and periods of drought plus provides backup in case a well goes down. It was also noted that the District can negotiate wholesale rates to provide water to the golf course during drought conditions (one million gallons to water the golf course one time). **Director Randolph made a motion to approve the May financials. Upon second (Foote), the financials were approved by unanimous consent.**

President Harris discussed the submission of repair invoices in the amount of \$1,500 for Danny Fountain's tractor/mower. Landowner, Terry Cowan, had specifically requested that no markers be placed to designate location of blow-offs for pipeline. While mowing the pipeline area between well site #1 and #2, Fountain's tractor hit the unmarked blow-off. As a good faith gesture, **Director Hartley made a motion that the District issue a check for one-half of the repair cost along with a letter advising that the blow-offs will be marked**

and the District will not be liable for any future damage to equipment. Upon second (Johnson), the motion was approved by unanimous consent.

Director Harris reviewed the bid process for the second phase of the South Bay bridge renovation project. District Engineer, Kirk Bynum, had initially requested bids from a number of general contractors for the second phase of the South Bay Bridge Project and the LaSalle Drive Drainage Project. The bundled bids received were all over budget and discarded.

Director Harris consulted the District's attorney, Glen Patrick, regarding the District's bidding options if the District chose to be its own general contractor. Request for bids must be advertised for projects costing over \$50,000, but projects less than \$25,000 do not have to be bid out. Therefore, the District has taken the responsibility to become the general contractor for the South Bay bridge renovation and LaSalle Drive drainage projects.

President Harris submitted proposals from the following:

- (1) Reid Construction in the amount of \$24,568 for erosion control, wing walls, and concrete rip-rap (South Bay Bridge Project);
- (2) Reynolds & Kay in the amount of \$15,945 for asphalt milling, crack sealing, and speed bumps (South Bay Bridge Project);
- (3) Cherokee Painting in the amount of \$47,500 for remaining cosmetic procedures (i.e.: draping, metal blasting, zinc primer coat and finish coat) (South Bay Bridge Project--lowest bid of four received);
- (4) Reid Construction in the amount of \$9,400 for culverts, bridge, and retaining walls for LaSalle drainage improvement.

Director Randolph made a motion to approve the aforementioned bid proposals for the South Bay bridge renovation and LaSalle Drive drainage projects. Upon second (Hartley), all bids were approved by unanimous consent. The total cost for the bridge renovation will come in close to the price noted in the February town hall meeting (\$306,000± 10%). Director Harris advised Larry Henness (Club/HOA President) that the South Bay bridge will have to be closed for about two months to complete the second phase of the project.

Director Foote noted that she is working on the sanitary easements for the new water well. Title searches need to be ordered on two pieces of property to determine if there are any encumbrances on the property. The lien holders, if any, also have to approve the easements.

Under field/plant operations, Director Harris noted drilling of the third water well has been completed and the pump has been installed. The pipeline from the #1 well site (ground storage) to the new well was completed in six days (except for boring under road). The new well cannot go on line until all phases have been completed (easements, electrical, pipeline, and chlorine building). The sewer plant will have to have some maintenance as

there is a leak somewhere between the North and South treatment plants. McKinney & Moore will construct a bypass around the leak. Several water leaks within the District have been repaired during the month.

There being no further business, the meeting was adjourned at 6:20 p.m. upon motion duly made (Randolph) and seconded (Hartley) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Bridge Renovation Bids (4)