

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
JULY 19, 2010

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, July 19, 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, Deena Johnson, and Paul Randolph. Thirteen (13) Emerald Bay residents attended.

Director Harris called the meeting to order at 5:30 p.m. and advised members that District Treasurer, Ray Hartley, was terminally ill. Director Hartley has been Treasurer of the District for over 16 years and was also a member of the finance committee of the Club/HOA. He has literally given his life to the community and we are all saddened by the tragic loss of this kind and gentle man.

Director Harris asked for comments on the Minutes of the Regular meeting of June 21 and Special meetings of July 5 and July 15. **Director Randolph made a motion to approve said Minutes with a second (Johnson); the Minutes were approved by unanimous consent.**

Director Harris reviewed the financial summary for June 30, 2010. After review, **Director Randolph made a motion to approve the June 30 financial summary as presented. Upon second (Foote), the June financials were approved by unanimous consent.** Director Harris noted the check detail for June/July will be presented at the regular meeting in August.

Director Johnson noted that the torrential rainstorm in June (10 inches in 6 hours) caused sewage to overflow into two homes on Henry Drive. The District's engineering firm, Brannon Corp., reviewed options to correct this problem and recommended the installation of private lift stations. Subsequently, the District installed the private lift station for the Chambless residence (101 Henry Drive) and maintenance thereof is the responsibility of the homeowner. The residence at 105 Henry Drive had sewage backup in the bathtub but it did not overflow into the home. It is recommended that the District install a private lift station to prevent any future backup. The private lift stations will stop any wastewater from ever backing up in these houses because there is no direct connection to the sewer and this relieves the District of any responsibility for any future damage. **Director Johnson made a motion that the Board approve the District's installation of a private lift station at 105 Henry Drive with maintenance thereof to be the sole responsibility of the homeowner (Jean Harris). Upon second (Randolph), the motion was approved by majority consent (Foote, Johnson and Randolph).** Director Harris is related to the homeowner (Jean Harris) and therefore had to recuse himself and abstain from the vote.

Under field/plant operations, Director Harris noted work on the South Bay bridge is progressing—wing walls have been constructed and repairs made to drain pipes under the bridge. The bridge will have to be closed for removal of asphalt and resurfacing of roadbed as well as blasting and repainting of bridge structure. Bridge closed signs have been placed throughout the community to alert members when such work is underway. Harris reminded members there will be a final assessment on the bridge--estimate cost to be \$311,000. The #3 water well is complete and the pump has been installed (cost \$45,000). The pipeline to the new well is complete except for the portion to be bored under CR 178. Director Harris must meet with the Smith County Commissioners Court regarding the closure of the cut-thru road at the wellsite and proposed new road. The main line to the sewer plant is broken under the slab and McKinney & Moore will construct a bypass around it.

In regard to the Notes to be issued for improvements to District water system and golf course drainage, Director Harris explained the District could issue revenue notes for three (3) year periods without TCEQ approval, but it is more advantageous to issue ten (10) year notes. The District currently has a \$150,000 bridge loan and will require an additional \$100,000 bridge loan until the 10-year revenue notes are approved by the TCEQ. **Director Harris made a motion to approve an additional bridge loan in the amount of \$100,000 and authorize the District President to execute all associated documents. The motion was seconded by Director Randolph and approved by unanimous consent.** A document certifying this action will be prepared by District Secretary and sent to the Bank and bond attorney.

A District member, Karen Parmlee (113 Henry Drive), inquired about the fees for road maintenance (\$6.00/month) charged on all platted lots. Director Harris explained that the most equitable method to charge members for road/bridge maintenance is per the Smith County Appraisal District's tax records. As for the lots adjacent to the lake, Edd Clark, Director of the Emerald Bay Club/HOA board, is meeting with the Upper Neches River Authority regarding the disposition of this matter. Mr. Clark will advise homeowners when a determination or resolution is reached.

There being no further business, the meeting was adjourned at 6:10 p.m. upon motion duly made (Randolph) and seconded (Foote) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

THE STATE OF TEXAS §
COUNTY OF SMITH §

BEFORE ME, the undersigned authority, on this day personally appeared William F. Harris and Deena M. Johnson, President and Secretary, respectively, of the Emerald Bay Municipal Utility District; known to me to be the persons whose names are subscribed to the foregoing.

SUBSCRIBED TO AND SWORN TO before me, under my official hand and seal of office this ____ day of _____, 2010.

Notary Public in and for the State of Texas