

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF SPECIAL MEETING
JUNE 14, 2011

The Board of Directors of the Emerald Bay Municipal Utility District met in special session on Tuesday, June 14, 2011, at 9:00 a.m. at the District office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Dwight Cole, Jaymie Foote, Bill Harris, and Deena Johnson. Director Randolph was excused. Three (3) District residents attended the meeting.

President Harris called the meeting to order at 9:10 a.m. Harris related the facts surrounding the legal fee request from Scott Miller, attorney representing Capital One Bank during the initial negotiations regarding the issuance of two bonds for the expansion of the water system and improvement of the golf course drainage system. A letter from Scott Miller was received about six weeks ago claiming fees due in the amount of \$7,672.95 for fees incurred on behalf of Capital One Bank in the amount of \$4,257.42 and \$3,415.53 from EBMUD for services rendered in relation to the \$499,950 bond for golf course drainage project. The fee letter was forwarded to Glen Patrick, attorney for the District. Mr. Patrick sent a letter to Scott Miller requesting his legal basis for such fee demand from the District. Ken George, Tyler City President of Capital One, referenced the terms of the Bank's bid proposal (Harris read the March 25, 2010 letter into the record) stating all costs are for the borrower. The District had discontinued negotiations with Capital One Bank regarding issuance of the bonds after the Bank inserted certain encumbrances on the District's borrowing power. Harris asked Patrick to offer Mr. Miller a counter proposal that the MUD would pay the \$3,415.53 directly to him, but the District would not reimburse the Bank for their payment of \$4,257.42. Harris then read into the record a release letter prepared by the District's attorney to be executed by Scott Miller evidencing his acceptance of the terms and payment of \$3,415.53. **Director Foote made a motion that based upon legal considerations and recommendations concerning this matter, the District pay the \$3,415.53 to Scott Miller upon receipt of the signed release. Upon second (Johnson), the motion was approved by unanimous consent.** Harris noted the District has received the final drawings showing the "as built" for the sprinkler system reconfigured during the renovation and drainage system project.

Director Harris introduced Bryan Johnson, the District's double A licensed operator, to discuss the annual Consumer Confidence Report required by the TCEQ to be distributed to all consumers of public water. Harris advised that the District had received a total coliform positive result on a sample taken in May. The TCEQ requires retesting two sites and the well sites. A retest showed the original sample site was negative, but one upstream site was positive. A third test was conducted at seven (7) locations throughout the distribution system and all results were negative. It is believed that the positive results could have been due to high winds or contaminated sample bottles on the sample date. Harris read into the record the letter to customers giving notice of the positive test results for coliform bacteria. Director Cole asked that the coliform notice

letter be signed by Bryan Johnson (Brannon Corp.). Harris added that the annual inspections by the TCEQ showed no violations for the District's water or wastewater system.

There being no further business, the meeting was adjourned at 10:47 a.m. upon motion duly made (Cole) and seconded (Foote) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Scott Miller Release
Consumer Confidence Report