

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF SPECIAL EMERGENCY MEETING
JANUARY 5, 2006

The Board of Directors of the Emerald Bay Municipal Utility District met in special emergency session on Thursday, January 5, 2006, at 4:30 p.m., at the MUD Plant, 155 LaSalle Drive, Emerald Bay, Bullard, TX 75757. Present were Directors Jerry Ball, Bill Harris, Ray Hartley, and Deena Johnson. Director Howard Rutherford was excused. One Emerald Bay resident was in attendance.

The meeting was officially called to order by Bill Harris at 4:47 p.m. The first order of business was to discuss and act on Ameritank's request for payment of \$43,628.00 for completion of installation of 100,00-gallon elevated storage tank. Director Ball recommended paying the \$43,628 and advising Ameritank by letter that deductions for paint damage to three (3) vehicles (\$915) and the \$100 per diem late charge (\$3,600) would be deducted from the 10 percent retainage of \$19,209.00. Director Ball noted that the three dewatering wells installed by Reid during the foundation construction had been removed by Wilkins' pipeline crew thereby releasing Reid from any further responsibility for the project. Director Hartley suggested making a two-party check payable to both Reid and Ameritank. Director Harris made a motion that Ameritank, through their attorney, Lois Rockefeller, send the District two letters authorizing (1) the deduction of late charges of \$3,600 and paint damage of \$915 (\$305*3) for three vehicles from the retainage amount, and (2) a two-party check to Reid Construction and Ameritank for the amount owed to Reid. There was no second to the motion as the exact amount owed to Reid was unknown.

At this point, Mr. Harris phoned Charlie Reid to determine the exact amount Ameritank owed him. Mr. Reid confirmed Ameritank owed him \$36,950.00 for the project and faxed a copy of his invoice to the MUD office. Mr. Harris also advised Mr. Reid that the three dewatering wells had been removed by Wilkins' crew and the three pumps could be picked up at his convenience.

After further discussion, **Director Hartley restated the original motion by Mr. Harris to pay the \$43,628 contingent upon receipt from Ameritank's attorney, Lois Rockefeller, of letters authorizing acceptance of payment by the District in the form of (1) a two-party check payable to Reid Construction and Ameritank in the amount of \$36,950.00; and (2) a check payable solely to Ameritank for the remaining balance less the two percent (\$872.56) net for payment of invoice within ten (10) days of invoice date. The motion was seconded (Ball) and approved by unanimous consent.** Mr. Ball will contact Ms. Rockefeller on Friday, January 6, to advise of the Board's decision. The Board also agreed that deductions for paint damage to three (3) vehicles (\$915) and the \$100 per diem late charge (\$3,600) would be taken from the 10 percent retainage amount (\$19,209.00) upon finalization of the project.

Russell Drilling Company has requested release of the \$23,500.90 retainage, which includes a discount of \$4,000 for bacteriological testing of wells. Director Harris reviewed the original contract with Russell Drilling Company for the drilling and completion of two test wells. Director Hartley confirmed that Travis Russell had been paid \$247,508.10 and \$27,500.90 had been withheld for retainage. **Director Ball made a motion to pay Russell**

Drilling the invoice amount of \$23,500.90 to take advantage of the \$4,000 discount. The motion was seconded by Director Hartley and approved by unanimous consent of the Board. The MUD will oversee and/or contract all remaining portions of the wellhead completion project.

President Harris presented the Letter of Understanding and Commitment with Gary Woodring's revisions regarding the proposed road easements. The Board agreed to the Letter in principle and instructed Director Johnson to retype the Letter incorporating the handwritten changes. Director Ball will resubmit the revised Letter to Woodring for signature of all parties. Directors Harris and Ball will meet with Hunter Kay of Kay & Reynolds to obtain a bid for construction of 555-foot extension of CR 1347 and 20X20 exit from CR 1347. Bob Waters Construction Company submitted a bid proposal of \$41,860.48 for roadway construction. The Board will review all bid proposals before proceeding with road construction project.

There being no further business, the meeting was adjourned at 7:20 p.m. upon motion duly made (Harris) and seconded (Ball) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary