

**EMERALD BAY MUNICIPAL UTILITY DISTRICT**  
**FINAL AND APPROVED**  
**MINUTES OF SPECIAL MEETING**  
**SEPTEMBER 7, 2006**

The Board of Directors of the Emerald Bay Municipal Utility District met on Thursday, September 7, 2006, at 1:00 p.m., at the MUD Plant, 155 LaSalle Drive, Emerald Bay, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, Howard Rutherford, and Robert Worsham. One Emerald Bay resident also attended.

President Harris called the meeting to order at 1:06 p.m. Director Hartley distributed new signature cards to be executed by all directors for District accounts at Capital One and Austin Bank.

Director Worsham had contacted locksmiths to research the cost of Standard Masterlock brass locks to be keyed the same. Locally, the locks were priced at \$25.95. Research of on-line distributors garnered a price of \$12.50 per lock. **Director Worsham made a motion to order 50 brass locks for the price of \$12.50 each (to be keyed the same) from a Masterlock distributor website. Motion was seconded by Director Hartley and approved by unanimous consent.** Mr. Worsham noted that Masterlock will assign an identifying number to the EBMUD so future purchases can be keyed identically.

Director Hartley distributed a schedule of water rates based on estimated usage, flat rate minimum including 2,000-3,000 gallons, and rates per 1,000 gallons for the period August 2006 through September 2007. After review and discussion of all options, **Director Harris made a motion to set interim rates at a flat base rate minimum of \$25.00 to include 2,000 gallons and a rate of \$2.25 per 1,000 gallons usage thereafter. Upon second by Director Hartley, the motion was approved by unanimous consent. (Rates are subject to periodic review and adjustment.)**

The \$25.00 minimum flat rate pertains only to 5/8 or 3/4 inch meters. After further discussion, flat rate minimums (including 2,000 gallons) were proposed for larger meters as follows: 1-inch meter - \$37.50; 1-1/2 inch meter - \$100.00; 2-inch meter - \$180.00; and 3-inch meter - \$382.00. **A motion to set the above minimum flat rates for meters larger than 5/8-inch was made by Director Rutherford, seconded by Director Worsham, and approved by unanimous consent.**

The Board reviewed the District's proposed tap fees and installation costs for water and sewer connections. The District's contractor proposal for street side water taps is \$600 (plus parts and labor) and an additional \$600 for any road bores (\$900 for sewer bores). **Director Johnson made a motion to set all tap fees (both sewer and water) at \$750 plus applicable parts and labor. Upon second (Hartley), the motion was approved by unanimous consent.**

A town hall meeting will be held on September 20 at 6:00 p.m. at the Emerald Bay Clubhouse to advise all District customers of the new rates and fees. To comply with Texas Water Code Chapter 54 requirements, the new rate schedule will be published in the **Bullard Banner News** twice in two consecutive weeks (September 20 and 27).

With completion of the new water system, Director Harris suggested a reorganization and reassignment of responsibilities for each director. Each director's duties were reviewed and accepted for the interim. Duties may be redefined and/or reassigned as daily operational systems are perfected.

After meeting with Drs. Harris and Hartley, Wilkins Contracting submitted a revised contract proposal for the operation of both the sewer system and the new water system. The monthly fee for the sewer system is \$2,050 and the water system is \$1,300 with an additional \$100 per month to check the District's standby generators for a total monthly cost of \$3,450 (which is approximately \$2,000 less than an earlier proposal). **Director Rutherford made a motion to accept the Wilkins contract in the amount of \$3,450 per month to operate both utilities. Upon second by Hartley, the contract was accepted by unanimous consent.**

An equipment failure at the Henry Drive lift station resulted in sewage backup in the William Carver residence. Director Rutherford supervised cleanup of the residence by Service Masters and subsequent contact with the insurance adjuster. The District is insured through the Texas Municipal League to cover any such damage liability and the TML approved the claim in the amount of \$5,543.30. The homeowner expressed dissatisfaction with the settlement. Director Harris contacted the insurance adjuster and set up a conference call for Friday, September 8 at 7:45 a.m. A special emergency meeting is scheduled to handle this call.

Under other matters affecting the District, Director Rutherford noted that Griffith Electric had an outstanding invoice for rewiring the plugs for the emergency generator connection to the lift stations in the amount of \$450. Four directors voted to approve payment of the invoice and one member abstained (Worsham).

There being no further business, a motion was duly made (Harris) and seconded (Rutherford) to adjourn the meeting at 3:55 p.m.

Respectfully submitted,

Deena M. Johnson  
Secretary

William F. Harris  
President

