

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF SPECIAL MEETING
APRIL 15, 2007

The Board of Directors of the Emerald Bay Municipal Utility District hosted a special town hall meeting on Sunday, April 15, 2007, at 5:00 p.m., at the Emerald Bay Club, Emerald Bay, Bullard, TX 75757. Approximately 175 Emerald Bay residents and District Directors Bill Harris, Ray Hartley, Deena Johnson, and Howard Rutherford attended this presentation.

President Harris opened the meeting with an update on the District's water and wastewater systems. The new chlorinators operate on chlorine gas and new analyzers check the chlorine residual every 30 minutes as mandated by the TCEQ. The District's Austin law firm prepared extensive rules and procedures for the provision of non-standard utility service to areas outside of the District's boundaries. The newly adopted non-standard rules will be published in the Bullard Banner for two consecutive weeks and become effective five days thereafter. The District is exploring ways to increase the water pressure on the west side of the community. The District has purchased a third well site and obtained some of the easements for ingress and egress thereto. Other easements are still pending. An exploratory water well, financed by Jerry Ball, was drilled and plugged on the District's property fronting on CR 344 to evaluate the underground structure for possible non-potable water source for golf course irrigation. A financial study group is exploring alternative ways whereby the District might reduce its debt. Mr. Harris also noted that our former water service provider, Southern Utilities, has initiated a graduated rate schedule whereby usage over 30,000 gallons is charged at \$4.50/1,000 gallons.

Mr. Harris introduced Nacomi Rodriguez of MH&KP, a licensed electric power aggregator. About two years ago, MH&KP negotiated a contract rate of 7.224 cents per kwh for the Emerald Bay Club, Community Church, and the District as a commercial group.

Prior to 2007, retail electric providers (REPs) had to offer residential customers a six percent (6%) reduction in rates. Now the Public Utility Commission (PUC) no longer regulates the rates that REP companies charge their customers. MH&KP can negotiate with retail electric providers for better rates for customers as a group. Ms. Rodriguez noted there are three service providers within the rate structure: (1) generation companies produce the electricity; (2) wireline companies distribute the energy; and (3) the retail service providers or REPs. Aggregators negotiate energy contracts with REP companies in bulk for a reduction in energy cost to the consumer group.

The summer rates begin in May so Nacomi predicted the best rate available now would be between 10 and 12 cents per kwh (including wireline charges). It would be advisable to negotiate a six-month contract at the best rate now and then renegotiate for a better rate in the fall (October) for a longer contract period (12-24 months). MH&KP acts as a consumer advocate and strives to save the consumer at least 6-10% on energy costs. MH&KP can negotiate better rates for large blocks of energy (i.e. 500,000 kwh).

Nacomi asked all residents interested in participating in the bulk consumer group to complete the Letter of Authorization form to authorize MH&KP to request their usage history from their present electric service provider. MH&KP would then determine the total kilowatt hours represented by the

group to bargain with the REPs for the best rates. Once the target rate is obtained from an REP, the residents will be given the option to accept the rate or decline to participate in the group. Approximately 60 authorization forms were submitted to MH&KP at the meeting.

There being no further business, the meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
MH&KP Brochure
Letter of Authorization form