

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF SPECIAL MEETING
JUNE 22, 2007

The Board of Directors of the Emerald Bay Municipal Utility District met in special session on Friday, June 22, 2007, at 1:00 p.m., at the Emerald Bay Club Conference Room, Emerald Bay, 208 South Bay Drive, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, and Howard Rutherford. Two Emerald Bay residents attended the meeting.

President Harris called the meeting to order at 1:05 p.m. **Director Harris then tendered his resignation as President of the District and surrendered his elected term expiring May 2008. Director Hartley made a motion to accept Mr. Harris's resignation and Director Johnson seconded said motion. Directors Hartley, Johnson and Rutherford (comprising a majority) accepted his resignation from the Board.**

Director Hartley assumed the interim position of presiding officer. **Director Hartley made a motion to appoint District member, Paul Randolph, to assume the unexpired term of Bill Harris (expiring May 2008). Director Rutherford seconded the motion and the appointment of Mr. Randolph was approved by Directors Hartley, Johnson and Rutherford (comprising a majority).**

Director Hartley made a motion to appoint Bill Harris to assume the unexpired term of Robert Worsham (expiring May 2010). Director Rutherford seconded the motion and the appointment of Mr. Harris was approved by unanimous consent.

Director Hartley made a motion to elect officers as follows: Bill Harris, President; Howard Rutherford, Vice-President Operations; Paul Randolph, Vice-President Administration; Deena Johnson, Secretary; and Ray Hartley, Treasurer. Said motion was seconded by Director Rutherford, and the slate of officers was approved by unanimous consent.

Director Harris assumed the duties as President and presiding officer of the District. The next order of business was discussion of the application and payment of fees by developer, Gary Root, for non-standard sewer service for an office complex at the intersection of CR 1195 and CR 344. Mr. Root must construct a new lift station to service the office complex and any other commercial development at or near that location. Upon completion of the proposed lift station, Mr. Root proposes the District assume responsibility and maintenance of the lift station. Director Harris noted any such lift station must be connected to the District's SCADA system (estimated cost \$12,000). Director Rutherford voiced his preference that Root install/construct a commercial system which would then be dedicated back to the District. Director

Hartley questioned whether Mr. Root and/or the District would want to annex this development into its CCN. Director Harris read a draft of a letter to be sent to Mr. Root setting out all the information regarding the process (fees, etc.) to establish non-standard service to his development. Mr. Harris also recommended setting up a special meeting for Mr. Root to present his proposals to the Board at Kirk Bynum's office. The District must also establish commercial sewer rates--either a flat rate or a formula based on water usage.

Discussion ensued regarding a proposed sludge disposal system for the golf course maintenance equipment. Untreated sludge, oil, pesticides, insecticides, and other chemicals cannot be dumped into the District's sewer system without District approval. Any plan for disposal thereof must be submitted to the District Board and its engineer, Brannon Corporation, for a feasibility study. Mr. Harris has notified Emerald Bay Club directors (Boorman, Stafford and Breedlove) no further action should be taken on this matter until a plan, equipment and method for disposal has been reviewed and approved by the District.

Director Hartley also noted he was investigating the interest rates paid by other local banks, such as Southside Bank. Austin Bank only pays two percent (2%) interest on the District's account.

There being no further business, the meeting was adjourned at 1:47 p.m. upon motion duly made (Johnson) and seconded (Rutherford) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Harris Resignation
Appointment Notice/Randolph