

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF SPECIAL MEETING
NOVEMBER 5, 2007

The Board of Directors of the Emerald Bay Municipal Utility District met in special session on Monday, November 5, 2007, at 1:00 p.m., at the District Office, 155 LaSalle Drive, Emerald Bay, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, and Deena Johnson. Directors Paul Randolph and Howard Rutherford were excused. Glen Patrick (District's legal counsel) and two (2) Emerald Bay residents attended the meeting.

President Harris called the meeting to order at 1:10 p.m. and opened discussion on the non-standard rules and fees revisions to cover interior development within the District's boundaries.

Director Johnson reviewed the proposed revisions to the Chapter 7 rules including a new Schedule "C", Appendix 1B, reduced fees, escrow account, and procedural checklist for interior developments. Director Johnson also presented the suggested fee schedule for the non-standard service request by Larry Cawthon (builder) for extension of water and sewer service to the LaSalle development. Mr. Patrick suggested the Board notify Cawthon of any connections that would be not be approved. Additional consideration will be given to number of lots and/or connections used in the definition of interior development (six or ten), when payment of tap fees will be required, and adoption of tap fees for multiple dwellings (apartments/condominiums).

Director Harris presented the general purpose easement drafted by the District's legal counsel, Glen Patrick. The easement property area will be revised to five (5) feet wide on each side of the water and/or sewer line. Director Hartley will research Smith County Appraisal District records for lot and unit numbers for easement property description for each District member.

Director Johnson presented the sewer and water service agreements for review. Glen Patrick recommended revising billing, delinquency, and notice provisions to be consistent with TCEQ rules. Mr. Patrick advised the District's rules on these matters should be researched and revised accordingly. Mr. Hartley prefers sending one notice of delinquency to customers prior to sending a cut-off or termination notice. Mr. Patrick also recommended the District set fees for water service termination and reconnection rather than base on actual cost per incident.

Director Hartley previewed the new water billing statement cards to be sent to all customers. It will be noted on the cards—this is for informational purposes only—this is not a bill—do not pay from this statement.

Director Hartley questioned commercial sewer rate billing method for the Club's five (5) golf course restrooms. Director Harris suggested the rate should be based on the flow rate and, unless the swimming pool is emptied into the sewer, the pool gallons could be subtracted from the total calculated flow rate for the Club. All Club facilities sewer usage could then be combined on one bill. Director Harris stated the commercial sewer rate and method of calculation will be discussed in an open meeting with the Club Board members.

Upon motion duly made (Johnson) and seconded (Hartley), the meeting was adjourned at 3:44 p.m.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President