

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF SPECIAL MEETING
JANUARY 16, 2009

The Board of Directors of the Emerald Bay Municipal Utility District met in special session on Friday, January 16, 2009, at 2:00 p.m., at the District's office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, and Paul Randolph. Three Emerald Bay residents attended.

President Harris called the meeting to order at 2:05 p.m. The first order of business was to discuss investment of the District's funds. Director Hartley is contacting banks and other financial institutions regarding current certificate of deposit rates. Nationwide Bank is offering 3.45 percent for 12 months. Director Randolph suggested contacting Edward Jones for additional CD offerings. **Director Hartley thereby made a motion that the Board adopt a resolution granting the Treasurer, M. R. Hartley, and the President, W. F. Harris, the power and authority to execute all necessary documents to establish an investment in federally secured certificates of deposit through banks or other financial institutions. Upon second (Randolph), said motion was approved by unanimous consent.** Director Johnson was directed to prepare said resolution.

President Harris advised that of 589 District customers only six have failed to sign and return the required water and sewer agreements. District rules and the TCEQ require execution of these agreements as a condition of service. The District adopted rules governing termination of water and/or wastewater service for any customer who fails to complete said service agreements. President Harris recommended the District's attorney, Glen Patrick, handle any further action on this matter. **Director Hartley made a motion that the Board authorize Glen Patrick to contact Roger Borgelt, Austin attorney with Potts & Reilly, to ascertain whether the District (a political subdivision) is exempt from the laws governing utility companies; i.e. Chapter 291. Upon second (Harris), said motion was approved by unanimous consent.** Director Johnson was instructed to draft a letter authorizing Glen Patrick to contact the Austin attorney in this regard. A copy of said letter, along with the District's rules requiring execution of these agreements as a condition of service, will be forwarded to Roger Borgelt.

Discussion ensued regarding the repeated attempts to establish a process whereby the Club automatically notifies the District when a resident or developer submits an application for a building permit for new construction or remodeling projects. Director Randolph advised 2009 building permit applications will be handled by the new Club president, J. B. Featherston. Mr. Randolph reiterated that developers and/or homeowners must submit a copy of the blueprints for a new home and/or extensive remodeling project along with the building permit application to the District office for approval and payment of all required fees.

Director Randolph recommended that the Club membership committee advise all new members of the District's rules governing application for water and sewer service. It is imperative that new members are notified they **must** apply directly to the MUD for service, payment of fees, service agreements, rules and regulations. An informational letter instructing new customers on these procedures will be provided to Mr. Featherston and the Club secretary.

The Board must appoint a director to fill the vacancy of Director Rutherford. Four prospective candidates will be contacted to ascertain interest in accepting an appointment to the Board. This matter is tabled pending further consideration.

There being no further business, the meeting was adjourned at 2:59 p.m. upon motion duly made (Harris) and seconded (Hartley) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Bank Resolution