

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF SPECIAL MEETING
NOVEMBER 5, 2009

The Board of Directors of the Emerald Bay Municipal Utility District met in special session on Thursday, November 5, 2009, at 8:00 a.m., at the District's office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, Paul Randolph, and Jo Sharp. Five District residents were also in attendance.

President Harris called the meeting to order at 8:07 a.m. to discuss and act on the bids to drill the third water well. There were five (5) bidders and 4 alternates for Contract "B". Bid B (14-inch well/350 GPM), the bids submitted were: (1) Andrews & Foster Drilling Company--\$249,978; (2) C. Miller Drilling--\$262,777; (3) Russell Drilling Company--\$303,247; (4) 7-H Construction Company--\$328,638; and (5) Duplichain Contractors--\$328,700. Director Harris explained the process requires drilling a test well. If the test well does not have to be completed, the District will save an additional \$25,000. **Director Randolph made a motion to accept the low bid of Andrews & Foster to drill a 14-inch water well targeted to produce an estimated 350 GPM. Upon second (Hartley), the motion was approved by unanimous consent.** Director Johnson will prepare a letter to District engineer, Kirk Bynum, notifying him of the board's acceptance of the Andrews & Foster bid.

Director Hartley asked for an estimate of the total cost to complete the third well project. It will be necessary to establish an interim line of credit to supplement the District's cash surplus (\$250,000) for expanding the water production system. Director Harris noted the other stages of the project: Contract "A" (clear well site)--\$15,574; Contract "C" (distribution system)--\$74,178; Contract "D" (electrical)--\$60,800. The total cost of the project will be approximately \$400,000. Among other expenses, there was discussion regarding the future installation of remote read water meters at an estimated cost of \$100,000. **Director Hartley made a motion to establish an interim line of credit for \$300,000. Upon second (Randolph), the motion was approved by unanimous consent.** Director Johnson will prepare a Resolution to authorize Director Hartley to set up such line of credit.

Director Hartley noted the bank will require the District's plan to finance the project. Director Harris commented that two options are available: (1) raise water revenue through progressive usage rates or (2) a one-time charge. Director Hartley will prepare a spreadsheet of numbers for progressive rates.

There was some discussion of the South Bay bridge project and a new patented piling repair process. Director Harris will be working with the engineer and bridge inspector to investigate all possibilities.

There being no further business, the meeting was adjourned at 8:45 a.m. upon motion duly made (Hartley) and seconded (Johnson) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments: