

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF SPECIAL MEETING
APRIL 23, 2008

The Board of Directors of the Emerald Bay Municipal Utility District met in special session on Wednesday, April 23, 2008, at 2:00 p.m., at the District's Plant Office, 155 LaSalle Drive, Emerald Bay, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Paul Randolph, Howard Rutherford, and Deena Johnson. Ken Horrell, City of Tyler inspector, and three Emerald Bay residents attended the meeting.

President Harris called the meeting to order at 2:06 p.m. and introduced Ken Horrell, a licensed plumbing inspector. District directors queried Mr. Horrell regarding the process involved to conduct the required plumbing inspections of all new construction and remodeling projects within the District's jurisdiction. Mr. Horrell explained the three minimum inspections required: plumbing rough in; plumbing top out; and plumbing final. Mr. Horrell provided copies of the various inspection forms and certificates. As a licensed inspector, he can also perform backflow prevention assembly tests and customer service inspections.

President Harris directed a task force consisting of two directors (Rutherford and Randolph) and two members of the financial advisory team (George Holmes and John Murphy) to meet with Ken Horrell to discuss the policies, procedures and fees to establish plumbing inspections for the District. The findings of this task force will be discussed at the May 12 regular meeting.

Director Hartley discussed the new supplemental sewage backup coverage offered by the Texas Municipal League. TML offers coverage of \$25,000 per structure/\$50,000 per occurrence or \$50,000 per structure/\$100,000 per occurrence with deductibles of \$250, \$500, \$1,000, or \$5,000. This coverage will reimburse the homeowner/customer for damages caused by sewage backup from District owned facilities. The TML will reimburse the deductible amount under the homeowner's insurance and the amount in excess of the homeowner's insurance limit. Coverage **does not** extend to claims resulting from problems that are the sole responsibility of the customer. Director Hartley made a motion to purchase the supplemental sewage backup coverage for \$25,000 with a \$500 deductible for \$661 annual premium. After further discussion of premium differences for \$50,000 coverage, **Director Hartley revised the motion to raise coverage to \$50,000 with a \$500 deductible for \$725 annual premium. Upon second (Rutherford), the board approved by unanimous consent the purchase of \$50,000 supplemental sewage backup coverage from TML.**

As directed at the April 14 meeting, Director Johnson drafted a policy requiring any company or corporation contracting with the District to provide evidence of current worker's compensation and liability insurance in the minimum amount of \$1,000,000. The draft was reviewed and one change was made by Director Hartley. The policy will be published in the *Bullard Banner* for two consecutive weeks prior to becoming effective.

Director Johnson made a motion to cancel the general election of May 10, 2008, and elect William F. Harris as an unopposed candidate in accordance with Texas Election Code. Upon second (Randolph), the motion was approved by Drs. Hartley, Johnson, Randolph and Rutherford-- Mr. Harris abstained.

There being no further business, a motion was made (Rutherford) and seconded (Hartley) to adjourn the meeting at 3:11 p.m.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Section 6.04 Worker's Compensation Insurance
Sample Order of Cancellation