

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF SPECIAL MEETING
MAY 23, 2011

The Board of Directors of the Emerald Bay Municipal Utility District met in special session on Monday, May 23, 2011, at 1:00 p.m. at the District office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Dwight Cole, Jaymie Foote, Bill Harris, Deena Johnson, and Paul Randolph. Three (3) District residents attended the meeting.

President Harris called the meeting to order at 1:00 p.m. and asked Secretary Johnson to review the Club's agreement with IPD to provide updated as built drawings, no later than June 17, 2011, to reflect substantive changes to the District's effluent dispersal system. Johnson read pertinent sections of said agreement that pertained to information required by the District. Director Foote queried whether the provision of data on CD would be acceptable rather than drawings on vellums. Harris indicated that provision of data on CD would be acceptable as agreement states "all design drawings are developed on computer with AutoCAD and completed drawings are available in AutoCAD drawing DFX file format."

Director Harris emphasized the necessity of having an Affidavit of Completion for the golf course renovation and drainage project. By executing said Affidavit, the Club certifies to the District that all bills for the project have been paid. Any disputes with contractors or presentation of any expenses thereafter will be the responsibility of the Club. Director Johnson read the proposed Affidavit of Completion into the record. Director Foote suggested a revision to the Affidavit to include the language underlined in the following sentence: "Any requests for reimbursement of expenses received after the date of this Affidavit or beyond the amount of \$499,950 shall be the sole responsibility of the Club and not payable by the MUD." It was noted that the IPD mapping charge of \$5,400 would be paid by the Club.

At this point, Director Harris telephoned Club president, Louise Williamson, to join the meeting at the District office to discuss the proposed Affidavit of Completion. After further discussion about the Affidavit, Ms. Williamson telephoned the Club's director of golf, Bob Breedlove. Mr. Breedlove asked that execution of the Affidavit be delayed until May 24 so he could review and complete the final paperwork. **Director Harris made a motion to release the remaining project funds (\$76,387.00) contingent upon the presentation of all final bills up to and including the date of execution of the Affidavit (with changes as noted above). Upon second (Foote), the motion was approved by unanimous consent.**

Director Foote requested a motion to rescind the moratorium to release funds declared at the District's May 16 meeting. **Director Harris made the motion to rescind the moratorium on future payments declared at the May 16 meeting**

contingent upon the completion and presentation of the final billing information. Upon second (Foote), the motion was approved by unanimous consent.

President Harris presented for discussion a letter prepared by the District's financial advisory group explaining the changeover to direct billing by the District. The letter will be included in the May billing statement mailed to all members. Utility charges and fees will no longer appear on the Club's monthly statement. Beginning on July 1, 2011, all utility charges will be billed to customers on a postcard-sized statement. Foote suggested that payment boxes be set up at the Club and at the MUD.

President Harris related instances of members being charged excessive water billings due to leaks. Recently, a District customer had a 300,000-gallon water leak that resulted in a \$1,000 water bill. He asked the directors to consider writing a policy to give customers some relief in future situations. Most cities have a policy which allows a customer to apply for a one-time reduction of such excessive billings; i.e., City of Lindale allows customers a one-time 50 percent reduction. A homeowner could apply for a one-time reduction or discount and the property would be flagged in the system for future reference.

Another issue to consider is a policy regarding possible charges for multiple meter readings for water usage disputes. If there is a problem with the meter, the District will change the meter at no cost to the customer. If the meter is not defective, the customer would be billed for the additional meter reading service or trip charge. The MUD's responsibility stops at the meter. Any leak on the homeowner's side of meter is their responsibility. The MUD's responsibility for sewer ends at main. Any hammer taps will be replaced by the District and the cost will be split 50/50 with the homeowner. Director Foote voiced disagreement with policy to charge for multiple meter readings. She favors allowing one free re-read for further investigation to determine whether there is a leak, the meter was misread, or the meter is defective. Foote also suggested that District clerk, Alicia, give homeowners who call for re-reads a checklist to determine if there may be a water leak. If the meter readings are accurate and the homeowner refuses to accept the billed usage, then homeowner should be charged for additional re-reads. Director Foote was in favor of a one-time reduction for excessive water billings due to leaks, etc. Foote favored not making any policy on this at this time. This matter will be addressed again at the District's June 20 meeting.

Director Foote advised she had spoken with Club director of membership, Jerry Patton, and he will notify her when there is a committee meeting on membership. Alicia will prepare a utility package for new members. Foote will attend the meetings and answer any questions regarding the MUD and its services. Harris mentioned the Google.doc ordinary spreadsheet program into which the MUD's spreadsheet could be imported with limited access to designated persons (Alicia Freeman-MUD and Marian Gardner-Club). This will ensure that the list remains up to date.

Director Foote will be writing updates for the Rainbow Review to highlight recent MUD news and activities.

There being no further business, the meeting was adjourned at 2:31 p.m. upon motion duly made (Randolph) and seconded (Harris) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
IPD Agreement with Emerald Bay Club
Affidavit of Completion
Billing Changeover Letter