

**EMERALD BAY MUNICIPAL UTILITY DISTRICT**  
**FINAL AND APPROVED**  
**MINUTES OF SPECIAL MEETING**  
**MAY 3, 2006**

The Board of Directors of the Emerald Bay Municipal Utility District met on Wednesday, May 3, 2006, at 9:00 a.m., at the MUD Plant, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Jerry Ball, Bill Harris, Ray Hartley, Deena Johnson, and Howard Rutherford. One other Emerald Bay resident was in attendance.

The meeting was called to order by President Bill Harris at 9:05 a.m. President Harris introduced issues regarding the Club/HOA and future management of the District. Mr. Harris expressed a concern that the Club/HOA wanted to assume control of the District's responsibilities and powers by incorporating the community.

After lengthy discussion of the many facets of this matter, Mr. Ball summarized the consensus of the Board stating the MUD shall only be responsible for matters it has been given the power to manage and enforce within State regulations. In that regard, the MUD is the Club's ally and the two entities should work together. The two entities would, however, remain separate.

At this point, Mr. Hartley contacted Emerald Bay Club President, Jim Speiran, and asked him to join the meeting. Mr. Ball reiterated the Board's willingness to work with the Club/HOA on matters the MUD had jurisdiction to enforce or manage, such as streets and mowing. In an effort to work more productively, it was recommended that the MUD have representation on the Club Board. It was suggested that Bill Harris, District President, would serve on the Emerald Bay Club Long-Range Planning Committee with J. B. Featherston (Chairman) and Howard Rutherford, District Vice-President of Operations, would serve on the Club/HOA Architectural, Streets and Mowing Committee with Jim Stafford (Chairman). Mr. Speiran would contact the members of the Emerald Bay Club/HOA Board to request approval of this arrangement.

There being no further business, the meeting was adjourned at 12:10 p.m.

Respectfully submitted,

Deena M. Johnson  
Secretary

William F. Harris  
President