

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF SPECIAL MEETING
AUGUST 8, 2006

The Board of Directors of the Emerald Bay Municipal Utility District met on Tuesday, August 8, 2006, at 10:00 a.m., at the MUD Plant, Emerald Bay, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, Howard Rutherford, and Robert Worsham. Two Emerald Bay residents also attended.

President Harris called the meeting to order at 10:12 a.m. The agenda order was changed to discuss all expense items prior to establishing the borrowing cap for the water fund loan with Capital One (formerly Hibernia Bank). Director Johnson will prepare a punch list of items for submission to Wilkins Contracting to finalize construction of the freshwater distribution system.

Director Rutherford distributed copies of the Russell Excavating estimate for paving the entry road and parking lot for well site #1. The matter was tabled awaiting further breakdown of proposal into three separate categories as requested in the July 24 construction meeting. Director Rutherford will verify the price of asphalt and number of tons required for job.

Director Worsham will review all expenditures for repairs, supplies and labor necessitated by the failure of Ameritank to complete the construction of the elevated storage tank. The list will include all contractors (i. e. McKinney & Moore, Brannon Corporation) and legal expenses (Glen Patrick) in determining the claim against Ameritank for breach of Contract.

Director Harris presented a map of the proposed site for a future water well. The site is adjacent to the present water plant and the owner will grant a 30-foot easement for ingress and egress. Procurement of a sanitary easement will be approximately \$300. Mr. Harris will contact Glen Patrick for clarification of any distance restrictions for wells drilled within proximity of county roads. **Director Harris made a motion that the District purchase the alternate property for a third well site. Upon second by Director Rutherford, the motion was approved by unanimous consent to authorize Director Harris to finalize the details of such purchase.**

Director Hartley distributed a water project status worksheet to estimate all costs remaining to finalize the project and determine a borrowing cap for the bank loan. **Upon motion duly made and seconded, Director Hartley was authorized to ask Capital One Bank to finalize the District's loan for the water project in the amount of \$1,675,000.**

President Harris adjourned the meeting to executive session at 12:45 p.m. to discuss sensitive issues regarding personnel and legal matters. Upon conclusion of discussions of sensitive issues, President Harris reconvened special session at 1:50 p.m.

There being no further business, a motion was duly made (Johnson) and seconded (Rutherford) to adjourn the meeting at 2:00 p.m.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Russell Excavating Estimate
Water Project Status 8/7/06