



Emerald Bay Municipal Utility District
155 La Salle Rd.
Bullard, TX 75757

Dear District Resident

We are writing to inform you of some new policies regarding unpaid final and delinquent MUD Accounts.

As you are aware the MUD has never required that residents of the District escrow deposits for water and wastewater services. Most water supplies generally require a security deposit when accounts are activated because customers are billed in the rear after the meters are read and water is delivered.

Noting that over the past few years a trend has developed concerning non-payment of final bills by some residents of Emerald Bay moving out of the community. We want to emphasize that this is a small minority. Most residents are very prompt with their monthly remittance.

Over the past couple of years, the District has suffered losses amounting to approximately \$6,000.00. Most of these losses have occurred when someone leaves the community without paying their final bill. In one instance a resident left the community owing the District in excess of \$800.00. To be clear, these losses always end up being absorbed by the rest of the community.

Having said this, the abuses of the few have come to a point that some policy changes have become necessary.

Just before the first of the year the District and the Club entered into a contract that will correct the problem without penalizing those residents of the community that clears up any obligations to the District when leaving Emerald Bay. The contract sets up a new process in which the Club will check that all District obligations have been paid before the Club releases the membership initiation fee refund to a member leaving the community.

Please note that the District has for some time required a \$350.00 deposit from a small group of residents that fail to keep their accounts current, have a lien on their property or are placed on credit hold by the club. That policy will not change but does not cover the residents who were current up to the point of departure from the community but fail to pay their final bill.

In order to properly execute this contract between the Club and the District, we are asking all residents of the District to sign and return to the District office the enclosed authorization. This authorization officially authorizes the Club, on behalf of the District, to deduct any unpaid final

balance owed to the District if the member exits the community without paying their final District bill. In signing this authorization you will relieve the District from requiring a security deposit from you for your account.

We hope that this solution will be acceptable to all residents in solving a problem that adversely affects all of us and avoids requirements for water/wastewater security deposits for the vast majority of community residents.

Your cooperation is sincerely appreciated and if you have any questions please call the District office.