

**EMERALD BAY MUNICIPAL UTILITY DISTRICT**  
**FINAL AND APPROVED**  
**MINUTES OF REGULAR MEETING**  
**NOVEMBER 20, 2006**

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, November 20, 2006, at 10:00 a.m., at the Emerald Bay Club, Emerald Bay, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, Howard Rutherford, and Bob Worsham. Three Emerald Bay residents were also in attendance.

The meeting was convened by Director Harris at 10:06 a.m. The first order of business was discussion of the Minutes of the Regular Meeting of October 16, 2006. **Director Rutherford made a motion to accept the Minutes as written, which was seconded by Director Hartley, and approved by unanimous consent.**

The October financial statements were reviewed by Treasurer Hartley. The financial summary stated sewer system operating income was \$9,896 more than expenses and utilities were \$2,000 less than budgeted as only two blowers were operational. Water usage billing was \$34,237 in October—*Operations & Maintenance* is less than budgeted so far. Treasurer estimates water billings will drop to \$20,000 per month during the winter months. On balance sheet, customer accounts receivable are high because water is billed in arrears (\$34,237). Capital account of \$20,161 (collected transfer fees) will be used for major improvements, such as increasing water pressure on west side of Emerald Bay. Under Construction in Progress, the Club reimbursed the MUD \$1,441 for the pump project. The \$5,800 fencing cost will be in November financials. The water system construction is complete and \$150,000 remains in the fund. After further review of vendor balances and bills paid, **Director Hartley made a motion (seconded by Director Rutherford) to approve the October 31, 2006 financial report, and the Board approved with unanimous consent.**

Director Hartley submitted the 2006 tax roll for approval. The taxable property value is \$128,699,163 and the tax levy amount is \$283,138. **Upon motion duly made (Hartley) and seconded (Rutherford), the 2006 tax roll was approved by unanimous consent and executed by District President, Bill Harris.** These tax funds can only be used to pay off the irrigation bond.

In a brief operations report, Director Rutherford confirmed that the sewer plant and water system are operating satisfactorily. Director Harris noted the chlorine analyzers for the water system must be protected from freezing and heat strips have been ordered (\$500) that will provide protection for 10 years. Director Harris also noted the electrician would hook up the generator for the fire control system on November 21. All fencing around the well sites, elevated storage tank, and MUD plant has been completed with exception of changing one gate at well site #1. The TCEQ has been

notified the water system is complete and the TCEQ will schedule inspection the first part of 2007. System must be operational for two years before State will issue approved water supply status.

Director Worsham responded to the TCEQ letter regarding the implementation of a vulnerability assessment of the wastewater/water treatment systems. Mr. Worsham has ordered a CD that contains guidance and technical assistance for preparing wastewater security emergency response to natural disasters and/or terrorists threats. Director Wosham will meet with Directors Harris and Rutherford to devise a plan, especially for the remote water well sites. Suggested deterrents are cameras and alarm system.

Director Harris noted the need for a tandem trailer to haul equipment and supplies for District use. A new trailer with the required specifications can be purchased for \$1,500. Alternatives to buying a trailer are renting a trailer, having supplies/parts delivered, or have equipment hauled by an outside source. The matter was tabled pending further investigation.

Director Hartley initiated the discussion regarding the service transfer fees charged to new members and member/member exchanges for both water and sewer services. The current fee for new members is \$250 for water and \$250 for sewer; the member/member exchange is \$100 for water and \$100 for sewer. **Director Hartley made a motion to combine the new member transfer fee of \$250 for water and \$250 for sewer into one charge of \$500 to cover both. Director Johnson seconded this motion. Director Rutherford offered an amendment to the motion to reduce the combined fee of \$500 to \$350. Upon motion duly made and seconded, the new member transfer fee of \$350 as one charge to cover both water and sewer was accepted by unanimous consent to become effective upon publication in a local newspaper.**

**Director Rutherford made a motion to combine the member/member service transfer fee for both water and sewer into one charge of \$150 to be identified as a utility transfer fee. Upon second by Director Worsham, the member/member utility transfer fee of \$150 as one charge for both water and sewer was accepted by unanimous consent to become effective upon publication in a local newspaper.**

In response to questions from residents regarding disconnection of water service to undeveloped lots and unoccupied residences, Director Harris suggested a charge of \$100 to padlock a water meter to suspend service and a charge of \$100 to unlock a water meter to restore service. **Director Worsham made a motion to adopt the \$100 charge to lock the water meter and \$100 charge to unlock the water meter. Said motion was seconded by Director Rutherford and accepted by unanimous consent to become effective upon publication in a local newspaper.** Director Hartley will notify resident/builder, Larry Cawthon, of the new policy and advise when it becomes effective.

Director Johnson read the District's rules in Sec. 2.06 regarding water and sewer billings and handling of delinquent accounts. Director Johnson also outlined the billing and delinquency rules of other utility districts—Anderson Mills, Acton, City of Tyler, Dean Water, and Southern Utilities. Director Hartley explained the Emerald Bay Club mails statements on the 5<sup>th</sup> of each month and bills are due the last day of the month. The Club notifies the District of any delinquent accounts by the 5<sup>th</sup> of the next month. The District then sends a written notice by certified mail notifying the property owner of the delinquency. The notice states that water and/or sewer service will be disconnected if the delinquent statement is not paid within ten (10) days from the date of the notice. The Board agreed the present rule shall stand as written in Sec. 2.06. It was also noted that the Club cannot use the threat of disconnection of utility service to collect Club billing from members.

Director Harris initiated discussion regarding expansion of the District's facilities at 155 LaSalle to provide additional office space and storage for parts and equipment. **Director Hartley made a motion that the Board authorize Director Harris to draft a facilities expansion feasibility study and obtain bids for further discussion. Motion seconded by Director Rutherford and approved by unanimous consent.**

In regard to other matters affecting the District, Director Harris signed the revised agreement between the Club and the MUD for accounting services and a letter encouraging the Club to set up budgetary funding to drill a water well for irrigation of the golf course.

Mr. Harris also addressed the issue of duplication of mowing expenses. The Club spends approximately \$7,000 annually to mow vacant lots, and the MUD spends \$3,600 annually to mow the sewer plant property. Mr. Harris proposed using a MUD contractor (\$15/hour) and MUD equipment to mow all vacant lots for the Club. Mr. Harris asked George Holmes to get the mowing information (number of vacant lots) from the Club for further discussion.

There being no further business, the meeting was adjourned at 12:49 p.m. upon motion duly made (Worsham) and seconded (Rutherford) with unanimous consent.

Respectfully submitted,

Deena M. Johnson  
Secretary

William F. Harris  
President

Attachments:  
Financial Statements 10/30/06

