

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
AUGUST 17, 2009

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, August 17, 2009, at 5:30 p.m., in the Emerald Bay Club, 208 South Bay Drive, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Paul Randolph, Deena Johnson, and Jo Sharp. Nine (9) Emerald Bay residents attended.

President Harris called the meeting to order at 5:30 p.m. and asked for comments on the Minutes of the July 20 (Regular) meeting. **Director Randolph made a motion to approve the Minutes as written. Upon second (Sharp), the Minutes of July 20 were approved by unanimous consent.**

The check detail for June 2009 was inadvertently omitted at the July 20 meeting. Treasurer Hartley presented for review the checks written through June 30, 2009. **Director Hartley made a motion to approve the checks written for June 2009. Upon second (Randolph), the June check detail was approved by unanimous consent.**

Treasurer Hartley presented for review the checks written through July 31, 2009. **Director Hartley made a motion to approve the checks written for July 2009. Upon second (Sharp), the July check detail was approved by unanimous consent.**

Treasurer Hartley presented the financial report as of July 31, 2009. Under sewer system operations, Hartley noted net operating income/expense was less than budgeted due to higher expenses for maintenance and legal fees. The high maintenance expense is attributed to repairing a leak in the pressure line at 173 S. Bay and repairing the clarifier in north sewer plant (see operations report). However, the 2009 year-to-date net income for sewer operations (\$325,236) was only slightly less than budgeted. Under water system operations, Hartley noted the 2009 year-to-date net income was \$17,145 more than budgeted as the water billing period (6/16-7/16) was a huge water sales month (10 million gallons). Balance sheet shows total cash accounts at \$552,384 as budgeted construction funds not yet spent for third well. **Director Hartley made a motion to approve the financial statements for July 31, 2009. Upon second (Randolph), the financials were approved by unanimous consent.**

Treasurer Hartley explained the water project start up was initially financed with sewer fund monies (\$50,000). The funds could be refunded to the sewer fund as an internal transfer from the water fund. Hartley advised the District's accountant recommended eliminating the debt by showing as expense on sewer side and other income on water side. **Director Randolph made a motion to eliminate the District's intraco debt in the recommended manner. Upon second (Sharp), the elimination of the intraco debt was approved by unanimous consent.**

Under field/plant operations, Director Harris addressed the expensive repairs to the leaking pressure line at 173 S. Bay whereby concrete had been poured over the sewer line during a previous repair procedure conducted by the HOA. The District had to submit an unauthorized discharge report to the TCEQ as raw sewage had leaked into the lake prior to the repair operation. The District must file a follow up report within five days indicating the corrective actions taken.

Another expensive operation was the repair to the north sewer plant. The plant had to be drained to repair the clarifier, but the plant is fully operational now. Conduit is being laid to put the sewer plant on the SCADA system and the diesel pump in lift station #3 will be added to the SCADA system. In addition, lights will be installed on the pump house to show when the fire control system is activated.

The new meter reading software has been installed and all data has been converted to the new system. The software was purchased from a local company.

Harris explained the procedures required to repair the leaking fire hydrant on LaSalle Drive. The fire hydrant has no isolation valve. Replacement of the hydrant will require a shutdown of the entire water system. There is a risk of contamination whenever there is a loss of water pressure. Therefore, residents will be instructed to boil their water for 1-2 days until results of bacterial samples are negative.

Harris noted there is a “snag” regarding the location of the pipeline for the third well site. The District had to condemn 400 feet of easement on the Fountain property. The property line and fence line is 13 feet south of the easement. The fence will have to be moved. Brannon Corporation is ready to send out the bid packages for the construction/drilling of the third water well with multiple gallon amounts (200-350 GPM). Harris estimated it will take two weeks to complete the water well, pump it for 36 hours, and check the water quality to ensure it meets all guidelines and regulations for municipal water wells.

There being no further business, the meeting was adjourned at 6:17 p.m. upon motion duly made (Randolph) and seconded (Sharp) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

Bill Harris
President

Attachments:
Check Detail 6/30/09
Financial Summary 7/31/09