

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
FEBRUARY 15, 2010

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, February 15, 2010, at 5:30 p.m. in the Emerald Bay Club, 208 South Bay Drive, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, Paul Randolph, and Jo Sharp. Eighteen (18) Emerald Bay residents attended.

Director Harris called the meeting to order at 5:31 p.m. and asked for comments on the Minutes of the January 18 (Regular) meeting. **Director Hartley made a motion to approve the January 18 Minutes with a second (Sharp); the Minutes were approved by unanimous consent.**

Treasurer Hartley presented for review the January check detail. After some discussion, **Director Randolph made a motion to approve the checks written in January. Upon second (Sharp), the check detail was approved by unanimous consent.**

Treasurer Hartley reviewed the financial summary for the four months ended January 31, 2010. Under sewer system operations, the net operating income YTD \$11,748 shows an excess of income over expenses by \$3,000. It was also noted that utilities expenses have increased at the plant (56,000 kWh last month was the most used in a long time). The processing of rainwater during heavy rains last month could account for the higher utility costs. The District electricity rates are fixed for three more years. YTD property taxes collected is \$70,948 which is less than budgeted by \$3,978. Director Hartley noted that the final installment payment on the note for the irrigation system was made this date in the amount of \$91,000. Overall the water system operations are better than budget; YTD net operating income is \$32,774 which is \$2,279 better than budget.

Director Hartley explained the January statement of cash flows report noting the Road and Bridge Fund received \$192,105 from the Emerald Bay HOA and \$22,743 from intrafunds had been advanced to road and bridge operations. Under sewer fund, it was noted that the sewer plant and one lift station have been added to the SCADA (system control and data analysis) system. The SCADA issues alerts of malfunctions, monitors the chlorine distribution system, and keeps records of data collected. Under water fund, \$55,289 has been spent on water well #3. Cash as of January 31 is \$781,974. **Director Randolph made a motion to approve the January 31, 2010, financials as presented. Upon second (Sharp), the financial statements were approved by unanimous consent.**

Director Hartley made a motion to authorize transfer of \$100,000 from the sewer fund to the water fund to cover costs of drilling the third well. Upon second (Sharp), the motion was approved by unanimous consent.

Director Randolph congratulated Director Harris on passing the TCEQ exam to obtain a Class C ground water treatment operator's license. Director Harris scored a 90 on the exam. The District has a AA rated operator on staff (through Brannon Corporation) to operate the water treatment plant and District employee (Leonard Timms) operates the sewer treatment plant. Mr. Timms will also take the water treatment exam.

Director Johnson reviewed the Resolution authorizing Director Randolph to enter into a health insurance agreement with the Texas Municipal League to cover full-time employees of the District. **Director Sharp made a motion to approve said Resolution. Upon second (Hartley), the Resolution was approved by unanimous consent.**

Director Randolph then discussed the options for establishing a new rule regarding the waiting period for full-time employees to be eligible for health insurance coverage. Both 60-day and 90-day waiting periods were discussed, and it was determined that a 90-day waiting period was the most acceptable. **Director Randolph made a motion to establish a waiting period of 90-days from date of employment for eligibility for health insurance coverage for full-time employees. Upon second (Hartley), the 90-day rule was approved by unanimous consent.**

President Harris announced that March 8, 2010, at 5:00 p.m. is the deadline to apply for a place on the ballot for the May 8 election of directors. Harris read the qualifications to serve as a District director.

President Harris announced a District town hall meeting will be held on Sunday, February 28, 2010, at 4:00 p.m. in the West Room of the Emerald Bay Clubhouse. The purpose of the meeting is to update residents on plans and costs for the renovation of the South Bay bridge, third water well project, water rates, and other District matters.

Director Harris advised the third water well is being drilled by Andrews & Foster for \$250,000. It has been determined it will not be necessary to complete the test well thereby saving the District \$25,000. The well should produce about 350 GPM.

There being no further business, the meeting was adjourned at 6:28 p.m. upon motion duly made (Randolph) and seconded (Hartley) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Financial Summary 1/31/10
Check Detail 1/31/10
Health Insurance Resolution