

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
SEPTEMBER 20, 2010

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, September 20, 2010, at 5:30 p.m. in the Emerald Bay Club, 208 South Bay Drive, Bullard, TX 75757. Present were Directors Dwight Cole, Bill Harris, Deena Johnson, and Paul Randolph. Director Jaymie Foote was excused (illness). Five (5) Emerald Bay residents attended.

Director Harris called the meeting to order at 5:31 p.m. Director Harris asked for comments on the Minutes of the Regular meeting of August 16, 2010. **Director Harris made a motion to approve said Minutes with a second (Randolph); the Minutes were approved by unanimous consent.**

Dwight Cole reviewed the financial summary for August 31, 2010. Under sewer system operations, total income for the month--\$27,354, total expenses--\$21,996, other income--(\$1,131), for net income of \$4,269. YTD sewer income is \$251,178 against budgeted amount of \$241,512. Treasurer Cole will be amending the budget in September and start showing depreciation on the schedule. Mr. Cole also noted there will not be any more property taxes as the bond for golf course sprinkler system had been paid off. Under water system operations, the total income for the month--\$45,539, total expenses--\$6,954, and net income--\$33,599. YTD water income is \$284,644 against budgeted amount of \$267,681. Under road & bridge operations, the total income for the month derived from initiation fees and service charges is \$9,852 (YTD total income--\$50,804). Mr. Cole further explained the \$49,551 variance from budget under total other income is for the final member assessment (estimate \$80/member) for completion of the South Bay bridge project. Treasurer Cole briefly reviewed the balance sheet figures and check detail. **Director Randolph made a motion to approve the August 31 financial summary. Upon second (Johnson), the August financials were approved by unanimous consent.**

Director Harris presented District Resolution No. 9202010B to change the required signatures for all Capital One Bank accounts and to issue commercial credit cards for Directors Cole and Foote and District Resolution No. 9202010C to change the required signatures for all Southside Bank accounts. **Director Randolph made a motion to approve said Resolutions No. 9202010B and 9202010C. Upon second (Cole), the motion was approved by unanimous consent.**

Director Harris presented District Resolution No. 9202010D to authorize Treasurer, Dwight Cole, to maintain the District's investment policy as is which includes investing in certificates of deposit at banks or other financial institutions with federally insured deposits. **Director Randolph made a motion to approve said Resolution No. 9202010D. Upon second (Cole), the motion was approved by unanimous consent.**

Director Harris presented District Resolution No. 9202010A to authorize the law firm of Flowers, Davis, L.L.C., to proceed with all necessary actions (including proceedings in eminent domain) to acquire sanitary control easements for the third water well site. Director Cole inquired as to the acreage involved in the easement. Mr. Harris explained that the TCEQ requires a sanitary easement within a 150-foot radius around the wellhead. He further explained the easement is necessary to restrict risk of contamination of the potable water supply by prohibiting septic system or feeder lines or feedlots within said radius. One landowner (Johnson) has agreed to grant the easement, but the other landowner (England) has not responded to the District's certified letter.

Director Cole made a motion to approve said Resolution No. 9202010A. Upon second (Randolph), the motion was approved by unanimous consent.

Operationally, Director Harris stated the South Bay bridge project is complete except for inspection of 8 pilings and approval by Bill Tankersley (TXDOT inspector). The dirt work is finished at the #3 water well site and the County has been working on rerouting the road. The well site is subject to final inspection by Kirk Bynum. The two District bond issues are in process awaiting approval by the TCEQ, State Attorney General, and State Comptroller. There are no problems with the water plant. It has been necessary to make some repairs at the sewer plant, but the sludge is under control.

Administratively, Mr. Harris reported that Directors Randolph and Foote are working on District policies and procedures, specifically a 90-day probation period policy for new employees. Also the District has hired a part-time CPA to get through the 2010 audit process.

There being no further business, the meeting was adjourned at 6:11 p.m. upon motion duly made (Randolph) and seconded (Harris) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Financial Summary for August 31, 2010
District Resolution No. 9202010A
District Resolution No. 9202010B
District Resolution No. 9202010C
District Resolution No. 9202010D