

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
DECEMBER 13, 2010

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, December 13, 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 Foote was excused. Three (3) Emerald Bay residents attended.

Director Harris called the meeting to order at 5:30 p.m. Director Harris asked for comments on the Minutes of the Regular meeting of November 15, 2010. **Director Randolph made a motion to approve said Minutes with a second (Cole); the Minutes were approved by unanimous consent.**

Treasurer Cole reviewed the financial summary for November 30, 2010. Under sewer system operations, total income was \$26,776 (\$53,747 YTD compared to \$44,470 in 2009). Director Cole pointed out that income of \$10,492 had been collected through the \$9.22 greens drainage service charge. The sewer operating income/expense of \$17,661 is low as the District has not received the Constellation electric bill. Other income of \$4,233 was remaining property taxes received from the Smith County tax assessor resulting in net income for November of \$22,002.

Under water system operations, the total income was \$30,040 (\$67,147 YTD compared to \$42,322 in 2009). Director Cole noted that administrative expenses of \$2,466 reflect the addition of a CPA hired on a part-time basis to transition through the District's 2010 audit. Water system operations net income for November was \$17,021 (\$33,920 YTD compared to \$108,343 in 2009).

Under road & bridge operations, total income was \$8,292 and net income was \$7,812. Treasurer Cole pointed out that other income of \$55,104 was from member assessments for South Bay bridge renovation project.

The balance sheet shows total cash accounts total \$450,442; property, plant and equipment of \$2,779,525 contains \$287,000 for South Bay bridge and depreciation thereof over 25 years; construction in progress of \$731,870 contains water well #3 and SCADA. Upon review of November check detail, **a motion was made (Randolph) and seconded (Johnson) to approve the November financials. The motion was approved by unanimous consent of directors present.**

Director Harris presented an update on the District's field and plant operations. Andrews & Foster (water well drillers) recommended that Mr. Harris run the #3 water well pump at least two times per week until the water well goes on line. (At that time, the \$2,000 holdout will be paid to Andrews & Foster.) Director Harris has ordered power for #3 well along with meter boxes, disconnects and conduit. The District contacted two landowners to obtain the necessary sanitary easements for this water well. The Johnson easement has been completed and Director Foote is working with Mr. England to finalize the other. Smith County records showed a \$49,000 note payable to Jacksonville S&L (now Prosperity Bank). Mr. England must get a letter from Prosperity Bank stating he does not owe \$49,000 and take to Smith County tax assessor to get clear title.

The north sewer plant sludge return is blocked and we have been unable to clear it with conventional methods. The north plant will have to be drained to correct the problem. BLOC is adding the sewer plant to the SCADA system. All blowers are operational, new valves have been installed and check valves repaired at the plant.

A full-time bookkeeper/administrative assistant (Alicia Freeman) was hired to handle District matters at the MUD office 8 a.m. to 5 p.m. Monday-Friday. All utility inquiries, requests for service, forms, billing questions, and other matters can be directed through her. Now that the District has two full-time employees, it is critical that the District finalize personnel policies to become effective as soon as possible. For the interim, personnel contracts are being written to cover these two employees.

There being no further business, the meeting was adjourned at 6:10 p.m. upon motion duly made (Randolph) and seconded (Cole) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Financial Summary for November 30, 2010