

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
JUNE 20, 2011

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, June 20, 2011, 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. Five (5) 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 May 16 Regular meeting and Special meetings of May 23 and June 14, 2011. Director Johnson read the corrections to each of the Minutes. **Director Randolph made a motion to approve the Minutes of May 16, May 23 and June 14 with corrections as read. Upon second (Cole); the Minutes were approved by unanimous consent.**

Director Cole reviewed the financial summary for May 31, 2011. Under sewer system operations, total income was \$27,367 (\$217,670 YTD compared to \$175,320 in 2010). Cole pointed out the greens service charge was \$42,311 YTD. Total expenses were \$22,930 (\$157,330 YTD compared to \$137,415 in 2010). Cole also noted expenses incurred under Repairs & Maintenance included sewer lift pumps and fence repairs around the MUD property. Total net income for May was \$12,272 (\$71,723 YTD compared to \$62,792 in 2010). Director Harris noted repairs would have to be made to the sewer plant's splitter box and the #3 lift station.

Under water system operations, the total income for May was \$30,760 (\$232,672 YTD compared to \$169,108 last year to date). Cole commented that through May 15, the District had billed 23.9 percent more water (gallons) than during the corresponding time last year (current water rates went into effect June 1, 2010). The net operating income/expense for May was \$15,585 (\$136,721 YTD compared to \$87,209 in 2010.) He noted YTD administrative expenses (\$31,057) reflected the addition of a full-time office manager/accounting clerk. Total net income for May was \$10,930 (\$98,219 YTD).

Under road and bridge operations, total income was \$6,080 (\$52,322 YTD compared to \$27,254 in 2010). Total net income was \$5,741 (\$102,759 YTD compared to \$275,677 in 2010). This account is primarily accumulating funds for future repairs to the roads.

The balance sheet shows total cash accounts for May at \$769,162 compared to \$742,667 last year and construction in progress was \$445,864 compared to \$651,136. In regard to construction in progress, Cole noted the transfer of funds spent on the greens project to plant in services. Mr. Cole presented the May check detail and noted the large expenditures were for final payments on the golf course renovation and water well #3. Director Cole stated that, as of June 20, the District's overall expenses YTD total \$317,461 with 43% for repairs, maintenance and plant operations; 20.3% for utilities; 16.2% for interest expenses; 11.8% for accounting, and 8.7% for other expenses (including engineering,

construction, insurance, legal, licenses, and payroll). **Director Randolph made a motion to approve the financial summary. Upon second (Harris), the May financials were approved by unanimous consent.**

President Harris asked the directors to consider whether to implement a policy to charge customers for multiple meter readings for water usage disputes. The City of Tyler gives one re-read per month. If the meter is defective or leaking, the City will replace it at no charge. However, if no defect or leak is detected, the City charges \$50 for checking the meter. This matter will be deferred to the District's July 18 meeting.

President Harris asked the directors to consider whether to implement a policy to grant a one-time reduction or discount to customers for excessive water billings due to leaks. Some cities grant a one-time reduction or discount; i.e. City of Lindale gives a one-time 50 percent reduction to customers. Mr. Harris pointed out that some homeowner's insurance policies cover water leaks. This matter will also be deferred to the District's July 18 meeting.

Director Harris gave an update on progress on the completion of the District's #3 water well:

- 1) The crash wall barrier around the well is finished and the fence posts are set.
- 2) Ordered 6-inch pipe to finish connecting well to the pipeline.
- 3) Contractor scheduled to start blocking up chlorine building.
- 4) Will order and install chlorination equipment.
- 5) Will regrade the wellsite
- 6) SCADA system will be ordered for approximately \$12,300
- 7) Flushing and sanitizing well will take approximately 3 months
- 8) Must apply to TCEQ for temporary permit to operate well
- 9) Annual water quality report has been distributed to District customers.

There being no further business, the meeting was adjourned at 6:23 p.m. upon motion duly made (Randolph) and seconded (Johnson) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Financial Summary for May 31, 2011
Check Detail for May 2011