

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
AUGUST 17, 2011

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Wednesday, August 17, 2011, at 5:30 p.m. at the District office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Dwight Cole, Jaymie Foote, Bill Harris, Deena Johnson, and Paul Randolph. Thirteen (13) Emerald Bay residents attended and Alicia Freeman, District Administrative Assistant.

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

Director Cole reviewed the financial summary for July 31, 2011. Under sewer system operations, total income from service charges was \$26,556 (\$52,858 collected in greens drainage service charges YTD), total expenses were \$17,261, resulting in net operating income for the month of \$9,295 (YTD was \$79,967 compared to \$42,711 YTD in 2010). Net income for July was \$7,756 (\$86,295 YTD compared to \$71,995 YTD in 2010).

Under water system operations, Director Cole pointed out that 3,000,000 more gallons of water were pumped in July than in June. President Harris added that production from the two wells is down about 60 gallons/minute and pumping level of wells is dropping. As of July 15, the District billed 9,798,000 gallons (3.3 million more than last month) resulting in total income of \$41,103 (YTD was \$308,236 compared to \$237,155 in 2010). Total expenses were \$35,726 (\$143,634 YTD compared to \$104,869 last year) which includes cable repairs and generator rental. With interest expense of \$5,832, July operations resulted in a loss of \$317.

Under road and bridge operations, Director Cole noted total income was only \$4,032 as there were no new members or transfers in July and net income for the month was \$3,754 (\$120,182 YTD compared to \$289,489 YTD in 2010).

The balance sheet shows total assets at \$4,767,389 (includes \$483,749 for construction in progress), accounts payable at \$61,882, and long-term liabilities at \$2,063,344 (represents loans for water well #3 and drainage associated with the greens). In reviewing the July check detail, Mr. Cole stated the big payments related to water well #3 construction and cable repairs between the other two wells (i.e., \$2,000 for diesel fuel for the generator while working on the cable). **Director Randolph made a motion to approve the July financial summary and check detail as presented. Upon second (Foote), the financials were approved by unanimous consent.**

Director Harris gave an update on the District's operations. Well #3 is now manually operational and capable of producing about 550 GPM unrestricted. The District has submitted necessary documentation to the TCEQ requesting a permit to operate it, but

the well cannot be turned on until such permission is granted by the TCEQ (Harris read letter to TCEQ prepared by District Engineer, Kirk Bynum of Brannon Corporation).

Mr. Harris noted that low water pressure is a continuing problem and will continue even after the third well is on line. The District is considering a plan to allow customers in these areas to water at different times so they will have more pressure.

Director Harris also noted that the District maintains a constant water pressure with the elevated storage tower and pressure regulators on residences are no longer needed. These regulators must be removed by a licensed plumber.

There being no further business, the meeting was adjourned at 6:40 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 July 31, 2011

Check Detail for July 2011

Bynum Letter to TCEQ