

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
DECEMBER 14, 2011

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Wednesday, December 14, 2011, at 10:00 a.m. at the District Office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Dwight Cole, Deena Johnson, and Paul Randolph. Directors Foote and Harris were excused. Two (2) Emerald Bay residents attended and Alicia Freeman, District Administrative Clerk.

Director Cole called the meeting to order at 10:00 a.m. and asked for comments on the Minutes of the November 9, 2011, Special meeting and November 14, 2011, Regular meeting. **Director Randolph made a motion to approve the Minutes of both meetings as written. Upon second (Cole), the Minutes were approved by unanimous consent.**

Treasurer Cole reviewed the financial summary for November 30, 2011. Under sewer system operations, income is tracking almost exactly the same as last year with service charges of \$42,833 YTD compared to \$43,255 YTD 2010. Treasurer Cole pointed out a new income category titled greens drainage water charge was set up to account for the sale of water for supplemental irrigation of the golf course during the extreme drought (\$2,492 for November and \$5,006 YTD). Expenses are also tracking close to last year. Net income for November was \$10,826 (\$19,705 YTD compared to \$17,485 YTD 2010).

Under water system operations, income is ahead compared to last year as the District pumped 1,700,000 gallons more this November than November 2010 or 33 percent more over last year. The higher utility expenses (\$8,494 YTD compared to \$3,059 YTD 2010) are attributable to the required pumping and flushing of well #3 prior to putting it on line. Treasurer Cole also pointed out a new expense category was split out of Repairs & Maintenance to track leak repair expenses. Net income for November was \$10,430 (\$25,882 YTD compared to \$33,527 YTD 2010).

Under road and bridge operations, total income was \$4,026 attributable solely to service charges as there were no new members in November. Net income was \$3,675 (\$8,610 YTD compared to \$65,053 YTD 2010).

The balance sheet shows total cash accounts of \$822,734 YTD compared to \$451,552 YTD 2010; property, plant & equipment of \$3,206,014 YTD compared to \$2,789,800 YTD 2010; and construction in progress of \$519,026, compared to \$730,400 YTD 2010, is associated with water well #3 which will be closed out in the next two weeks. A review of the November check detail revealed no unusual expenses. **Director Randolph made a motion to approve the November financials as presented. Upon second (Cole), the financials were approved by unanimous consent.**

Treasurer Cole presented the proposed 2011/2012 financial budget and reviewed the actual figures for 2009/2010 and 2010/2011 used to calculate the new budget. Under sewer

system operations, service charges are budgeted at \$259,000 as this figure has remained the same for the last two years. Cole noted that the increase in depreciation is associated with drainage expenditures. Under water system operations, the budgeted water service charges of \$383,000 are 5% less than last year and 20% more than 2 years ago. Leak repairs are budgeted at \$10,000. Repairs & Maintenance is budgeted at \$25,000 (i.e., \$20,000 was spent in 2011 to repair cable between well #1 and Well #2). Under road and bridge operations, initiation fees are budgeted at \$36,000 based on the same number of home sales as last year; Road & Drainage Service Charges are budgeted at \$49,000 as these charges should remain the same as last year; and Repairs & Maintenance are budgeted at \$10,000. **Director Randolph made a motion to approve the proposed budget for fiscal year ending September 30, 2012 as presented. Upon second (Johnson), the budget was approved by unanimous consent.**

Alicia Freeman, District Clerk, reported on past due accounts and delinquencies. There were three disconnect notices mailed out for accounts 90 days past due; only one remains delinquent and will be disconnected if not paid by 12/31/11. There were 42 notices mailed out to customers 30 days past due and 10 accounts remain outstanding totaling \$1,128.36. These outstanding accounts must be paid by 12/31/11 or customers will receive disconnect notices on January 2, 2012. The District Clerk noted there is a \$100 charge to disconnect/terminate water service and a \$100 reconnection charge.

Director Johnson read the proposed rule Sec. 2.11 (e) as revised at November 14 meeting. "Upon the request of a customer, a District representative shall, without charge, reread a customer's meter for water usage billing purposes. **If such requests become excessive or repetitive occurring more than two times within one year from the date of the last reread,** the District shall charge said customer a fee which reflects the time and labor for a District representative or contractor to reread the meter (See Schedule "A" for current fees and charges.)" A fee of \$25 was suggested for said rereads. **Director Randolph made a motion to approve Sec. 2.11 (e) and establish the fee for such rereads at \$25. Upon second (Cole), the motion was approved by unanimous consent.** Director Johnson advised the new rules must be published once a week for two consecutive weeks and will become effective 5 days later. The rules will also be published in the January Rainbow Review.

Mr. Howard Rutherford (a former District director) is overseeing operations while Director Harris is out of town and gave an update on recent plant operations. There was a malfunction at the sewer plant due to a 480-wiring short from the lift station panel to the control panel. Fielding Electric pulled new wires and replaced a section of pipe. BLOC worked 4 hours to figure out the problem and set up the computer for the high level alarm.

There being no further business, the meeting was adjourned at 10:33 a.m. upon motion duly made (Randolph) and seconded (Johnson) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

Dwight Cole
Treasurer

Attachments:

Financial Summary for November 30, 2011

Check Detail for November 2011

Delinquent Accounts Report

New Rules/Fees Schedule