

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
MAY 21, 2012

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, May 21, 2012, at 5:30 p.m. at the District's office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Dwight Cole, Jaymie Foote, Bill Harris, Deena Johnson, and Paul Randolph. Four (4) Emerald Bay residents also attended.

Director Harris called the meeting to order at 5:30 p.m. Director Harris asked for comments on the Minutes of the April 16 (Regular) and the April 22 (Special) meetings. **Director Foote made a motion to approve the Minutes of April 16 and April 22 as written. Upon second (Randolph), the Minutes were approved by unanimous consent.**

Treasurer Cole reviewed the financial summary for April 30, 2012. Under sewer system operations, Cole noted total income for April was \$26,760 (\$189,159 YTD 2012 compared to \$190,303 YTD 2011) and total expenses were \$17,640 (\$124,766 YTD 2012 compared to the 2011 YTD of \$129,573) resulting in net income of \$7,848 (\$53,792 YTD compared to budgeted YTD of \$41,974).

Under water system operations, total income for April was \$24,170 (\$186,789 YTD 2012 compared to \$201,912 YTD 2011) and total expenses were \$12,342 (\$98,258 YTD 2012 compared to \$80,777 YTD 2011). With interest expense of \$5,576, the resulting net income was \$6,373 (\$49,806 YTD 2012 compared to \$87,288 YTD 2011).

Under road and bridge operations, total income was \$6,014 noting the YTD initiation fees were \$16,000 (8 new members) compared to \$12,000 (6 new members) budgeted YTD. Net income for April was \$5,728 (\$40,609 YTD 2012 compared to \$35,225 budgeted YTD).

The balance sheet shows total cash accounts of \$853,434; construction in progress is \$527,476 compared to \$982,133 in 2011 with some assets being transferred to PP&E to bring it to \$3,166,353. Cole noted cash in sewer fund was \$188,441, water fund is \$374,632, and roads fund is \$183,255. Director Harris advised the District must consider a sewer rate increase to cover upcoming repairs to the sewer system.

Review of the April check detail showed the standard expenditures with the largest payments for monthly bond/interest payments and repairs and maintenance. **Director Randolph made a motion to approve the April financial summary as presented. Upon second (Foote), the financials were approved by unanimous consent.**

Cole discussed proposed revisions to the budget to (1) revise net income for the sewer system down by \$6,500 to correct accounting for the selling of supplemental water to irrigate the golf course during last year's drought that should be budgeted to the water system and (2) increase depreciation expense for roads and bridges by \$19,000. **Director Randolph made a motion to approve the proposed budget revisions. Upon second (Foote), the budget revisions were approved by unanimous consent.**

Director Cole reported on delinquent accounts and/or disputed billings. Four disconnect notices were mailed on May 2 and three remain outstanding totaling \$736.02. The Pillsbury GMAC account (sewer only) has been delinquent for over 6 months. Certified notification was sent advising that past due amount of \$364.88 must be received within 15 days of notice or it will be necessary to file a lien on the property and remove the sewer tap. There were 24 past due notices mailed on May 2 and three remain unpaid totaling \$258.58. As of this date, past due accounts total \$994.60. The District Clerk now sends a copy of the new rules stating that any accounts delinquent for 55 days will be required to pay a deposit of \$150.

Director Harris gave an update on the District's field/plant operations. Lift Station #3 (which is critical to the subdivision) is being rebuilt and Oncor has installed new power lines. AAA Sanitation cleaned out all 8 lift stations last week, but three lift stations will have to be redone. There is a problem with one of the blowers at the main sewer plant.

Harris met with George Holmes, Inge Grant, and Nan Stegemoeller of the infrastructure advisory group, regarding streets. District Engineer, Kirk Bynum, will prepare a master plan for the streets to post for contractor bids. Director Foote also recommended using the Green Sheet list of contractors.

Harris has researched several methods for upgrading the water distribution system. One option is pipe-bursting whereby a bullet dragging the new pipe behind is pulled through the old pipe—bursting it. The District Engineer will revise the plans and quotes (which should take at least two weeks) to incorporate all options. Upon completion thereof, Kirk Bynum and Directors Harris and Johnson will meet with Southside Bank to discuss financing options for the project. Harris reiterated that residents are under permanent water restrictions to address the water pressure issue.

Harris also noted that he would negotiate for the best electric power rates for the Club, Church and MUD with Constellation and Champion Energy prior to expiration of the current contract.

There being no further business the meeting was adjourned at 6:46 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 April 30, 2012
Check Detail for April 2012
Delinquent Accounts as of 5/21/12