

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
JUNE 18, 2012

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, June 18, 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 and Alicia Florence, District Clerk, also attended.

Director Harris called the meeting to order at 5:30 p.m. Director Harris asked for comments on the Minutes of the May 18 (Special) and the May 21 (Regular) meetings. **Director Cole made a motion to approve the Minutes of May 18 and May 21 as written. Upon second (Foote), the Minutes were approved by unanimous consent.**

Treasurer Cole reviewed the financial summary for May 31, 2012. Under sewer system operations, Cole noted total income was \$26,879 (\$215,887 YTD 2012 compared to \$217,670 YTD 2011) and total expenses were \$14,864 (\$139,632 YTD 2012 compared to the 2011 YTD of \$152,505). It was noted that the May electric bill (estimated at \$6,000) had not been received explaining the negative (\$1,016) utility figure for the month. Net income was adjusted from \$10,496 to \$7,008 after deducting principal payment of \$3,488 for greens drainage loan.

Under water system operations, total income was \$32,203 (\$218,992 YTD 2012 compared to \$232,672 YTD 2011) and total expenses were \$16,301 (\$114,557 YTD 2012 compared to \$96,021 YTD 2011). Net income was adjusted from \$10,494 to \$2,189 after deducting principal payments of \$8,305 on water well #3 loans. Cole noted the District is pumping less water and therefore billed 26 percent less than this time last year.

Under road and bridge operations, total income was \$6,014 (\$50,160 YTD 2012 compared to \$52,322 YTD 2011) noting the YTD initiation fees were \$18,000 (9 new members) compared to \$20,000 (10 new members) in 2011. Net income for May was \$5,127 (\$45,734 YTD 2012 compared to \$102,759 YTD 2011).

The balance sheet shows total cash accounts of \$846,692; PP&E is \$3,166,353; construction in progress is \$527,602 attributable to water well #3 and the SCADA system. Cole pointed out the long-term liabilities of \$1,946,979 attributed to principal payments on loans.

Review of the May 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 May financial summary as presented. Upon second (Foote), the financials were approved by unanimous consent.**

Alicia Florence, District Clerk, reported 34 past due notices were mailed June 1 totaling \$3,172.24 and only five accounts remain outstanding totaling \$516.07. Any accounts not paid by 6/25/12 will be disconnected. The District Clerk advised the Pillsbury GMAC account (sewer only) has been taken over and paid by First Bank & Trust covering two commercial buildings at \$50.25/month.

Director Harris noted there had not been any sewer rate increases since 2006. Harris enumerated some of the upcoming maintenance and repairs that must be made to the sewer plant and lift stations totaling approximately \$100,000. The present sewer rate of \$35/month generates \$21,105/month or \$254,100/year. Director Cole calculated an increase to \$39.50/month would raise cash flow to \$287,000/year. After further discussion, **Director Foote made a motion to increase the District's monthly sewer rate to \$39.50. Upon second (Randolph), the motion was approved by unanimous consent.** Director Johnson advised the rate increase notice would have to be published in the Bullard Banner for two consecutive weeks before becoming effective.

Director Harris advised that Larry Cawthon had requested that the District stop or suspend the sewer billing for the new house at 143 LaSalle Drive until it is sold and completed as there are no plumbing fixtures in the house. At present, Cawthon is responsible for utility billings for water, sewer, road and drainage fees on all three new houses on LaSalle. This request covers only the monthly sewer fees (including drainage) and not the water and road charges on 143 LaSalle. After further consideration, **Director Foote made a motion to suspend monthly sewer charges for 143 LaSalle until home is sold. Upon second (Cole), the motion was approved by unanimous consent.**

Director Harris gave an update of the District's operations and discussed the continuing research regarding repairing streets and infrastructure. The District's engineer, Kirk Bynum of Brannon Corporation, has prepared a street cross-section and pricing to replace the section from the entrance gate to Henry Drive. It is recommended that the District establish a standard for the streets and replace a section at a time. A process called "pug-milling" is recommended whereby the old asphalt is removed, ground, mixed with concrete and reapplied to the roadbed.

In regard to the best way to improve the water distribution system, research and development continues on alternative methods; i.e., open cut and pipe-bursting methods.

There being no further business the meeting was adjourned at 6:35 p.m. upon motion duly made (Harris) and seconded (Randolph) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Financial Summary for May 31, 2012
Check Detail for May 2012
Delinquent Accounts as of 6/18/12