

**EMERALD BAY MUNICIPAL UTILITY DISTRICT**  
**FINAL AND APPROVED**  
**MINUTES OF REGULAR MEETING**  
**SEPTEMBER 17, 2012**

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, September 17, 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. Alicia Florence, District Clerk, and one resident were in attendance.

Director Harris called the meeting to order at 5:31 p.m. Director Harris asked for comments on the Minutes of the August 16 (Special) and August 20 (Regular) meetings. **Director Foote made a motion to approve the Minutes of August 16 and August 20 as written. Upon second (Randolph), the Minutes were approved by unanimous consent.**

Treasurer Cole reviewed the financial summary for August 31, 2012 including comparison to budget. Under sewer system operations, total income for the month was \$29,691 (\$303,421 YTD 2012 compared to \$303,615 YTD revised budget) and total expenses were \$23,242 (\$211,874 YTD 2012 compared to \$209,481 YTD revised budget) resulting in net operating income of \$6,449 (\$91,547 YTD 2012 compared to \$94,134 YTD revised budget). Net income was adjusted from \$4,992 to \$1,466 after deducting principal payment of \$3,526 for greens drainage loan.

Under water system operations, total income was \$41,770 (\$330,893 YTD 2012 compared to \$334,648 YTD revised budget) and total expenses were \$17,102 (\$154,335 YTD 2012 compared to \$154,604 YTD revised budget) resulting in net operating income of \$24,668 (\$176,558 YTD 2012 compared to \$180,044 YTD revised budget). Net income was adjusted from \$19,341 to \$10,948 after deducting principal payments of \$8,393 for water system loans.

Under road and bridge operations, Cole noted the impact of construction permits and initiation fees on income. Cole also noted there were 20 new members through August and only budgeted for 18 new members. The total income for August was \$13,802 (\$85,978 YTD 2012 compared to \$83,830 YTD revised budget) and total expenses were \$1,401 (\$6,949 YTD 2012 compared to \$14,475 YTD revised budget) resulting in net income for August of \$12,447 (\$79,431 YTD 2012 compared to \$69,757 YTD revised budget). Under Repairs and Maintenance, \$8,600 was budgeted for street repairs but the repairs were done September 5 and the expense will appear on September statement.

The balance sheet shows total assets at \$4,651,905 with total cash accounts of \$895,599 compared to \$769,520 YTD 2011; PP&E remains at \$3,166,353 compared to \$3,463,169 YTD 2011 with principle difference due to plant depreciation accrued since last year; and construction in progress at \$540,911 with approximately \$450,000 attributable to water well #3, approximately \$50,000 for the SCADA system, and approximately \$10,000 to \$15,000 for the proposed water line from the Lake to the effluent ponds. Cole also noted that long-term liabilities decreased from \$2,051,918 YTD 2011 to \$1,911,348 due to payment of principal on loans.

Review of the August check detail showed the standard expenditures with the largest payments attributable to payroll, lift station repairs, pumps, new air-conditioning unit for the District office, and bond payments. **Director Randolph made a motion to approve the August financial summary as presented. Upon second (Foote), the financials were approved by unanimous consent.**

Alicia Florence, District Clerk, reported 40 past due notices were mailed September 4 totaling \$4,872.39 and 9 accounts remain outstanding totaling \$1,056.77. Clerk noted that three customers were disconnected for nonpayment in August and any accounts not paid by 9/25/12 will be disconnected on that date.

Director Harris gave an update on the District's operations noting (1) fixed six water leaks, (2) several street repairs were made including LaSalle and High Point, (3) the South Bay traffic bridge was seal-coated on September 5, and (4) will finish installing SCADA system at lift station #3. Upon delivery of the VFD (variable frequency drive) for #3 water well, Harris and District employees will install and operate or exercise it for 7-10 days. Also, the generator will have to be moved to wellsite #2 for the interim. All District employees passed their wastewater license testing on August 30 and attained a "D" wastewater license along with "D" water license attained earlier.

There being no further business the meeting was adjourned at 6:15 p.m.

Respectfully submitted,

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Deena M. Johnson  
Secretary

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William F. Harris  
President

Attachments:  
Financial Summary for August 31, 2012  
Check Detail for August 2012  
Delinquent Accounts as of 9/17/12