

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
DECEMBER 16, 2013

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, December 16, 2013, at 4:30 p.m. at the District's Office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Barry Botti, Dwight Cole, Bill Harris, Deena Johnson, and Loretta Woodall. District Clerk, Dawn Smith, and four residents were in attendance.

Director Harris called the meeting to order at 4:30 p.m. and asked for comments on the Minutes of the November 18, 2013 (Regular) and Special meetings of November 21 and December 2, 2013. **Director Cole made a motion to approve the Minutes of November 18, November 21, and December 2 as written. Upon second (Harris), the Minutes of November 18 were approved by majority vote (Cole, Harris, Johnson and Woodall).** Director Botti abstained as he was not a director at the November 18 meeting. **The Minutes of Special meetings on November 21 and December 2 were approved by unanimous consent.**

Treasurer Botti reviewed the financial summary for November 30, 2013. Under sewer system operations, total income for the month was \$29,366 and total expenses were \$23,650. Net income was \$4,431 adjusted to \$711 after deducting principal payment of \$3,720 for greens drainage loan.

Under water system operations, total income for November was \$43,601 (reflects implementation of the \$35 rate increase generating about \$19,000 per month) and total expenses were \$22,543. After deducting net other income (\$4,878), net income was \$16,180 adjusted to \$7,235 after deducting principal payments of \$8,945 for water system loans. Year to date for 2013-2014 fiscal period (Oct-Nov), the \$35 rate increase (special assessment) has generated about \$40,000.

Under road and bridge operations, total income for November was \$7,996 and total expenses were only \$134 resulting in net income of \$7,932.

The balance sheet shows total assets for November at \$4,741,674 with total cash accounts of \$1,333,624. Other current liabilities were \$411,837 due to short-term loan of \$250,000 to start on the 2013 water distribution project. **Director Woodall made a motion to approve the November 2013 financials. Upon second (Cole), the financials were approved by unanimous consent.**

Treasurer Botti presented the proposed budget for fiscal period October 2013 through September 2014 in yearly, quarterly and monthly formats for review and approval. Director Botti pointed out that the sewer plant repairs were backed out of this annual budget. It was also noted that lift stations must be redone and that should be reflected in the quarterly budget. Expenditures for 2013 water distribution project are not in this budget as costs are unknown at this point. After further discussion, **Director Harris made a motion to approve the annual budget for October 2013-September**

2014. Upon second (Cole), the budget was approved by unanimous consent. Harris noted that it was easier to review and revise the budget on a quarterly basis than on an annual (yearly) basis.

District Clerk, Dawn Smith, advised that 26 past due letters were mailed on December 5 totaling \$3,949.30 and ten accounts remain unpaid totaling \$1,519.36. Two of the delinquencies are sewer customers in Windcliff Harbor. Any accounts not paid in full by December 26 will be disconnected. Director Woodall placed a delinquency notice on door of one Windcliff Harbor resident, and she will contact any other customers with past due accounts prior to disconnection of service.

The District sent out 142 certified letters to lakefront property owners requesting information on the method by which they irrigate their property. A Lake Water Irrigation Cross Connection Declaration form was included for homeowners to indicate irrigation by lake water only, District potable water only, or both lake and potable water. At this time there are 26 residents who have not returned Declaration forms; therefore, another letter will be sent out on January 1, 2014, advising deadline to respond or service can be discontinued.

Director Johnson made a motion that December 24 (Christmas Eve) be recognized as the floating holiday in addition to December 25 (Christmas Day) for District employees. Upon second (Harris), the motion was approved by unanimous consent.

Director Harris gave an update on operations noting:

- 1) The application for the 4th (irrigation) water well and pipeline was submitted to the TCEQ Plan Review Group and we have received approval. The application for the bond issue for the 2013 water distribution project should be submitted to the TCEQ Bond Review Group this week along with a 45-day expedited review request for non-developer projects. Mr. Harris noted that most MUD districts are expanding infrastructure to service additional development. Emerald Bay MUD is just applying to improve and maintain our present system. Because of the non-expansion aspect of the project, we don't believe the normal 180-day request is necessary. Upon bond review approval of the project, the bond attorney will prepare a transcript and the bond note to send to the State Attorney-General for approval.
- 2) The 45-day bond issue review period will give the District two to three months to obtain access agreements from residents directly affected by the route of the distribution system improvements. As the project progresses, the new lines will be identified by GPS coordinates and easements will be prepared, executed, and recorded in the Smith County records. The District is going to request that Emerald Bay HOA require that any change of ownership of affected properties during the project will necessitate signature of access agreements by new owners.

Prospective new members must be advised of this requirement by District representative during membership interview as Club can deny membership for failure to sign these access agreements.

- 3) Minor rework by McKinney & Moore is complete on wastewater treatment plant.
- 4) McKinney & Moore is also replacing pump guide rails at Lift Station #3 and sealing the area between the pump well and the check valve pit. They are also completing the bypass on water well #3. The bypass between water well #3 and the ground storage tank is complete and will be tested in January. The bypass will allow maintenance on the ground storage tank to be performed without interrupting continuous water service.
- 5) Justin is reworking the wire runs between the wastewater treatment plant SCADA/RTU panel and the plant generator to repair a fault in the conduit.
- 6) Mr. Harris noted that there is a real need for dual DFS SCADA servers. These are the computer servers that control and operate the water system. The current (single) server has been running for 7 years and needs to be replaced with Dual Redundant Servers. There is a real danger of the current server failing. If that were to happen the water system would have to be operated manually on a 24-hour basis until the server was repaired or replaced.

There was no further action or business to be discussed and the meeting was adjourned at 5:24 p.m. upon motion duly made (Woodall) and seconded (Botti).

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:

Financial Summary for November 30, 2013

Budgets for Oct 2013-Sept 2014

Past Due Accounts Report for 12/16/13

THE STATE OF TEXAS §

COUNTY OF SMITH §

BEFORE ME, the undersigned authority, on this day personally appeared William F. Harris and Deena M. Johnson, President and Secretary, respectively, of the Emerald Bay Municipal Utility District; known to me to be the persons whose names are subscribed to the foregoing.

SUBSCRIBED TO AND SWORN TO before me, under my official hand and seal of office this ____ day of _____, 2014.

Notary Public in and for the State of Texas