

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
FEBRUARY 17, 2014

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, February 17, 2014, at 4:30 p.m. at the District's Office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Barry Botti, Bill Harris, Deena Johnson, and Loretta Woodall. Director Dwight Cole was excused. Four residents and Jessica Moyers (District Clerk) were in attendance.

Director Harris called the meeting to order at 4:34 p.m. and asked for comments on the Minutes of the January 20, 2014 (Regular) meeting. After reviewing the aforementioned Minutes, **Director Botti made a motion to approve the Minutes of January 20 as written. Upon second (Woodall), the Minutes were approved by unanimous consent.**

Treasurer Botti reviewed the financial summary for January 31, 2014. Botti stated that YTD sewer operations are very similar to last YTD with total income for January at \$30,332 and total expenses at \$21,966. Net income was \$6,237 adjusted to \$2,490 after deducting principal payment of \$3,747 for greens drainage loan.

Under water system operations, total income for January was \$40,627 and total expenses were \$18,029. Director Botti noted higher revenues are attributable to the \$35 rate increase (\$19,985 monthly) and higher expenses are attributable to additional personnel (payroll). Net income was \$16,722 adjusted to \$7,814 after deducting principal payments of \$8,908 for water system loans.

Under road and bridge operations, total income for January was \$9,067 and total expenses were \$112 resulting in net income of \$9,030. Botti noted revenue from initiation fees is behind last year's collections.

The balance sheet shows total assets for January at \$4,774,898 with total cash accounts higher due to \$250,000 loan and rate increase for 2013 water project. The checking account summary reflects \$678,163 for Roads and 2013 water project and another \$688,805 in other accounts. **Director Woodall made a motion to approve the January 2014 financials. Upon second (Johnson), the financials were approved by unanimous consent.**

Treasurer Botti presented the District's original budget for fiscal period October 1, 2013 to September 30, 2014 and discussed revisions for the first quarter of 2014. The main revisions are an additional \$30,000 for lift station repairs and \$6,600 for SCADA repairs. **Director Johnson made a motion to approve the budget revisions. Upon second (Woodall), the revised budget was approved by unanimous consent.**

Director Woodall advised there were 13 delinquent accounts totaling \$1,522.17. Any accounts not paid by February 25 will be disconnected. Director Woodall will contact any customers with past due accounts prior to disconnection of service.

Director Harris discussed possible revisions to the District's Rules and Regulations to define where the District's responsibility for water and wastewater service lines begin and end.

- 1) Responsibility for customer's water line stops at the back side of the water meter.
- 2) Responsibility for customer's wastewater line ends at the main or the forced main for any private lift station. Some lines run under the street and the homeowner is responsible for his own service line. Some houses have a shared service line and then both homeowners will pay if there is any blockage. Harris suggested revising the rule to read that customer responsibility ends at the main.
- 3) If there is a hammer tap on the line (plumber cut hole in top of main to add tap), the District will split the cost to repair the hammer tap with the homeowner.

The abovementioned revisions and also possible changes to rules regarding service deposits and handling of reverse mortgages will be tabled for further consideration.

Director Johnson explained the requirements for the upcoming May 10, 2014 general election for three directors. The District conducts its elections in conjunction with Smith County and will share the election costs with the City of Bullard and Bullard ISD. The District must execute a Joint Election Agreement and Interlocal Agreement for the conduct of said election. **Director Harris made a motion to approve both agreements and authorize Director Johnson to execute same for the District. Upon second (Botti), execution of both agreements by Director Johnson was approved by unanimous consent.**

Director Harris gave an update on operations noting:

- 1) Bloc Design completed the rewiring and programming of the SCADA system for \$6,600.
- 2) Installation of bypass on ground storage tank has been completed successfully.
- 3) Received letter from the TCEQ Bond Review Group requesting resolution of 10 additional items regarding the 2013 water project application; i.e., (1) the installation of new District signs to be placed at all entrances and well sites, and (2) right-of-ways for distribution lines must be resolved or funds will be placed in escrow.

- 4) Inge Grant has started getting the right-of-way agreements signed by residents on the route of the water distribution system improvements. Mr. Grant needs reference numbers from the surveyor to finalize the access agreements. Mr. Harris will schedule a town hall meeting to update the community on this \$3.9 MM project.
- 5) Director Harris and employee, Lance Moore, have interviewed several electronic water meter companies: i.e., Master Meter, Infinity RG3, and Neptune. Most offer a 10-year warranty.
- 6) All residents on lakefront property will receive a letter notification that customer service inspections must be performed by licensed inspectors and returned to the District no later than April 30, 2014. An agreement was reached with Eschberger Plumbing to conduct the inspections at a discounted price.

There was no further action or business to be discussed and the meeting was adjourned at 5:32 p.m. upon motion duly made (Harris) and seconded (Johnson).

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:

Financial Summary for January 31, 2014
Past Due Accounts Report for 2/17/14
Budget Revisions

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