

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

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, March 17, 2014, 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. Six residents were in attendance.

Director Harris called the meeting to order at 4:32 p.m. and asked for comments on the Minutes of the February 17, 2014 (Regular) and February 28, 2014 (Special) meetings. After reviewing the aforementioned Minutes, **Director Botti made a motion to approve the Minutes of February 17 and February 28 as written. Upon second (Harris), the Minutes of February 17 were approved by majority vote (Botti, Johnson, and Woodall) with Cole abstaining as absent from that meeting. Minutes of February 28 were approved by unanimous consent.**

Treasurer Botti reviewed the financial summary for February 28, 2014. Botti stated that sewer system revenues are steady with total income for February at \$31,127 (YTD \$149,557 compared to 2013 YTD of \$147,034) and total expenses are down at \$13,664 (YTD \$97,997 compared to 2013 YTD of \$107,733). Net income was \$16,327 adjusted to \$12,566 after deducting principal payment of \$3,761 for greens drainage loan.

Under water system operations, total income for February was \$43,119 and total expenses were \$13,244. Director Botti noted the difference in YTD revenue (\$197,200) and 2013 YTD (\$108,238) is attributable to the \$35 rate increase (\$19,985 monthly) for the 2013 water project as water usage is down slightly. Total expenses YTD of \$70,860 are up compared to 2013 YTD expenses of \$60,175. Net income was \$25,194 adjusted to \$16,254 after deducting principal payments of \$8,940 for water system loans.

Under road and bridge operations, total income for February was \$10,095 with no expenses resulting in net income of \$10,164. Botti noted revenue from initiation fees is behind last year's collections.

The balance sheet shows total assets for February at \$4,825,655 with total cash accounts higher due to \$250,000 loan and rate increase for 2013 water project. The monies allocated to the various account categories is not the amount of money in those checking accounts. **Director Cole made a motion to approve the February 2014 financials. Upon second (Woodall), the financials were approved by unanimous consent.**

Director Johnson advised that eleven (11) letters were mailed for delinquent accounts totaling \$1,332.91. Any accounts not paid by March 25 will be disconnected.

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. In regard to Sec. 2.05 Maintenance of and Restrictions on Connection Lines, the following revisions in **bold** were suggested.

(b) The customer's responsibility to maintain the water and wastewater lines shall begin at the discharge side of the meter or District's cut-off valve if there is no meter. **The District's maintenance responsibility for water service ends at the discharge side of the water meter or the District's cut-off valve if there is no meter. The meter is the property of the District and the homeowner is not permitted to tamper with the meter. (See District Rules Sec. 2.08 (8) on tampering with meters)**

(c) **The District's maintenance responsibility for wastewater collection line maintenance ends at the lateral service line tap to the wastewater collection main. The collection mains are defined as those lines represented in the District's collection system maps. (Note: Lateral service lines are not shown on the District's collection map). The homeowner's responsibility begins at the point where the service line connects to the main. It is the responsibility of each homeowner to maintain their service line in proper working condition even if it crosses another person's property.**

In regard to Sec. 2.03 Service Deposits, the following revisions in **bold** were suggested.

(b) **Any property owner who is habitually delinquent in paying their utility billing or has had service discontinued two times while they own the property will be required to pay to the District a service deposit of \$350 (equivalent to two months' service for water and/or wastewater) in addition to payment of all delinquent charges, late fees, and disconnect/reconnect fees.**

(c) **When the record owner of a property (residence) applies for refinancing or reverse mortgage of that residence, the District will require a \$350 deposit to cover utility service.**

After further discussion, **Director Cole made a motion to approve the aforementioned Rule revisions. Upon second (Botti), the Rules were approved by unanimous consent.** Director Johnson noted that all rule changes must be published in the newspaper twice within two consecutive weeks before becoming effective.

Director Harris presented an update on plant and field operations:

1) Resolved outstanding account balance due to BLOC at \$9,300. The SCADA system is functioning well now. Will eventually add five (5) lift stations, the 4th water well when completed, and the emergency pump in the golf course pumphouse to the SCADA system.

2) Letters were sent to 143 lakefront property owners regarding the TCEQ mandate that current customer service inspections must be performed and forms returned to the District no later than April 30, 2014. To date **only 49** CSI forms remain outstanding. At the end of March, we will start calling all lakefront property owners who have not returned their CSI inspections. All inspection forms must be received by the TCEQ no later than May 30, 2014.

3) Inge Grant has scheduled a meeting at the Club on March 18 for all communications group volunteers to go over the packets to be distributed to all District residents on the route of the water distribution system improvements. The packets contain informational data such as plats/aerial photos and easements to be signed by residents and notarized as easements must be recorded in Smith County Records. Easements can be notarized by Jessica at District Office, Marian at the Club office, or Nancy Studley at the Church. The original signed and notarized easements must then be returned to the District for recording. The recording information will be provided to the resident.

4) The EBHOA requested permission to house and operate certain radio booster equipment within the base cone and column of the District's water tower (an agreement regarding same was executed by both parties).

5) The TCEQ is still reviewing all the documents submitted for the 2013 water project. The TCEQ may require escrow of funds until all aforementioned easements have been obtained. As soon as TCEQ grants approval of the project, the bond attorney will prepare the bond issue transcript for review and approval by the Texas Attorney General.

There was no further action or business to be discussed and the meeting was adjourned at 5:35 p.m.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Financial Summary for February 28, 2014
Past Due Accounts Report for 3/17/14
Rules 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