

**EMERALD BAY MUNICIPAL UTILITY DISTRICT**  
**FINAL AND APPROVED**  
**MINUTES OF REGULAR MEETING**  
**APRIL 21, 2014**

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, April 21, 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. Seven 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 March 17, 2014 (Regular) meeting. After reviewing the aforementioned Minutes, Director Harris made one correction on page 3 to change number of letters sent to lakefront property owners to 143. **Director Botti made a motion to approve the Minutes of March 17 as amended. Upon second (Cole), the Minutes of March 17 were approved by unanimous consent.**

Treasurer Botti reviewed the financial summary for March 31, 2014. Under sewer system operations, Botti stated that total income for March was \$28,241 (YTD \$177,799 compared to 2013 YTD of \$184,082). The utilities were higher as we received two months billing (\$12,877) so total expenses were \$24,968 (YTD \$122,923 compared to 2013 YTD of \$120,809). Net income was \$2,028 adjusted to (\$1,746) after deducting principal payment of \$3,774 for greens drainage loan. Botti also noted District is planning for lift station #6 repairs.

Under water system operations, total income for March was \$39,190 as water usage is down because of recent rain. Botti noted the 2013 water distribution project is funded by revenue generated by the \$35 rate increase (\$19,985 monthly). Expenses (\$13,870) are fairly low for the month with no major problems. Net income was \$20,583 adjusted to \$11,612 after deducting principal payments of \$8,971 for water system loans.

Under road and bridge operations, total income for March was \$3,972 with no expenses resulting in net income of \$4,050. Botti noted the District receives \$1,000 per quarter from Waste Management for street repairs (\$374,348 in street repair fund).

The balance sheet shows total assets for March at \$4,838,106 with total cash at \$1,407,972 with 2013 water project fund accounting for \$350,856. 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 March 2014 financials. Upon second (Johnson), the financials were approved by unanimous consent.**

District Clerk, Jessica Moyers, advised that sixteen (16) letters were mailed to delinquent accounts and seven (7) accounts remain outstanding totaling \$765.66. Any accounts not paid by April 25 will be disconnected.

President Harris reviewed the Radio Equipment and Antenna Agreement between the District and the Emerald Bay Homeowners Association. The security radio system controls the community's fire control system. The District grants permission to the

EBHOA to house and operate certain radio booster equipment within the base cone and column of the District's water tower and also allows the EBHOA to install a repeater transmission antenna on top of the water tower for a monetary consideration of \$1.00 per year. Harris noted the water tower is the most critical part of the water system.

Director Harris reviewed the District's options regarding the proposed fourth water well to be drilled to potable standards but used primarily for irrigation purposes. The well site is located in the Shell Shores subdivision on property owned by a District resident. The well logs were good on the other three District water wells, but the fourth well location is closer to the salt dome. Drilling companies estimates range up to \$100,000 for drilling, completion and testing for a 1,000-foot well. A Canton company quoted \$23,400 to drill and complete a small test well. If only an electric log is required, the price would be \$11,800. This will tell us if there is water at this location but not the quality of the water. District engineer, Kirk Bynum, agrees we should do a test well. **Director Harris made a motion to approve the drilling of a test well for the 4<sup>th</sup> water well. Upon second (Cole), the motion was approved by unanimous consent.**

Director Harris presented an update on plant and field operations:

1) Of the 143 letters sent to lakefront property owners regarding the TCEQ mandate that current customer service inspections must be performed, **only 10** CSI forms remain outstanding. These residents will be notified their water service will be terminated until the CSI forms are returned to the District as all inspection forms must be received by the TCEQ no later than May 30, 2014.

2) The TCEQ has approved the District's 2013 water distribution improvement project. The communications group has been successful in obtaining 70 percent of the TCEQ mandated right-of-way easements with only 63 outstanding. The bond attorney is working with the banks to get interest rate quotes for the project bond issue. Southside Bank has matched another bank's offer of 3-1/2 percent for the \$3.9 million bond. Southside will not charge any loan origination or legal fees for the loan. Bond attorney will prepare the bond issue transcript for review and approval by the Texas Attorney General.

3) Harris will meet with District engineer, Kirk Bynum, to discuss the bid package for the water project. Engineer wants to give contractors a month to prepare and submit bids.

There was no further action or business to be discussed and the meeting was adjourned at 5:30 p.m.

Respectfully submitted,

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Deena M. Johnson  
Secretary

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William F. Harris  
President

Attachments:  
Financial Summary for March 31, 2014  
Past Due Accounts Report for 4/21/14  
Radio Equipment & Antenna Agreement

**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.

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Notary Public in and for the State of Texas