

Emerald Bay Municipal Utility District
Minutes of Regular Meeting
January 18, 2016

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, January 18, 2016 at 4:00PM at the District Office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Barry Botti, Dwight Cole, Inge Grant, and Bill Harris. Director Jane Watson was excused (vacation). Compliance Officer, Lori Wiginton, from the MUD was also in attendance. No Emerald Bay residents attended.

Director Harris called the meeting to order at 4:00PM. Director Harris went over the monthly pay request to AAA Sanitation for the 2013 Water Project, month of December 2015. Director Harris advised that the amount owed was \$68,468.22 and that he had gone over the request with Kirk Bynum of The Brannon Corporation. Director Harris made a motion to accept the December 2015 pay request, Inge Grant seconded and the request was approved by unanimous consent.

Barry Botti reviewed the October 2015-September 2016 Budget revisions since TCEQ requires it to be reviewed quarterly. Director Botti advised that the budget for road fees had gone up, but that the sewer budget had decreased due to lower costs in repair and maintenance. Director Botti explained that under water, legal fees had increased because of the note refinancing for Wells 1 & 2 but that interest expenses had decreased also because of the note refinance. He also explained that there was a slight decrease in water repair expenses. Barry Botti made a motion to accept the budget review and revisions, Inge Grant seconded, budget was approved by unanimous consent.

Director Botti presented the December 2015 Financial Summary Quarterly Report to the Board. Director Botti informed the Board that expenses and interest on sewer is down. He also advised that expenses for water are up due to legal fees and payroll but that revenues for water are also up since we had a dry October and lots residents had been watering. Director Botti advised that there was \$48,000.00 left from the loan refinance which has been pledged to the Power Line Project between Wells 1 & 2. Director Grant inquired as to the amount in the Roads account that MUD receives from new member fees. Director Botti advised that the amount in the account was \$622,655.00 and Director Harris advised that money goes to road repair, labor and equipment. He also mentioned that Francisco Ramirez has been helping to get the streets repaired on his days off and is doing a good job. Director Botti advised that there is \$1,800,000.00 in the 2013 Water Project account, \$10,389.00 in Effluent Distribution Systems, \$367,505.00 in Water and \$322,000.00 in the Wastewater account. Director Dwight Cole made a motion to approve the Quarterly Report, Inge Grant seconded and the report was approved by unanimous consent.

Director Harris requested that the Board read over the minutes from the November and December 2015 board meetings for approval. Barry Botti made a motion to accept the minutes

from November 2015, Inge Grant seconded and the November minutes were approved by unanimous consent. Inge Grant made a motion to approve the December 2015 minutes, Barry Botti seconded and the December minutes were approved by unanimous consent.

Director Bill Harris report to the Board on the operations of the MUD. Director Harris informed the Board that he and Lori are working on installing new time card software to get rid of the out dated time clock, which no longer keeps accurate time. He reported that this new software will be more efficient and will help with keeping more accurate records. He advised that Lift Station #8, located at the WWTP, is going to have to be repaired. He explained that the discharge lines are rotted and until they get down in the bottom they will not know if the pump mounts will need replacing as well. Director Harris informed the Board that they are still strategizing on the best way to fix the problem. Director Harris updated the Board on the Power Line Project between Wells 1 & 2. He advised that Tayco Utilities is doing the work and that they are about 400' from getting all the conduit installed and that all 3 pull boxes have already been installed. He also advised that there will be a 2" water line on top of the power lines in order to get rid of the jockey pump that is currently at Well 2. He reported that our TurboTron Blower had been sent back to Gardner Denver Nash to be repaired under warranty. He explained that it locked up and the motor seized after only having been installed and in use less than a month. Lori will check on the status of the repairs and report back to the Board. Bill Harris told the Board that at the Golf Course Pump House there is a leak in the manifold which is 14 years old. Director Harris advised that there is currently a welder from One-Ten Welding attempting to repair the leak and he will check on the status and report back to the Board. Director Harris reported to the Board that the contractor's bored a hole through a manhole on Williamsburg and they will be responsible for replacing it. Bill Harris informed the Board that they will not be allowed to patch the manhole, they will be required to replace it with either a new concrete or fiberglass manhole. Director Dwight Cole asked Director Harris about the Project and the problems that had been discussed in previous meetings about the contractor's not cleaning up. Director Harris advised that they have been doing better about it, still not perfect, but they are doing better. He explained that there is only approximately 1800' of pipe left to install, along with some bores and tie-ins before the new electronic meters start being installed. Director Harris reported to the Board that the installation of the water and sewer lines at Mallard's Cove was almost finished but that a leak was detected when Bannister Plumbing vacuum tested the line. The leak was fixed and all manholes were vacuum tested with good results, however, they certify the lines for 30 days. Director Harris advised that they will be put on the SCADA system here at MUD and the cost for that will be approximately \$20,000.00, which Mallard's Cove will split the cost of with the MUD. He also advised that Mallard's Cove will have to provide us with a surety bond and sign off for 2 years before we will provide service to them. He also explained to the Board that Mallard's Cove wanted the MUD to be responsible for the streets if we have to repair any leaks that require us to dig them up. Director Harris advised Mallard's Cove we will not be responsible and their Home Owners Association will have to fix the streets if that situation arises. Bill Harris informed the Board that it is time for MUD to renew their Wastewater Permit with TCEQ and that all the paperwork has been signed by Director Harris along with a check to TCEQ for \$815.00 taken to Kirk Bynum with The Brannon Corporation to send off to TCEQ. Director Harris advised that work has been done on the streets with the help

of Francisco Ramirez and Alejandro Ruiz. He explained that the clean out by the Guard Shack has been fixed and is no longer leaking. He advised that he will be having North Bay Drive drilled for soil sampling in the near future. Bill Harris informed the Board that a leak had been discovered on Ridgecrest Circle and lots of water was leaking into the manhole located between 101 and 107 Ridgecrest Circle. The leak was found to be on a 4" line that led to nowhere and was subsequently cut off and capped. Director Harris advised that the inflow should reflect a difference since this has been fixed. Lastly in regards to operations, Director Harris explained to the Board about a pressure issue with a customer at 122 Marina Drive. He reported that customer had contacted MUD because her pop off on her hot water heater keeps blowing and her plumber advised it was because of too much pressure on the MUD lines. The pressure was tested at several locations on Marina Drive, including complainant home, and the pressure from the MUD lines was never over 80 psi. Director Harris advised that the customer has a backflow device on her side of the meter which causes a closed loop and that the pressure problem is on her side of the meter somewhere.

Director Barry Botti informed the Board that the Annual Audit was not finished therefore the discussion and approval of it was tabled until a later date.

There being no further business Director Bill Harris adjourned the meeting at 4:55PM.

William F Harris
President

Inge Grant
Acting as Secretary

Attachments:

December 2015 Pay Request

October 2015-September 2016 Budget Revisions

December 2015 Financial Summary Report