

**Emerald Bay Municipal Utility District**  
**Regular Meeting Minutes**  
**October 17, 2016**

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, October 17, 2016 at 4:30PM at the District Office, 155 LaSalle, Bullard, TX 75757. Present were Directors Barry Botti, Dwight Cole, Inge Grant, Bill Harris, and Lynne Stein. Compliance Officer, Lori Wiginton, was also in attendance.

Director Harris called the meeting to order at 4:30PM. Director Harris asked the Board to review the meeting minutes from the special meeting held on August 22, 2016. Barry Botti made a motion to accept the minutes, Lynne Stein seconded and the motion was carried unanimously. Inge Grant did not vote due to being absent from the meeting held on August 22, 2016. Director Harris requested the Board review the minutes from the regular meeting held on September 19, 2016. Dwight Cole made a motion to accept, Inge Grant seconded and the motion was carried unanimously.

Director Barry Botti presented the Financial Report to the Board to review. Director Botti explained that these were the preliminary balance sheets included in this financial report. He advised that sewer income and expenses were about the same as last year with administration and legal fees being up slightly due to the renewal process of our Wastewater Treatment Permit that occurs every ten years and this is the year for the renewal. Director Cole asked what was included in the adjustments and other category. Director Botti advised that those are old items booked wrong in the past that he has corrected. He stated that they are non cash adjustments and that same applies for the water. Director Botti informed the Board that water income was up slightly, less than 10%, from last year and expenses are higher than last year by approximately \$30,000 in legal, payroll, administration, and utilities. Director Botti advised that there is about \$720,000 in the Roads account that we are going to start spending in the near future on street improvements. He also explained the reason the balance sheet is preliminary is due to the fact that depreciation has not been factored in yet and that the \$53,522 in Construction in Progress is going to change since lift station #8 has been repaired and there is still work to be done on the line going from the #10 Tee on the golf course to the effluent ponds under Lake Palestine has not been completed. The pipe is in and under the lake but no further work has been done. Dwight Cole made a motion to accept the financial report, Inge Grant seconded and the motion was carried unanimously.

Director Botti then presented the 2016-2017 Budget Proposal to the Board to review. Director Botti explained that most items will be close to the proposed amounts however expenses will probably increase due to upcoming work to be done on the sewer plant. Director Cole asked if we have an idea from the club as to what the initiation fees are projected to be up for this upcoming year. Director Grant & Director Botti explained to him that it would just be a guess because no one can predict how many new members are going to move into Emerald Bay and that the club would not have their proposed numbers out until January 2017. Inge Grant made

a motion to accept the proposed budget, Dwight Cole seconded and the motion was carried unanimously.

Director Harris presented the Operations Report to the Board for the water and wastewater plants. He advised the Board that Donna Anderson has been offered the position as District Clerk once her time with Express Temporary Services expires around January 13, 2017, and that she did accept the position. Director Harris informed the Board that one of the vertical pumps at the golf course pump house blew and that it is being repaired with an estimated cost of \$13,000 - \$15,000 and the other one will probably have to be replaced as well. The generator at the golf course pump house is in need of repairs as well and a parts list has been provided by Clifford Power to order them. The backup diesel pump at lift station #3 has gone out. Operators at MUD attempted to repair it by purchasing a new battery and a new starter. This did not fix the problem, therefore Clifford Power came out and a new part has been ordered and hopefully will be fixed within the week. AAA Sanitation has fixed lift station #8 at the plant with new discharge pipes and pump mounts at a cost of approximately \$30,000.

Director Harris discussed with the Board the tentative plans for repairing the streets throughout Emerald Bay. He advised that he was going to get soil samples from under the street on North Bay and also get quotes from Kirk Bynum with Brannon Corporation on costs for repairing and/or replacing the streets.

Director Cole inquired about the possibility of drilling a fourth water well. Director Harris advised that may not be an option because of problems in finding property where we could drill and that would have water on it to sustain a new well. Director Harris suggested that MUD may re-drill Well #2 which currently pumps approximately 200 gpm so that it could potentially pump 550 gpm of potable water.

Director Harris advised that the plan is to re-paint the sewer plant which is an estimated cost of \$200,000, which that could come from the remaining \$1,000,000 left over from the project loan. Director Harris explained to the Board that the line running from the effluent pond to the pump house is still leeching and will be to be fixed as well. This line is approximately 2,400 feet of 16 inch C-900 pipe, which is going to be costly to repair.

Director Harris reported to the Board on the 2013 Water Project. He advised that the project itself was considered substantially finished and a punch list was submitted to Kirk Bynum to pass onto AAA Sanitation. The contractor's have begun work on this list and should be finished within the week. Once the contractor's have finished the list, Director Harris, Lori Wiginton and Kirk Bynum will do a final checklist throughout the community. If at that time the project is deemed satisfactory, a final change order will be issued by Kirk Bynum and the retainage of \$80,000 will be paid to AAA Sanitation. Director Harris explained to the Board that there has been a problem with the male adapters breaking on the new ball valves on the customers' side of the meter and he is considering holding in escrow a small percentage of the retainage for repairs that MUD will have to make on these for the warranty term of one year and what does not get used to pay for the repairs would then be paid back to AAA at the end of the warranty

term. Director Harris also informed the Board that MUD had 4 new blow offs (dead end flush points) installed which was done by Francisco Ramirez and not as part of the project rather than have a change order made on the project for the installations.

There being no further business, Director Harris adjourned the meeting at 5:55PM.

Respectfully Submitted,

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William F Harris  
President

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Lynne Stein  
Secretary

Attachments:  
Financial Summary  
Proposed 2016-2017 Budget