

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
JANUARY 12, 2009

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, January 12, 2009, at 5:00 p.m., at the District's office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, and Deena Johnson. Director Paul Randolph was excused. Five Emerald Bay residents attended.

President Harris called the meeting to order at 5:00 p.m. President Harris asked for comments on the Minutes of the regular meeting of December 8, 2008. **Director Hartley made a motion to accept the December 8, 2008 Minutes as written. Upon second (Harris), the Minutes were approved by unanimous consent.**

Director Hartley reviewed the December 2008 check detail item by item. The December profit & loss budget statement for sewer and water showed income and expenses slightly less than budgeted. Actual property taxes collected were \$61,982 compared to budget of \$112,666. However, the District received notice of receipt of property taxes in the amount of \$50,551 from the tax assessor a few days after yearend. The balance sheet figures are also very close to budgeted amounts. As of December 31, 2008, the District's total cash is \$618,705. **Director Johnson made a motion to approve the financial statements as presented. Upon second (Harris), the December 2008 financials were approved by unanimous consent.**

Director Hartley presented the auditor's report for the fiscal year ended September 30, 2008, and read the accompanying letter prepared by Norman L. White, CPA. **Thereupon, Treasurer Hartley made a motion to approve the September 30, 2008 audit. Upon second (Harris), the motion was approved by unanimous consent.** President Harris will execute the audit report and copies will be distributed to the District's banks and the TCEQ.

As noted in Mr. White's audit letter, the Public Funds Investment Act requires the District to review its investment policy each year and vote to either maintain the policy as is or make changes. Director Hartley stated the District has heretofore invested in bank accounts giving CD rates. Currently, the banks are only offering .2 percent on the District's bank accounts. Director Harris discussed a new option whereby GMAC (now a banking institution) is offering 3.75 percent APY for \$250,000 expiring 12/31/09. **Director Hartley made a motion to amend the District's investment policy to include certificates of deposit at banks or other financial institutions with federally insured deposits. Upon second (Johnson), the motion was approved by unanimous consent.**

Director Harris intends to conduct another town hall meeting sometime within the first quarter of 2009. The intent of the meeting is to inform District members of proposed improvements and maintenance of the District's facilities and infrastructure. The District recommends 1) drilling a third water well to offset demands imposed by additional homes, high summer usage, drought conditions, and any mechanical failure of an existing well; 2) correcting existing water pressure problems on North and South Bay with a booster pump or by replacing the main line; 3) overhauling the District's sewer system lift stations; 4) increasing pumping capacity of present water wells; and 5) repairing effluent distribution line under South Bay bridge. The District has accumulated funds that can be used for such improvements and maintenance projects.

Director Harris gave a brief update on the District's field and plant operations. Recent projects included repairs to Henry Drive manhole, repair of blower at sewer plant, and pouring foundations for SCADA towers at five lift stations.

There being no further business, the meeting was adjourned at 6:17 p.m. upon motion duly made (Johnson) and seconded (Harris) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:

Budget Performance 12/08

Check Detail 12/08

Norman L. White Audit Letter 12/8/08