

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
SEPTEMBER 21, 2009

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, September 21, 2009, at 5:30 p.m. in the Emerald Bay Club, 208 South Bay Drive, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Paul Randolph and Jo Sharp. Director Deena Johnson was excused. Eleven (11) Emerald Bay residents attended.

President Harris called the meeting to order at 5:32 p.m. and asked for comments on the minutes of the August 17th (Regular) meeting and minutes of the August 28, 2009 (Special) meeting. **Director Randolph made a motion to approve the minutes as written with a second (Hartley); the minutes were approved by unanimous consent.**

Treasurer Hartley presented for review a list of checks written during the month of August, 2009. **Director Hartley moved to approve the checks written for August 2009 with a second (Randolph); the August check detail was approved by unanimous consent.**

Treasurer Hartley presented the financial report as of August 31, 2009. Under sewer system operations, Hartley pointed out the transfer of \$50,000 to water system operations. The net loss of \$48,215 for the month is the result of the transfer to water plus an unbudgeted expense to put the tank out for repairs. Under water systems operations, Hartley noted that income was very light for August and said September would be more than August but less than July, our high volume month. Our monthly electric expense is around \$6,000.00 for sewer and \$3,000.00 for water. The cash balance is above last year, and there is no need to adjust the operating budget. **Director Hartley moved we accept the financial summary with second (Randolph); the summary was approved by unanimous consent.**

Treasurer Hartley presented a proposed budget for 2009-2010 for consideration pointing out the need to hire an operator because Wilkins (contract labor) went out of business giving only 5 days notice instead of the 30 day notice required by our contract. This will increase our costs in both the sewer and water systems. One of the Wilkins employees (Leonard Timms) has been hired for the wastewater plant; however, he is not licensed for water operations. Bryan Johnson has been retained from C. T. Brannon (the District's engineering firm) on an interim basis to look after the water system operations. Bryan holds an A license in both Water and Wastewater. This is the highest license that an operator may attain. Director Harris pointed out that Wilkins left several things undone with the biggest problem being too much sludge in the wastewater plant.

Director Hartley pointed out the proposed increase of 75 cents per 1,000 gallons water consumption and stated the tax rate will decrease. Director Harris asked we be aware that this rate is still cheaper than the Southern Utility rate that is a *progressive* rate. The rate increase will generate \$15,000 more income over the year. The \$23,000 expense increase for the coming year is primarily related to payroll for plant employees. Director Hartley pointed out that the budget includes \$5,000 for SCADA to Well #1 and \$650,000 for the drilling of

Well #3. The tax rate decrease will reduce the income from the tax equivalent charged to the Windcliff Harbor customers. He said all figures are subject to change, but we are required to approve a budget and our new year begins October 1, 2009. Director Harris stated that a new meter reading system is being considered and we have 5 trial meters coming. The things we can do in the construction of Well #3 can save us as much as \$100,000 which would more than cover the cost of drive-by meter reading system. These transmitters are guaranteed for 10 years. Director Harris said the recently purchased Enhance billing system is written in Tyler and is usable with our present method of operation. The move to the Enhance system would not be difficult, but it means we need an operator who is also computer literate. This would relieve Bill and Ray of a lot of administrative duties. Director Hartley said our goal is to have \$150,000 in reserve for emergencies in each operation but the budget for the Water operation is down to less than \$100,000. **Director Randolph moved to adopt the budget as presented with a second (Hartley); the budget was approved by unanimous consent.**

Director Harris pointed out the sewer plant is running OK again with the exception of the accumulated sludge that must be bagged. In answer to a question concerning the creation of Municipal Utility District, Harris said they are created in different ways. Ours was created by an act of the legislature in 1983. This means TCEQ responsibility is only “oversight” of the water and sewer treatment. All bonds go through the Attorney General’s office.

There being no further business, the meeting was adjourned at 6:27 p.m. upon a motion by (Randolph) and a second (Hartley) with unanimous consent.

Respectfully submitted,

Jo W. Sharp
Secretary pro tem

Bill Harris
President

Attachments:
Check Detail 8/28/09
Financial Summary 8/31/09
Proposed Budget 2009-2010