

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
NOVEMBER 14, 2011

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, November 14, 2011, at 5:30 p.m. at the Emerald Bay Club, 208 South Bay Drive, Bullard, TX 75757. Present were Directors Dwight Cole, Bill Harris, Deena Johnson, and Paul Randolph. Director Foote was excused. Six (6) Emerald Bay residents attended and Alicia Freeman, District Administrative Clerk.

Director Harris called the meeting to order at 5:30 p.m. Director Harris asked for comments on the Minutes of the October 17, 2011, Regular meeting. **Director Cole made a motion to approve the Minutes of October 17 as written. Upon second (Randolph), the Minutes were approved by unanimous consent.**

Treasurer Cole reviewed the financial summary for October 31, 2011, the first month of the fiscal year. Under sewer system operations, total income was \$27,111 compared to \$26,971 last year; net operating income was \$8,097 compared to \$1,815 last year as utility bills were higher; interest expense was \$1,750 for loan to finance greens drainage project; resulting in net income of \$6,473 for October compared to \$1,087 for October 2010. Mr. Cole also noted that depreciation is only accrued in September each year which was \$188,000 for sewer system and \$88,000 for the water system.

Under water system operations, Director Cole noted increased water consumption in 2011. In mid-October when water meters were read, it was noted that residents used 76,915,000 gallons, which is more than calendar year 2010 when consumption was 71,282,000 gallons. This is 23 percent more gallons than same time last year. Total income for October was \$42,179 compared to \$37,106 last year; total expenses were \$18,598 compared to \$16,306 last year (utilities higher for October 2011); net operating income was \$23,581 compared to \$20,800 in 2010; interest expense was \$5,748 for loan to finance drilling of third water well; resulting in net income of \$17,966 compared to \$15,902 for 2010.

Under road and bridge operations, total income was \$6,032 (only one new member initiation fees of \$2,000) and net income was \$4,935 compared to \$59,574 in 2010 (this was attributable to the \$55,104 received in member assessments for the bridge renovation project).

The balance sheet shows total cash accounts of \$813,253. Mr. Cole noted that construction in progress is only \$513,329 compared to \$1,016,665 last year which included greens drainage project, bridge renovation, and drilling #3 well. The greens and bridge projects have been closed out and moved to property, plant & equipment category. A review of the October check detail revealed no unusual expenses. **Director Randolph made a motion to approve the October financials as presented. Upon second (Cole), the financials were approved by unanimous consent.**

Director Harris asked District Clerk, Alicia Freeman, to report at each monthly meeting on the number of delinquent accounts and/or disputed billings. For the month of October, only one person had their water service disconnected due to nonpayment. This resident is 90 days past due and must pay the total amount due by November 16. Seven (7) notices of delinquency were sent out on October 31 and four accounts remain outstanding totaling \$1,312.36. Six accounts are 30 days past due totaling \$934.68.

Director Johnson read into the record the new proposed rules concerning customer service requests, meter tests and meter rereads as well as fees associated with these services. Sec. 2.11 (c) All customer initiated service requests (service not required by District) shall be documented by a District representative on a Customer Work Order Request form and a work order (Statement of Work) shall be completed with an estimate of cost to perform such service. The Statement of Work shall be signed and acknowledged by customer prior to commencing any service or repairs. **Director Harris made a motion to approve this rule as written. Upon second (Randolph), the rule was approved by unanimous consent.**

Sec. 2.11 (d) Upon the request of a customer, a District representative shall make, without charge, a test of the accuracy of the customer's water meter. Such test shall be in accordance with the standards for testing as prescribed by the American Water Works Association or other procedures approved by the District. Following the completion of any requested test, the District shall promptly advise the customer of the results of the test. If the meter has been tested by the District and the customer requests another test within a period of two years, the District shall make the test. However, if the meter is found to be within the accuracy standards established by the American Water Works Association, the District may charge the customer a fee which reflects the cost to test the meter (See Schedule "A" for current fees and charges.) The fee for this test shall be set at \$50. **Director Randolph made a motion to approve this rule as written. Upon second (Cole), the rule was approved by unanimous consent.**

Sec. 2.11 (e) Upon the request of a customer, a District representative shall, without charge, reread a customer's meter for water usage billing purposes. If the customer's meter reading proves to be accurate, any additional requests for meter readings occurring within one year from the date of reread, the District shall charge said customer a fee which reflects the time and labor for a District representative or contractor to reread the meter (See Schedule "A" for current fees and charges.) Director Johnson suggested a fee of \$25 for this service.

Director Harris queried when does this become a nuisance. The District Clerk noted there were 10 requests for rereads in October and only once since last November had a meter been misread. Director Cole noted this is disruptive to the work schedule. Director Harris suggested the rule be revised to read: If such requests become excessive or repetitive occurring more than two times within one year from the date of the last reread, the District shall charge said customer a fee which reflects the time and labor for a District representative or contractor to reread the meter. He also suggested a fee of \$20 or \$25 for this service. These suggested revisions will be reviewed and approved at the next District meeting.

In regard to the infrastructure project, Director Harris has interviewed a second engineering firm and we are waiting on additional information from Southside Bank and the bond attorney in Houston.

Director Harris gave an update on the District's operations:

- (1) Mr. Rutherford is working on servicing all District generators.
- (2) The tires and brakes have been replaced on the 65KW mobile generator.
- (3) Well site #1 was struck by lightning about 3 weeks ago damaging a motor starter.
- (4) There was another power outage at #3 lift station and it was flooded with wastewater. The power outage was caused by another lightning strike that damaged the underground power line that services the lift station. Repairs were made by Oncor.
- (5) The completion of the current SCADA expansion project that includes #3 lift station will begin in January. Final portion to the current SCADA project is approximately \$17,000.
- (6) The LED read-outs on flowmeters at #1 and #2 wells have been replaced.
- (7) 110 Welding is fabricating a P-trap for #3 well which will have to be taken to Waskom to be galvanized. A crane will have to be rented to raise and lower it into place at #3 well.
- (8) A new pressure sensor for the elevated tower and/or ground storage tank has been ordered. Existing sensors have been in service for 6 years and could fail at any time and need repair. New sensor will be a spare. Mr. Harris noted that the water system cannot operate automatically without the sensors.
- (9) There is a need to reroute pipeline for pump at #10 green and bore 500 feet under the lake over to the marina to supplement the irrigation system and fire control. Mr. Howard Rutherford and Mr. Edd Clark are working on securing rights-of-way. Mr. Ray Foote has been contacted in regard to a pipeline easement along the marina fence line. Mr. Harris also noted that Mr. Clark, Mr. Inge Grant, and Mr. George Holmes are also working on securing an irrigation well drill site.

Director Johnson read into the record the proposed handout to be given to all plumbers entering Emerald Bay. Edd Clark will coordinate this information through the Club HOA and suggested an article for the Rainbow Review to alert residents of the need to notify the District concerning plumbing work requiring shutting off water and/or excavation.

Director Johnson noted the December meeting date was changed to December 14 (Wednesday) at the District's office to accommodate Directors' Christmas holiday travel plans. Due to a Club meeting conflict, the meeting time was changed to 10:00 a.m.

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

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:

Financial Summary for October 31, 2011

Check Detail for October 2011

Delinquent Accounts

New Rules/Fees Schedule

Plumbers Notice