

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
JULY 15, 2013

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, July 15, 2013, at 5:30 p.m. at the District's Office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Dwight Cole, Bill Harris, Deena Johnson, Paul Randolph, and Loretta Woodall. District Clerk, Dawn Smith, and seven (7) residents were in attendance.

Director Harris called the meeting to order at 5:30 p.m. and asked for comments on the Minutes of the June 17, 2013 (Regular) meeting. **Director Randolph made a motion to approve the Minutes of June 17 as written. Upon second (Cole), the Minutes were approved by unanimous consent.**

Treasurer Cole reviewed the financial summary for June 30, 2013. Under sewer system operations, total income for the month was \$29,891 (\$274,126 YTD 2013 compared to \$242,881 YTD 2012). June total expenses were \$51,432 (\$200,400 YTD 2013 compared to \$169,502 YTD 2012 with difference attributable to the repairs to the north and south sewer plants). Net income was (\$23,892) adjusted to (\$27,546) after deducting principal payment totaling \$3,654 for greens drainage loan.

Under water system operations, total income was \$55,679 (\$301,193 YTD 2013 compared to \$253,493 YTD 2012 with difference attributable to \$35 rate increase effective March 31, 2013). The \$35 income amount is being tracked each month to the 2013 water distribution project fund for the bond issue. June total expenses were \$13,019 (\$114,721 YTD 2013 compared to \$123,500 YTD 2012). Net income was \$37,669 adjusted to \$28,977 after deducting principal payments of \$8,692 for water system loans.

Under road and bridge operations, Cole noted June total income was \$12,326 (\$88,788 YTD 2013 compared to \$56,168 YTD 2012 with difference attributable to initiation fees totaling \$48,000 YTD 2013). June total expenses were \$805 and the resulting net income was \$11,535 (\$82,827 YTD 2013 compared to \$51,577 YTD 2012).

The balance sheet shows total assets at \$4,818,152 with total cash accounts of \$1,237,980 (includes ±\$20,000 collected each month from the \$35 rate increase and \$250,000 short-term loan for 2013 water distribution project) compared to \$863,646 in June 2012. Property, Plant & Equipment is \$3,371,044 and Construction in Progress is \$130,545. Long-term Liabilities decreased from \$1,936,344 to \$1,705,172 due to payment of principal on three long-term notes. **Director Randolph made a motion to approve the June 2013 financials. Upon second (Cole), the financials were approved by unanimous consent.** Director Cole noted we are still waiting on completion of the audit report from Norman White.

District Clerk, Dawn Smith, advised that 10 past due letters were mailed on July 5 totaling \$1,466.75 and eight (8) accounts remain unpaid totaling \$1,222.78. Any accounts not paid in full on July 25 will be disconnected. As a courtesy, Director

Woodall will continue the practice of calling past due customers prior to disconnection of their service.

Director Harris gave an update on operations noting:

- 1) Finished reworking the north sewer plant (which included welding and spot painting). Both north and south sewer plants are back on line. Both sewer plants will need to be repainted within the next few years.
- 2) The wastewater plant splitter has been repaired and re-galvanized and it is back on line. McKinny & Moore need to do some minor rework on the north plant wasting control box. They will also readjust the weir height slightly now that both plants are on line.
- 3) Flowmeters on wastewater plant have been calibrated for TCEQ compliance.
- 4) Steel lids on three lift stations still need to be repaired or replaced as needed along with some electrical wiring cleanup. The Moore Lane lift station control panel needs to be completely reworked.
- 5) Partially completed the ground storage tank bypass valve installation at Well #1. Bypass still needs to be connected to the Well #3 pipeline.
- 6) Vertical pump motor No. 3 at the golf course pump house burned up and has been rebuilt and is back on line. Horizontal pump No. 1 may need to be rebuilt also. TEMSCO (motor rebuilding company) came out to help determine why we are having problems with motors.
- 7) Generator at wastewater plant is fixed and the transfer switch is working correctly. The generator at Well #1 is working correctly but still have some problems with the SCADA reporting correctly when the generator is running.
- 8) A major leak was repaired at 214 North Bay and a minor leak was repaired at 101 Lakeshore
- 9) Emergency lake pump pipeline right-of-way agreement has been completed and executed with the Upper Neches River Municipal Water Authority.
- 10) In regard to water distribution project, our District engineer, Kirk Bynum, should have the initial drawing ready for review next week. Inge Grant's communication group will start preparing to contact residents to execute easements.

There being no further action or business to be discussed, the meeting was adjourned at 5:46 p.m. upon motion duly made (Randolph) and seconded (Cole).

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:

Financial Summary for June 30, 2013

Past Due Accounts Report for 7/15/13

THE STATE OF TEXAS §

COUNTY OF SMITH §

BEFORE ME, the undersigned authority, on this day personally appeared William F. Harris and Deena M. Johnson, President and Secretary, respectively, of the Emerald Bay Municipal Utility District; known to me to be the persons whose names are subscribed to the foregoing.

SUBSCRIBED TO AND SWORN TO before me, under my official hand and seal of office this ____ day of _____, 2013.

Notary Public in and for the State of Texas