

Emerald Bay Municipal Utility District
Regular Meeting Minutes
April 17, 2017

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, April 17, 2017 at 5:00PM at the District Office, 155 LaSalle Drive, 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 4:59PM and requested that the Board review the minutes from the regular meeting on October 17, 2016 and January 16, 2017. Director Barry Botti made a motion to accept the minutes as they were, Lynne Stein seconded and the motion to accept the minutes from October 17, 2016 and January 16, 2017 were approved unanimously.

Director Botti presented the Quarterly Financial Summary to the Board for review. Director Botti explained to the Board that sewer connection and transfer fees are up from this time last year but that sewer expenses are higher for this quarter. He advised that water revenue is up from this time last year as we have had a drier year but that operating expenses are approximately the same. Director Botti reiterated to the Board that the interest on the loan was now expensed and not capitalized therefore water income appears lower but it does not affect the water revenue. Director Botti reported road transfer fees are up a little this year but so are engineering fees due to work being done on the street project. Director Grant asked if we are paying the engineers from the road account and Director Botti informed him that yes we are as it is work on the street project. Director Harris informed the Board that the money borrowed for the 2013 Water Project was not for anything involving road repairs and that the remaining money from that loan can't be used towards roads as it is not allotted for such in the bond. Director Botti made a motion to accept the Quarterly Financial Report, Director Harris seconded and the motion was carried unanimously.

Director Botti reviewed the quarterly budget revision with the Board as a revision is required quarterly by TCEQ. He explained that initiation fees are a bit higher and is the biggest difference between last quarter and this quarter. Director Botti made a motion to accept, Inge Grant seconded and the motion was carried unanimously.

Director Harris reported that two of the blowers at the WWTP are down again and the plant is running on one blower at this time. Director Harris advised the Board that two repairmen from Gardner Denver had come down to work on the middle blower and the north blower and within two days the north blower had gone out. The repairmen had informed MUD that it did not appear the north blower (which is one of the new ones) had been assembled properly at the factory and the shims had been left out. The north blower has been sent back to the factory to be rebuilt and repaired, which MUD should not have to pay for. The middle blower which is an older blower and usually the backup is not running at this time as it was running

hot. Director Harris informed the Board that once the north blower is returned and MUD runs it for a few weeks, he is considering sending the middle blower to Gardner Denver for repairs. Director Harris also reported to the Board that the Ranger and golf cart were both down at this time.

Director Harris informed the Board that MUD recently had their TCEQ inspection by Kevin Glanton. Mr. Glanton advised that MUD was the best of the best and the inspection went great. As a result of the recent inspection, MUD requested Superior Water status from the TCEQ and has been approved to hold this recognition. In the near future signs will be placed in the community showing a Superior Water District.

Director Harris has the Board look over a list of the residents who still need Customer Service Inspections (CSI) and a list of residents MUD still needs to sign the authorization forms. He explained the authorization forms are the agreement between the MUD and Club that if a resident leaves without paying their bill at MUD, the Club will pay it from their \$5,000 refund a resident receives when they move out of Emerald Bay once the Club has taken their fees out. He mentioned that they have talked about possibly having Glen Patrick, the district's attorney, write letters to the residents who have not signed the form requesting they sign or they will be required to put up a \$350 deposit.

Director Harris gave the Board an update on the impending street project. He advised that he, Inge Grant and Kirk Bynum met with a committee of residents to discuss the streets in Emerald Bay. Kirk Bynum gave the community an outline of the things that should or shouldn't be done to certain streets within Emerald Bay and the committee agreed they wanted to continue with this. Mr. Bynum has agreed to handle the engineering for 3% instead of the normal 5-6% at an estimated cost of \$1.5 million. Director Harris advised that in our roads fund we currently have approximately \$780,000. He informed the Board that we can obtain a loan for up to 3 years without TCEQ or the Attorney General's Office getting involved. Director Harris explained that we could issue a bond however there are downsides to a bond involving paying a bond attorney and having to get TCEQ involved in the process which could take 6 months or more to get issued. Director Harris spoke to Greg Sims at Southside Bank about getting approved for a loan only not executing the loan until we have spent down the money that is already in the roads account. Director Harris brought up the possibility of adding a roads fee to the bill of approximately \$50 a month instead of the current \$6 a month for each lot and if that does get approved, go ahead and start charging the residents which in turn could mean we wouldn't have to borrow quite as much money once we start the project. Director Harris advised the Board that these are all just ideas and suggestions that have been discussed and nothing has been determined for sure.

There being no further business, Director Harris adjourned the meeting at 6:32PM.

Respectfully Submitted,

William Harris
President

Lynne Stein
Secretary

Attachments:

Financial Summary

Quarterly Budget

TCEQ Super Water Letter

CSI & Authorization's Still Needed

Memo from John Boyle