

Emerald Bay Municipal Utility District
Regular Meeting Minutes
January 15, 2018

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, January 15, 2018 at the District Office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors, Barry Botti, Dwight Cole, William Harris, and Lynne Stein. Director Inge Grant was not present with an excused absence. Compliance Officer, Lori Wiginton, was also in attendance.

Board President, Bill Harris, called the meeting to order at 4:15PM.

Director Harris asked the board to read over the meeting minutes from the regular meeting on October 23, 2017 and from the special meeting on October 30, 2017. Barry Botti made a motion to accept the minutes from October 23, 2017, Dwight Cole seconded and the motion was carried unanimously. Lynne Stein did not vote on approval of the minutes from October 30, 2017 as she was absent from that meeting. Barry Botti made a motion to accept the minutes from October 30, 2017, Dwight Cole seconded and the motion was passed unanimously.

Director Barry Botti presented the Quarterly Financial Report to the board. Director Botti explained that road initiation fees are down approximately \$8,000.00 from last quarter as there have been less homes sold. He advised that operating expenses are consistent from the previous quarter. Director Botti reported that capitalized expenses do not show on this report and that the interest for the roads loan is capitalized. He informed the board that MUD has been paying on the street loan since November 2017 without any additional income from the street assessment fees billed to the community. Director Botti made a motion to accept the Quarterly Financial Report, Director Cole seconded and the motion was carried unanimously.

Director Botti reviewed with the board the Revised Budget that is required by TCEQ each quarter. He explained the only change is the interest for the Roads Account and it is now capitalized. Director Botti made a motion to accept the Revised Budget, Director Cole seconded and the motion was carried unanimously.

Director Barry Botti presented the annual audit done by Acker & Company to the board for approval. Director Botti explained that the annual audit's purpose is to affirm that the numbers are reasonable and no fraud nor major mistakes are found. Director Botti informed the board that there is a spelling error on page 29 which will be corrected before the final audit is printed. Director Bill Harris made a motion to approve the annual audit, Director Cole seconded and the motion was carried unanimously.

Compliance Officer, Lori Wiginton, reviewed the delinquent accounts for water bills and the vacation/personal leave for employees with the board.

Director Harris updated the board on the WWTP Rehab Project and the upcoming Street Project. Director Harris informed the board that the South Plant had been drained and welders had done some work on different areas of the plant including welding an access port on the tank. He explained that there will probably be more welding to take place once the tank has been sandblasted.

Director Harris reported that the new road assessment fee was close to being ready to bill out to the customers. Emerald Bay Club was working on a list to present to MUD with a total count of lots for each member and should be turning the list over to MUD soon. He advised he will write a letter to the community beforehand to remind the members that the road assessment fee will be increasing for 36 months. Director Harris told the board that Bryan Johnson, MUD's Operator of Record and employee of Brannon Corporation, had been marking the streets within the community of areas of particular concern. He advised the plan is for L&L Asphalt to start the project on the interior streets from the back side of Emerald Bay.

Director Harris informed the board that all 3 phases of the pump motor at Well #3 had shorted out but Russell Drilling had repaired the motor. He explained that MUD did not replace the pump at this time as it was working properly. He reported that MUD has not received the invoice for these repairs currently but the cost will probably be around \$30,000.00. He told the board that Well #3 was still not online as we had to take a water sample from the well to the Health Department to pass before bringing it back online.

Director Harris mentioned to the board that there is some leaking at the Ground Storage Tank and is considering having M&M Tank Coating make the repairs to the GST. M&M Tank Coating is the company sandblasting and painting the tanks at the WWTP.

Compliance Officer, Lori Wiginton, was then excused from the meeting.

Director Harris adjourned the regular meeting at 5:00 PM and the board entered into closed executive session to discuss a MUD employee evaluation and raise.

Director Harris reconvened to regular session at 5:25 PM. Director Harris made a motion to approve the recommended raise for the employee, Director Botti seconded and the motion was carried unanimously.

There being no further business, Director Harris adjourned the meeting at 5:30 PM.

William F Harris
President

Lynne Stein
Secretary

Attachments:
Quarterly Financial Report
Revised Budget