

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
November 17, 2020**

1. Call to Order of the Regular Meeting.

The Board of Directors of the Valley Municipal Utility District No. 2 held a regular meeting at 9:02 A.M., November 17, 2020 in accordance with the duly posted notice of said Meeting in person and via Zoom Video Conference with a quorum of Directors present as follows:

Roger Nelson	President
Pat Pace	Director
Clifford Rowell	Treasurer (via video conference)
Oscar Gonzalez	Secretary

Directors absent:

Jim Tipton	Vice President
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Others present:

Scott Fry	General Manager
Jay Toro	Assistant General Manager
Kathy Cunningham	Attorney
Matthew Vancelette	(via video conference)
Richard Harse	Resident

2. Public Input.

There was no Public Input.

3. Approval of Minutes of the Regular Board Meeting Held on October 20, 2020.

The Board reviewed the minutes of the October 20, 2020 regular Board Meeting. On a motion by Mr. Rowell and a second by Mr. Gonzalez, the minutes of the October 20, 2020 were recommended for approval. The motion was approved by unanimous vote of those present.

4. Approval of Financial Report for the Month of October 2020.

Mr. Fry reviewed the Financial Report with the Board for the October. Mr. Pace made a motion to approve the Financial Report for the Month of October 2020. The motion was seconded by Mr. Gonzalez and approved by unanimous vote of those present.

5. Discussion and Action on a Request from Versa Development for Annexation of the Ovation and Capella Apartment Projects.

Mr. Fry stated that he placed this item on the agenda in case Mr. Franklin showed up for the meeting. Since Mr. Franklin was not present, no action was taken.

6. Discussion and Action to on a Request by Chris Akel to have his Resaca Pump Replaced due to Flooding of the Waterway in the Las Haciendas Neighborhood.

Mr. Fry presented a timeline of the events leading to the flooding of the waterway in Las Haciendas neighborhood. He explained that the water came above the seawall twice flooding the area and submerging the pump underwater. He eventually discovered that the problem was that a protective berm which separates a farm field from the resaca had eroded away and allowed excess flood water from the field to enter the Las Haciendas resaca. He stated that Mr. Akel called to complain about the flooding on June 3rd and sent photos to Gloria. Mr.

Fry replied to that email and gave Mr. Akel several possible reasons why the flooding occurred. Mr. Akel again called on September 17th to report that Canteros Drive was flooded. He emailed Mr. Fry to complain that his pump had been damaged and request compensation. Mr. Fry explained to him that the District's Service Policy prohibits the District from replacing pumps because the owner installs the pumps at their own risk and cannot hold the District responsible. Mr. Matthew Vancelette addressed the Board and explained that he is representing Mr. Akel and is requesting compensation due to negligence on behalf of the District. They believe the District could have prevented the flooding and did not do anything to prevent it. Mr. Rowell stated that it is an advantage to be on the Resaca and obtain unlimited water for \$10 a month, but it comes with a risk. Ms. Cunningham stated that the District was not negligent because it did not ignore the risk but instead was trying to investigate the problem. Mr. Pace agreed that the District should not be responsible for damaged water pumps. Mr. Pace made a motion to deny the request to replace the pump for Mr. Akel. The motion was then seconded by Mr. Rowell and approved by unanimous vote of those present.

7. Discussion and Action on Fiscal Year 2019-'20 End of Year Budget Amendment, Including the Reprogramming of Excess Funds into the Fiscal Year 2020-'21 Annual Budget.

Mr. Fry stated that last Fiscal Year the District ended up with an excess of \$46,337.38 for the year end. He recommended for the Board to move the excess to the current year's Reserve expenses. Mr. Gonzalez made a motion to assign the 2019-'20 budgeted excess funds to the 2020-'21 annual reserve budget and be used for the Reserve expenses. The motion was seconded by Mr. Pace and approved by unanimous vote of those present.

8. Discussion and Action on Long Term Capital Projects.

Mr. Fry stated that since Mr. Tipton had made a request at the last Board meeting to discuss long term capital projects, he put this item on the agenda. Mr. Fry mentioned that a capital project list has been maintained and is reported to the Board monthly. Mr. Toro mentioned that he has project lists that he has been keeping up most of the time except when they are major projects that have been postponed for lack of funds. Mr. Gonzalez added that the Board is interested in the long term strategic planning not the day to day essential task that need to be addressed. Mr. Pace recommended setting up a workshop meeting to discuss the proposed long term projects. No action was taken.

9. Update, Discussion and Action on the Project to Replace Utilities Associated with the Town of Rancho Viejo's Street Reconstruction Project.

Mr. Fry provided an update on the status of the project. The work is moving along on schedule on Avenida Cortez. He added that the contractor was supposed to start paving Bolivar but that they have been delayed. He also stated that the water lines work along Hidalgo Avenue will begin in December. No action was taken.

10. General Manager's Report.

- **Production and Sales Report-** The reported water loss for October 2020 shows a 7.18% unaccounted for water loss.
- **RO Production Report-**The report for October 2020 was distributed to the Board before the meeting. Mr. Fry explained the report.

- **Raw Water Report**-The report for October 2020 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Customer Complaints**- There was one customer complaints for the month of October.
- **Operations Report**-Mr. Fry reported on the highlights of the monthly operations of the District.
- **Vehicle Maintenance Report**- No report was presented.

11. Adjourn.

There being no further business, the Meeting was adjourned at 10:15 a.m.



ROGER NELSON, PRESIDENT

ATTEST:

JIM TIPTON, VICE-PRESIDENT

