

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2  
October 20, 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., October 20, 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
Jim Tipton	Vice-President
Pat Pace	Director
Clifford Rowell	Treasurer (via video conference)
Oscar Gonzalez	Secretary

Others present:

Scott Fry	General Manager
Jay Toro	Assistant General Manager
Kathy Cunningham	Attorney
Albert Perez	Brisky and Perez Insurance (via video conference)
Chris Franklin	Ovation and Capella
Barry Batsell	

**2. Public Input.**

There was no Public Input.

**3. Approval of Minutes of the Regular Board Meeting Held on September 15, 2020.**

The Board reviewed the minutes of the September 15, 2020 regular Board Meeting. On a motion by Mr. Tipton and a second by Mr. Pace, the minutes of the September 15, 2020 were recommended for approval. The motion was approved by unanimous vote of those present.

**4. Approval of Financial Report for the Month of September 2020.**

Mr. Fry reviewed the Financial Report with the Board for the past month. Mr. Fry noted that overall the District is in good shape and came out ahead this year. Mr. Gonzalez made a motion to approve the Financial Report for the Month of September 2020. The motion was seconded by Mr. Tipton 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 Mr. Franklin requested to be placed on the agenda to discuss the request from Versa Development for Annexation of the Ovation and Capella Apartment Projects. Mr. Franklin addressed the Board regarding their intent to petition for annexation. Mr. Franklin then expressed his disapproval of the service agreement fees. Mrs. Cunningham stated that the Board cannot discuss service fees because it is not an agenda item. Mr. Nelson mentioned that the District has no plans of annexing the development into the District at this time.

**6. Discussion and Action to Renew the District's Employee Health Insurance.**

Mr. Perez presented quotes from Blue Cross, Blue Shield, United Healthcare, Humana and Aetna to compare to the TML quote selected in August. Mr. Tipton commented on selecting

a TML plan with a higher deductible. Mr. Perez explained that the TML plan can no longer be changed since it was locked in back in July. Mr. Pace asked by if Mr. Perez could present other plans at the same time TML quotes on their different plans. Mr. Perez stated that the other Health Insurance companies will not quote that far in advance. After a brief discussion, Mr. Rowell made a motion to approve the TML health Insurance plan with a deductible of \$750.00. The motion was then seconded by Mr. Pace and approved by unanimous vote of those present.

**7. Discussion and Action to Select an Auditor to Perform the District's Financial Audit of the 2019-'20 Fiscal Year.**

Mr. Fry stated that requests for proposals were sent to four local accounting firms. He added that one did not reply to the request, another said that they had too much work, and that two others returned proposals. Mr. Fry stated that the two proposals were received from Carr, Riggs and Ingram and Burton, McCumber and Cortez. Of the two proposals received, Mr. Fry stated that Carr, Riggs and Ingram was more advantageous to the District. Mr. Fry then presented the engagement letter from CRI for Board review and stated that the cost for the regular audit will be \$18,500.00 plus \$5,000.00 for the Single Audit report. Mr. Pace made a motion to engage Carr, Riggs, and Ingram to perform the District's Annual Audit. The motion was seconded by Mr. Gonzalez and approved by unanimous vote of those present.

**8. Discussion and Action on Drought Conditions and Drought Contingency Plan.**

Mr. Fry reported that as of today the lakes have gone up. He added that the District's water allocation has also gone up from around 14 percent to over 20 percent this month. Mr. Fry then recommended that the Board maintain the Stage 1 Drought Status. 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. No action was taken.

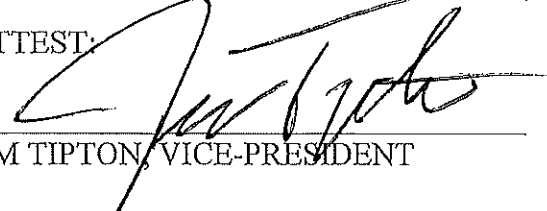
**10. General Manager's Report.**

- **Production and Sales Report-** The reported water loss for September 2020 shows a negative 11.41% unaccounted for water losses.
- **RO Production Report-**The report for September 2020 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Raw Water Report-**The report for September 2020 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Customer Complaints-** There were five customer complaints for the month of September.
- **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 9:54 a.m.

  
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ROGER NELSON, PRESIDENT

ATTEST:   
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JIM TIPTON, VICE-PRESIDENT

