**MINUTES OF REGULAR MEETING**

**WATERWOOD MUNICIPAL UTILITY DISTRICT NO.1**

The Board of Directors of the Waterwood Municipal Utility District No. 1 of

San Jacinto County, Texas, met in regular session, open to the public, at the Waterwood Improvement Association building, inside the District on Friday,

October 20, 2017. The roll was called of the duly constituted officers and members of the Board, to-wit:

 Marty Cristofaro President

 Eric Cooper Vice President

 Al Goldsmith Secretary

 Lynn Spencer Director

 Roy Knapp Director

**1. CALL TO ORDER AND WELCOME GUESTS**

 Board members were present were Marty Cristofaro, Eric Cooper, Al Goldsmith, Roy Knapp, and Lynn Spencer, thus constituting a quorum. Also present were, Joe Padlino, Allen Jenkins, Tim Hardin, Todd Burr, Bob Allen, Melanie Cook, David Beving, Dick Hansen, Jean Biggers, Greg Cagle, Brad Jacks, Renee Pratt, Matt Dustin, Mimi Coats, Sam Butler, Crystal Butler, Bo Walters Pat Zappa, Susan Demiany and Anita Treadway.

**2. CONDUCT PUBLIC HEARING ON 2017 TAX RATE**

**A. Adopt Order Levying Taxes for 2017**

Lynn Spencer made a motion to adopt the Order for Levying Taxes for 2017.

Roy Knapp seconded the motion. The motion carried unanimously.

**B. Approve Amendment to the Information Form**

Al Goldsmith made a motion to approve the Amendment to the Information Form. Lynn Spencer seconded the motion. The motion carried unanimously.

C. Close Public Hearing.

Marty Cristofaro closed the public hearing.

**3. APPROVAL OF CONSENT AGENDA ITEMS**

**A**. **MINUTES OF THE REGULAR MEETING**

Lynn Spencer moved to approve the minutes of the September 15, 2017 meeting.

Al Goldsmith seconded the motion to accept the minutes. The motion unanimously carried.

A motion to approve the minutes of the September 29, 2017 was made by

Lynn Spencer. The motion was seconded by Al Goldsmith. The motion carried unanimously carried.

**C**. **FINANCIAL REPORT**

Al Goldsmith made a motion to approve the financial report. Lynn Spencer seconded the motion. The motion unanimously carried. There was discussion about the excess funds left over from the bonds. Tim Hardin said that the MUD district could use the funds if they are documented for major improvements and TCEQ will need to approve these. Susan Demiany will do an application for the next meeting.

**D**. **PAYMENT OF BILLS**

Lynn Spencer made a motion to approve the payment of the bills. Al Goldsmith seconded the motion. The motion unanimously carried.

**E**. **TAX COLLECTOR REPORT**

 Al Goldsmith made a motion to accept the Tax Collector’s report. Lynn Spencer seconded. The motion unanimously carried.

**4. Directors Matters**

**A. Review and Accept Waterwood MUD Assessment Report – STES**

Joe Padlino gave a report about the life expectancy of the water/sewer system assets. He told the Board what and when things needed to be up dated and an estimate of time.

A motion to accept the Waterwood MUD Assessment Report was made by Lynn Spencer and seconded by Roy Knapp. The motion carried unanimously.

**B. Adopt Order Amending Utility Service Rates, Fees, and Conditions (Rate Order);**

Todd Burr with STES gave a presentation for changing the rate order. Matt Dustin (Mud’s Financial Advisor) made a presentation speaking about the reason MUD districts deal with bonds vs loans.

A motion to adopt this Order was made by Lynn Spencer. Al Goldsmith seconded the motion. The motion carried unanimously. Marty Cristofaro will compose a letter to address the new rates and it will be mailed to all customers.

**C. Authorize preparation of Annual Report in accordance with District’s Continuing Disclosure of Information Agreement and as referenced by SEC rule 15c2-12;**

A motion was made to authorize the preparation on the Annual Report by Lynn Spencer and seconded by Roy Knapp. The motion carried unanimously.

**D. Approve budget for fiscal year ending September 30, 2018.**

The Board decided to keep the same budget as 2017. A motion to accept the budget for 2018 was made by Lynn and seconded by Al Goldsmith. The motion carried unanimously.

**E. Hire auditor to conduct audit for fiscal year ended September 30, 2017.**

A motion to hire an auditor the year ended 2017 was made by Lynn Spencer and seconded by Roy Knapp. (This is subject to receiving a proposal from the auditors.)

 **3. OPERATORS REPORT**

Allen Jenkins with Severn Trent gave the operators report.

Todd Burr will research new radio controlled meters and 2 Board members will also look into this. Al Goldsmith made a motion to approve the operator’s report.

Lynn Spencer seconded the motion. The motion carried unanimously.

Robert Metz report was given.

**5. Public Comments**

Jean Biggers commented on the grinder pump situation. Marty Cristofaro said that the Board will discuss that further at another time. Several of the owners from Emerald Estates inquired about what their rates would be. Marty Cristofaro tabled discussion on their rates until another time.

**6. ADJOURN**

Al Goldsmith made a motion to adjourn. Roy Knapp seconded the motion. The motion unanimously carried.

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Al Goldsmith, Secretary