

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2  
February 21, 2012**

**1. Roll Call/Call to Order**

The Board of Directors met at the Valley Municipal Utility District No. 2 Office at 9:00 A.M., Tuesday, February 21, 2012 in accordance with the duly posted notice of said Meeting with a quorum of Directors present as follows:

Richard Lindeman	President
Roger Nelson	Vice-President
Chris Partridge	Director
Jim Tipton	Director
Oscar González	Director

Others present:

Craig Stowell	General Manager
Jay Toro	Assistant Manager
Paul Cunningham	Attorney
Jean Hager	Alderman
Don Currie	Resident
Clifford Rowell	Resident

The Meeting was called to order by Mr. Richard Lindeman at 9:05 A.M.

**2. Approval of Minutes of the Meeting held on January 17, 2012 and February 7, 2012.**

The Board reviewed the minutes of the previous meetings for approval. Mr. Tipton made a motion to approve the Minutes of the Regular Meeting held January 17, 2012. The motion was seconded by Mr. Nelson. Mr. Tipton made a motion to approve the Minutes of the Special Meeting held February 7, 2012, seconded by Mr. Partridge. The motions passed by unanimous vote of those present.

**3. Approval of the Financial Report for the Month of January, 2012.**

The Board reviewed last month's financial report. Mr. Nelson made a motion to approve the Financial Report for the Month of January, 2012. The motion was seconded by Mr. Partridge. The motion passed by unanimous vote of those present.

**4. Discussion And Action on Potable Water Bill for Rancho Viejo Resident.**

Mr. Stowell explained the manner in which the badger water meters function to show that there is no possibility that it will spin freely and read high. The resident explained to the Board that he is the sole resident of 88 Pizarro Avenue and he was not at his residence for a total of 20 days during December. He cut off his sprinkler

system and closed the master shut off valve at the house. He is not aware of any leaks. Therefore, he does not understand the high usage reflected on his bill. He is requesting an adjustment to reflect average usage on his account for the period ending December 27, 2011. Mr. Lindeman stated that, as Mr. Stowell explained, the water did go through the meter. The District cannot adjust every customer's water bill that has unexplainable high usages. The only adjustment can be done to the sewer to reflect an average usage charge. Based on the average usage for this residence, the monthly sewer charge is \$16.00. Mr. Partridge made a motion to authorize an adjustment in the amount of \$23.80 on the sewer portion of the bill to reflect an average usage. Mr. Gonzalez seconded the motion. The motion passed by unanimous vote of those present.

**5. Discussion and Action on Implement of Drought Restrictions.**

Mr. Stowell explained that TCEQ has sent out notices recommending drought emergency planning. This past year was the driest year in Texas history, and meteorologists predict this drought will continue through the summer. Mr. Stowell recommends implementing stage 1 of the District's Drought Contingency Plan. Mr. Tipton made a motion to authorize the General Manager to implement stage 1 of the District' Drought Contingency Plan, seconded by Mr. Nelson. The motion passed by unanimous vote of those present.

**6. Action on Resolution Calling Election For May 5, 2012, Designating Polling Places, Appointing Election Judges and Designating Early Voting Clerk.**

Mr. Stowell stated that Mr. Lindeman and Mr. Nelson are up for election in May and, therefore, an order for election of Directors has to be approved. The order states that the District will run its own election using the Town's Meeting room, the date will be May 12, 2012, and the early voting clerk will be Gloria Sanchez. A separate resolution appointing Mr. Jerry Millsapps presiding judge and Laura Partridge alternate presiding judge for the Election Day was presented before the Board. Mr. Gonzalez made a motion to approve both resolutions, seconded by Mr. Tipton. The motion passed by unanimous vote of those present.

**7. Public Input**

Mrs. Hager explained that the Town would possibly put signs on all the entrances to Rancho Viejo, and they would like for the District to give estimates of the costs to run water and electricity to these signs. She also asked if the lift station sign on the corner of Carmen and Alvarado Avenue has been moved. Mr. Stowell stated that the sign has been moved, and he would consider not charging for the labor but it would have to be placed on the next board meeting agenda for Board approval. Mr. Rowell explained that he is a resident with concerns about his high water bill and the established water rates. He mentioned that he has also filed for candidacy for the May 12, 2012 Water Board Elections.

**8. Recess into Executive Session Pursuant to Texas Government Code Section 551.074 (a) (1) (personnel matters).**

- a. Discussion of evaluation, reassignment, duties and employment of employees.

The Board entered into executive session at 11:00 a.m. and closed out the session at 11:15 a.m.

**9. Action on Items Discussed in Executive Session.**

Mr. Tipton made a motion to increase the General Manager's salary by \$10,000.00/yr. The motion was seconded by Mr. Gonzalez. The motion passed by unanimous vote of those present.

**10. General Manager's Report**

- **Production and Sales Report** The water loss for January 2012 shows a 17.4 % loss.
- **RO Production Report** For January 2012 was distributed to the Board before the meeting. Mr. Stowell explained the report.
- **Raw Water Report** For January 2012 was distributed to the Board before the meeting. Mr. Stowell explained the report.
- **Customer Complaints.** The customer complaints for the month of January 2012 were previously distributed to the Board. There were a total of eight complaints.
- **Operations Report** Mr. Stowell reported on Water, Sewer, Distribution and Lift Station operations. He gave an update on safety issues and incentive programs and the Reserve Fund Projects. He also explained that the front office would be remodeled and presented a sketch.
- **Projects/Task list** Mr. Stowell presented a task list with priority or complete status updates.

There being no further business to come before the Board of Directors, President Richard Lindeman adjourned the Regular Meeting at 11:21 a.m.

  
RICHARD LINDEMAN, PRESIDENT

ATTEST:

  
CHRIS PARTRIDGE, SECRETARY