

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
VALLEY MUNICIPAL UTILITY DISTRICT NO.  
August 16, 2011**

The Board of Directors of the **VALLEY MUNICIPAL UTILITY DISTRICT NO. 2** met at the Valley Municipal Utility District No. 2 Office at 9:00 A.M., Tuesday, August 16, 2011 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
Oscar Gonzalez	Director

Directors absent:

Chris Partridge	Director
Jim Tipton	Director

Others present:

Jay Toro	Operations Manager
Paul Cunningham	Attorney
Jean Hager	Alderman

The Meeting was called to order by Mr. Richard Lindeman at 9:00 A.M.

**Approval of Minutes of the Meeting held on July 2011.**

The Board reviewed the minutes of the previous meeting for approval. Mr. Nelson made a motion to approve the Minutes of the Regular Meeting held July 19, 2011. The motion was seconded by Mr. Gonzalez. The motion passed by unanimous vote of those present.

**Approval of the Financial Report for the Month of July, 2011.**

The Board reviewed last month's financial report. Mr. Gonzalez made a motion to approve the Financial Report for the Month of July, 2011. The motion was seconded by Mr. Nelson. The motion passed by unanimous vote of those present.

**Introduce General Manager to the Board of Directors**

Mr. Lindeman introduced Mr. Craig Stowell to the Board members and stated that Mr. Stowell needs to be added to the Bank Signature cards but there needs to be an agenda item in order to take this action. It will be put in the agenda for next Board meeting.

**Approve Sale of Bond to Refinance 2001 Bond by First Southwest**

Mr. Nelson stated that the Bond sale was authorized in the special meeting on August 11, 2011. He reported to the Board on the sale transaction.

**Discuss and Action on Presentation of Personnel Policy and Safety Plan by Vendor**

This item was tabled for next meeting since Mr. Tipton was not able to attend this meeting to provide the information.

**Update on Disaster Recovery Funds Being Made Available through Cameron County**

Mr. Toro reported that he will take the paper work to Mike Forbes who will publish the bid. The County requested Mr. Craig Stowell provides them with a letter stating the bid results and the purchase recommendation. Since a complete environmental approval for all five lift stations is not available. Mr. Lindeman would like a letter from the County clarifying any objections to the commencement of the project by the District.

**Update on Permanent Power for Birding Center Lift Station**

Mr. Lindeman stated that he has not been able to locate a contact person for PUB. Mr. Toro reported that by the end of this month the annexation of the necessary property by Brownsville PUB should take place by the end of the month.

**Water Plant Update**

Mr. Lindeman stated that the R.O. Plant is operating effectively after installing the forty new membranes. The Surface Water Plant will be completely reconditioned by the end of next fiscal year. Mr. Stowell has met with Bill Sheats to figure out the cost of an upgrade for the Scada system.

**Consideration and Action on Engagement of Auditor for FY 2011**

Mr. Lindeman stated that Long Chilton has submitted their engagement letter quoting a fee not to exceed Eleven Thousand Five Hundred dollars and zero cents (\$11,500.00) for their services. Mr. Nelson made a motion to contract Long Chilton to perform the 2010-2011 FY Audit for the District, seconded by Mr. Gonzalez. The motion passed by unanimous vote of those present.

**Discussion and Action on Resolution Approving the Adoption of GASB 54 Standards and Applications**

Mr. Lindeman explained that GASB 54 standards for governmental entities should be in place, and a resolution needs to be adopted before the end of the

fiscal year. The resolution was presented to the Board and Mr. Gonzalez made a motion to approve the resolution committing fund balances in accordance with GASB 54 requirements. The motion was seconded by Mr. Nelson. The motion passed by unanimous vote of those present.

### **Public Input**

No Public Input.

### **Discussion & Action on Budget for FY 2012**

Mr. Lindeman presented the final budget amounts for the FY 2012 and reviewed the Budget amounts with the Board. Mr. Nelson made a motion to approve the Budget for the fiscal year 2012 subject to GASB 54 modifications. The motion was seconded by Mr. Gonzalez. The motion passed by unanimous vote of those present.

### **Discussion & Action on Tax Rate for 2012**

Mr. Lindeman recommended the Ad-Valorem tax rate for 2011 to be thirty-seven cents per one hundred dollar valuation (\$.37/\$100). Mr. Gonzalez made a motion to approve the Ad-Valorem tax rate for 2011 at .37 cents/\$100 valuation. Mr. Nelson seconded the motion. The motion passed by unanimous vote of those present.

### **Recess into Executive Session Pursuant to Texas Government Code Section 551.071 (Litigation).**

- a.) The Board did not go into executive session. Mr. Lindeman reported to the Board on the mediation results with Tomas Tamayo. No action taken.
- b.) Mr. Nelson made a motion to approve an allowance of \$5,000.00 for moving expenses for the General Manager, seconded by Mr. Gonzalez. The motion passed by unanimous vote of those present.

### **General Manager's Report**

- **Assistant General Manager's Report** Mr. Jay Toro mentioned the water plant parking lot is complete and the sewer plant landscaping will be complete in soon. Mr. Stowell and Mr. Toro are working on ORCA2 project with Cameron County Planning Department.
- **Production and Sales Report** The water loss for June 2011 shows a 29.9 % loss.
- **Customer Complaints.** Mr. Lindeman reviewed the customer complaints for the month of July 2011.
- **General Manager's Report** The General Manager discussed the water loss report.

There being no further business to come before the Board of Directors, Mr. Nelson made a motion to adjourn. A second was made by Mr. Gonzalez. The motion passed by unanimous vote of those present.

President Richard Lindeman adjourned the Regular Meeting at 11:05 a.m.

  
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RICHARD LINDEMAN, PRESIDENT

ATTEST:

  
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CHRIS PARTRIDGE, SECRETARY