

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
VALLEY MUNICIPAL UTILITY DISTRICT NO.  
December 20, 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, December 20, 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
Chris Partridge	Director
Oscar González	Director
Jim Tipton	Director

Others present:

Craig Stowell	General Manager
Jay Toro	Assistant Manager
Paul Cunningham	Attorney
Jean Hager	Alderman
Mr. Lowry	Resident
Teofilo Flores, Jr.	District Farmer
Michael Flores	District Farmer
Miguel Ortiz, Jr.	District Farmer
Pablo Veturve	Superintendent TX Parks & Wildlife
Santiago Munoz	Maint. Supervisor Tx Parks& Wildlife

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

**Approval of Minutes of the Meeting held on November 15, 2011.**

The Board reviewed the minutes of the previous meeting for approval. Mr. Tipton made a motion to approve the Minutes of the Regular Meeting held November 15, 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 November, 2011.**

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

**Discussion and Action on Taxation of Goods-in-Transit Resolution**

Mr. Lindeman explained that the Cameron Appraisal District is requesting that taxing entities adopt a resolution to approve the taxation of goods-in-transit. If no resolution is adopted, the property will become exempt after January 1, 2012. The resolution was presented to the Board and Mr. Partridge made a motion to approve it, seconded by Mr. Nelson. The motion passed by unanimous vote of those present.

**Discussion and Action on Purchasing Policy.**

Mr. Stowell presented to the board a draft of the Purchasing Policy and the list of authorized purchasers. Mr. Cunningham stated that Chapter 252 should not be mentioned because it does not apply to the District. The District is required to advertise for bids only on purchases above \$50,000.00. For purchases costing between \$25,000.00 and \$50,000.00, the District shall obtain written competitive bids on uniform written specification from at least three bidders but it is not required to advertise. Mr. Stowell suggested setting the requirements on lower amounts. Purchases between \$15,000.00 and \$25,000.00 should require three bids and purchases above \$25,000.00 should require advertisement and three bids. Mr. Tipton made a motion to approve the purchasing policy with the requirements Mr. Stowell suggested. Mr. Gonzalez seconded the motion. The motion passed by unanimous vote of those present.

**Raw Water Presentation by General Manager.**

Mr. Stowell gave a presentation on the transportation of raw water to the District and customers of the District.

**Discussion and Action on Potable Water Bill for Nobiensky GF Marital Trust and R. Lindeman**

Mr. Lindeman presented a history ledger of the water usage for 3718 Carmen Avenue. He explained that Mr. Lowry was not at his house during the months of May through August. Mr. Lowry asked the Board to explain the high water usage because there were no leaks at his house during this time. He had people watching his house and they never saw any problems or leaks. Mr. Lindeman stated that Mr. Lowry should not have to pay for the sewer charge for these four months. Mr. Tipton made a motion to approve the sewer charge adjustment by the General Manager of \$159.20 for four months. Mr. Gonzalez seconded the motion. The motion passed by three votes for and one vote against the motion.

**Discussion and Action on creating a Committed Fund for Painting of Tower and Membrane Replacement every Seven Years by \$5,400 Monthly.**

Mr. Stowell explained that he would like to complete the pending FEMA claim filed by Mr. Burkhart for reimbursement of the water tower painting. If the water

tower is painted this year, he can submit the expense to FEMA and get some reimbursement. Mr. Stowell needs to get updated quotes for the painting job and rework the specifications. Mr. Stowell is suggesting that a committed fund be created for the painting of the water tower and membrane replacements. By increasing the monthly reserve contribution of \$10,000.00 to \$15,000.00, an amount of \$5,400.00 can be committed to that fund. Mr. Cunningham stated increasing the monthly reserve fund contribution is considered a budget amendment and cannot be done unless it is specifically stated as an agenda item. Mr. Tipton made a motion to approve creating a Committed Fund and allocate \$5,400.00 monthly out of the already existing \$10,000.00 monthly reserve contribution. Mr. Partridge seconded the motion. The motion passed by unanimous vote of those present.

### **Public Input**

Mrs. Hager gave an update on the painting of the bridges. In response to Mrs. Hager's inquiry last month, Mr. Stowell mentioned that the valve for Marquee sprinkler system is connected and turned on, but he can schedule a meeting with the Town's maintenance person and Carlos so that the problem can be resolved.

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

- **Production and Sales Report** The water loss for November 2011 shows a 21.6 % loss.
- **RO Production Report** For November 2011 was distributed to the Board before the meeting. Mr. Stowell explained the report.
- **Raw Water Report** For November 2011 was distributed to the Board before the meeting. Mr. Stowell explained the report.
- **Customer Complaints.** The customer complaints for the month of November 2011 were previously distributed to the Board. There were a total of ten 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.
- **Projects/Task list** Mr. Stowell presented a task list with priority or complete status updates.

### **Recess into Executive Session Pursuant to Texas Government Code Section 551.07 (Litigation)**

The Board recessed into executive session at 12:28 pm and reconvened at 12:50 pm.

### **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION.**

g. Discussion and action on Southmost Regional Water Authority true-up bills for fiscal years 2009 and 2010.

Mr. Gonzalez made a motion to authorize Mr. Stowell to pay SMRWA for the 2009, 2010, 2011 Water consumption Invoices, seconded by Mr. Nelson.

h. Discussion and action on matters concerning employee Roberto Flores.

Mr. Stowell reported on the issue and no action was taken.

i. Discussion and action on Christmas Bonuses.

Mr. Nelson made a motion to authorize a bonus of \$125.00 for each District employee, seconded by Mr. Partridge.

The motions passed by unanimous vote of those present.

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 1:00 p.m.

  
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RICHARD LINDEMAN, PRESIDENT

ATTEST:

  
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CHRIS PARTRIDGE, SECRETARY