

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
May 16, 2017**

1. Call to Order of the Regular Meeting.

The Board of Directors met at the Valley Municipal Utility District No. 2 Office at 9:00 A.M., Tuesday, May 16, 2017 in accordance with the duly posted notice of said Meeting with a quorum of Directors present as follows:

Roger Nelson	President
Oscar Gonzalez	Secretary
Clifford Rowell	Treasurer
Richard Lindeman	Director

Not present:

Jim Tipton	Vice-President
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Others present:

Scott Fry	General Manager
Joaquin Toro	Assistant Manager
Cyndie Rathbun	Town of Rancho Viejo Mayor

2. Approval of Minutes of the Regular Board Meeting held on March 21, 2017.

Board reviewed the minutes of the meeting held on March 21, 2017 for approval. For the Record, Mr. Fry stated there was no April Board meeting due to lack of quorum. Mr. Rowell made a motion to approve the minutes of the Regular Meeting held on March 21, 2017. The motion was seconded by Mr. Lindeman and approved by a unanimous vote of those present.

3. Approval of the Financial Report for the Month of March and April 2017.

The Board reviewed the Financial Reports for the past two month. Mr. Rowell made a motion to approve the Financial Reports for the Month of March 2017, seconded by Mr. Gonzalez. Mr. Rowell made a motion to approve the Financial Report for the Month of April 2017, seconded by Mr. Gonzalez. The motions passed by a unanimous vote of those present.

4. Discussion Action to Approve a Resolution Establishing Protocols for the Addition of Voluntary Fees to the District's Monthly Billing.

Ms. Cunningham drafted a Voluntary Collection Resolution and presented it to the Board for review. The resolution allows the Town's use of the District's Billing System to collect voluntary fees. After the Board had a lengthy discussion on this item, Mr. Nelson stated that as long as the Town is responsible for the selection of the groups and they report to the District on a quarterly basis or upon request, the resolution can be approved. Mr. Rowell made a motion to approve the resolution with these changes. The motion was seconded by Mr. Gonzalez and passed by unanimous vote of those present.

5. **Discussion and Action on a Request by the Local Advocat Group to Utilize the District's Billing System to Collect a Voluntary Monthly Fee.**

Mayor Rathbun requested that this item be tabled due to lack of documentation that she requested from the Advocat Committee. Mr. Rowell made a motion to table this agenda item for the next meeting. The motion was seconded by Mr. Gonzalez and approved by unanimous vote of those present.

6. **Discussion and Action to make Recommendations to amend the Bylaws of the Southmost Regional Water Authority.**

Mr. Fry presented the Bylaws of the SRWA for Board Approval. Ms. Cunningham stated that she had reviewed them about two months ago and the changes pertain to the City of Brownsville. Mr. Rowell made a motion to approve the SRWA Bylaws. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

7. **Discussion and Action to Establish a Policy to Handle Requests by Other Utilities to Cross the District's Easements or Rights-of-Way.**

Mr. Fry presented a rough draft of a crossing permit that he would like for the Board to adopt. He stated that the District has none in place and he anticipates that TransMontaigne will be requesting a crossing permit from the District in June 2017. Mr. Rowell made a motion to have legal counsel create a permit for entities who wish to cross our canal easement. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

8. **Update, Discussion, and Action on the Development of the Project to Replace Utilities Associated with the Town of Rancho Viejo's Street Reconstruction Project.**

a. Funding Update.

Mr. Fry stated that there are no anticipated problems with the approval by the Texas Water Development Board of the loan application. He added that the ranking of statewide projects will be done in June and the District should receive funding by August.

b. Design Update.

Mr. Fry stated that the Town is moving forward with the bidding process for Phase IA, which is for streets that do not have utilities that will need to be replaced. He added that the District is working with the Engineer to open manholes so that they can survey the sewer system. Mr. Fry also mentioned that the fire hydrants could be relocated if necessary. He told the Mayor that this is the opportunity to remove, replace or relocate fire hydrants if the Town has funds available.

9. **Public Input.**

Mayor Rathbun stated that the final Farmer's Market for this season will be held on May 25. She requested that the District make an every effort possible to keep the sewer smell controlled.

10. General Manager's Report

- **Production and Sales Report-** The reported water loss for March and April 2017 shows 27.28% and 20.12% unaccounted for water losses.
- **RO Production Report-**The report for March and April 2017 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Raw Water Report-**The report for March and April 2017 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Customer Complaints-** Mr. Fry reviewed the two customer's complaints for March 2017 and one for April 2017 with the Board.
- **Operations Report-**Mr. Fry reported on the highlights of the monthly operations of the District.
- **Projects/Task List-**Mr. Fry stated that everything on the task list has already been discussed.

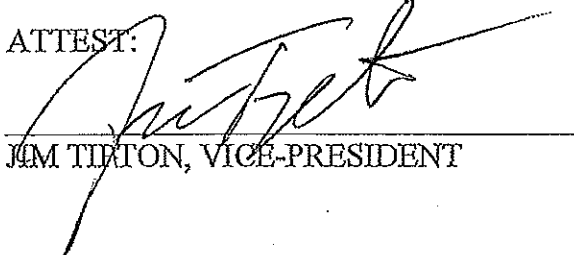
11. Adjourn.

Mr. Gonzalez made a motion to adjourn the meeting. The motion was seconded by Mr. Lindeman and approved by unanimous vote of those present. The Meeting was adjourned at 11:17 a.m.



ROGER NELSON, PRESIDENT

ATTEST:



JIM TILTON, VICE-PRESIDENT

