

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
April 16, 2013**

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, April 16, 2013 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	Secretary/Treasurer
Oscar Gonzalez	Director
Jim Tipton	Director

Others present:

Craig Stowell	General Manager
Jay Toro	Assistant Manager
Paul Cunningham	Attorney
Kathy Cunningham	Attorney
Jean Hager	Alderman
Cindy Rathbun	Alderman
J.T. Head	River Bend Resident
Sylvia Degollado	River Bend POA Manager
Dan Nolan	River Bend POA Vice President
Jim Regan	RV Resident
Margie Regan	RV Resident
George Yeager	RV Resident
Juan Loya	BBVA Compass
Chris Vela	First Southwest

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

2. Approval of Minutes of the Regular Meeting held on March 19, 2013.

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 March 19, 2013 with the corrections to the stated time under executive session. The motion was seconded by Mr. Gonzalez. The motions passed by unanimous vote of those present.

3. Approval of the Financial Report for the Month of March, 2013.

The Board reviewed last month's financial report. Mr. Tipton made a motion to approve the Financial Report for the Month of February, 2013. The motion was seconded by Mr. Nelson. The motion passed by unanimous vote of those present.

4. Discussion and Action on Plumbing bill for 33 Shenandoah

Mr. Stowell explained that Mr. James Regan from 33 Shenandoah had a sewage problem and called a plumber who charged \$442.50 for services. Mr. Regan is requesting full reimbursement for this charge. Since the problem was on the District's side and Mr. Regan did not call the District directly, Mr. Lindeman stated that the District should not be liable for the bill. Mr. Partridge explained that he was not aware that the policy is to call the District before calling a plumber. Mr. Stowell mentioned that he would include this in the Customer Service Agreement to make customers aware of this policy. Mr. Tipton suggested paying only \$250.00 towards the Mr. Regan's plumbing expenses. Mr. Gonzalez seconded the motion. The motion passed by unanimous vote of those present.

5. Discussion and Action on Refinance of 2004 Bonds.

Mr. Chris Vela presented a Refunding Analysis for the 2004 Bond Series. He explained that the District can choose to refinance in a traditional method or through private placement. If the District decides to refinance through BBVA or any other Bank (Private Entities), then Mr. Vela would be dealing with the District's staff to assist as the Financial Advisor, but he cannot communicate directly with the banks. Mr. Tipton made a motion to proceed with the refinancing process. The motion was seconded by Mr. Gonzalez. The motion passed by unanimous vote of those present.

6. Update, Discussion and Action on Drought Situation.

Mr. Stowell explained the current Drought situation and the District's water account position. He stated that the District will continue under Stage 2 restrictions since the water supply reservoirs are not at 30% yet to trigger Stage 3 implementation.

7. Discussion and update on River Bend Resort water service and cross connections.

Mr. Stowell received a letter from Ray Berry and the Rio Bravo POA Utility Committee after he had already posted the agenda for this meeting. He explained that he met with the POA on April 3rd at which the POA informed Mr. Stowell of their progress on the Metering Situation. They discussed the customer safety protection and designation of responsibility. The POA Committee reported that they have located all but two of the angle stop valves and ordered warning signs for the water system. They also discussed the meter installation process. Mr. Stowell was driving around River Bend and noticed that a Park Model was moving

in. He asked them to fill out a new home permit with the District's office. Mr. Stowell asked Mr. Cunningham if the District has to charge them a tap fee or can just install a meter as they move in. Mr. Cunningham stated that the taps are already there and it is up Board to charge them or not. Mr. Stowell reviewed the 1984 Contract between Valley MUD#2 and Rio Bravo Joint Venture. He stated that the bonds were issued in 2004. The board members expressed a desire not to install meters. Mr. Stowell will continue to investigate whether or not RPZs should be required.

8. Discussion and Action on Development agreement for el Agostadero Subdivision.

Mr. Stowell presented a map outlining the proposed development of 44 lots by Del Bravo, LL. This property is inside the District and it is only a portion of the 60 acres they own. Mr. Lindeman suggested implementing an impact fee on vacant lots. Mr. Stowell mentioned that he would make the Developer aware of the District's current drought conditions which they would have to accept.

9. Demonstrate Scada Improvements for Lift Stations.

Mr. Stowell gave a presentation on the Scada functions and explained the new improvements made for the Lift stations.

10. Public Input

Mrs. Rathbun asked if there were any other manholes that are covered. Mr. Stowell informed that there could be other ones, and if possible, he would like the Town to get him information on the Carmen repairs.

11. General Manager's Report

- **Production and Sales Report** The water loss for March 2013 shows an 21.9% loss.
- **RO Production Report** For March 2013 was distributed to the Board before the meeting. Mr. Stowell explained the report.
- **Raw Water Report** For March 2013 was distributed to the Board before the meeting. Mr. Stowell explained the report.
- **Customer Complaints.** The customer complaints for the month of March 2013 were previously distributed to the Board. There were a total of twelve complaints. Seven complaints were related to sewer problems.
- **Operations Report** Mr. Stowell reported on Water, Sewer, Distribution and Lift Station operations.
- **Projects/Task list** Mr. Stowell presented a task list with priority or complete status updates.

12. 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.


Mr. Gonzalez made a motion to go into executive session, seconded by Mr. Partridge. The Board entered into executive session at 2:35 p.m. and closed out the session at 3:00 p.m.

13. Action on Items Discussed in Executive Session.

Mr. Nelson made a motion to increase the General Manager's salary by \$10,000.00, seconded by Mr. Gonzalez. The motion passes 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 the meeting. Mr. Partridge seconded the motion. The motion passed by unanimous vote of those present.

President Richard Lindeman adjourned the Regular Meeting at 3:05 p.m.



RICHARD LINDEMAN, PRESIDENT

ATTEST:



CHRIS PARTRIDGE, SECRETARY