

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2  
April 17, 2018**

**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, April 17, 2018 in accordance with the duly posted notice of said Meeting with a quorum of Directors present as follows:

Roger Nelson	President
Jim Tipton	Vice President
Oscar Gonzalez	Secretary
Richard Lindeman	Director

Directors absent:

Clifford Rowell	Treasurer
-----------------	-----------

Others present:

Scott Fry	General Manager
Kathy Cunningham	District Attorney
Joaquin Toro	Assistant Manager
Cris Vela	Financial Advisor
Cindy Rathbun	Mayor
Michael Bruck	Maguire Iron

**2. Public Input.**

No Public Input.

**3. Approval of Minutes of the Regular Board Meeting held on March 20, 2018 and Re-Affirmation of the Approval of the Minutes for February 20, 2018.**

The Board reviewed the minutes of the Regular Meeting held on March 20, 2018. Mr. Tipton made a motion to approve the Board Meeting Minutes of March 20, 2018. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present. Mr. Fry then requested that the Board re-affirm the previous approval of the February 20, 2018 Minutes because there had been an error in the previous meeting's minutes. Mr. Tipton made a motion to re-affirm the previous approval of the February 20, 2018 Minutes. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

**4. Discussion and Action on the Financial Report for the Month of February 2018.**

Mr. Fry discussed the financial report for the month of March 2018. On a motion by Mr. Tipton, and a second by Mr. Gonzalez, the financial report for the Month of March was approved.

**5. Presentation by Maguire Iron, Inc. of San Antonio Regarding a Term Maintenance Service Contract for the District's Water Storage Tanks.**

Michael Bruck of Maguire Iron made a presentation about his company and the condition of the River Bend Elevated Storage Tank. He also detailed his company's term contracts for maintenance of tanks that allow their clients to spread the cost for rehabilitation over several years. He added that Maguire Iron is a Buy Board contractor.

**6. Discussion and Action on a Proposal by Maguire Iron to Rehabilitate the River Bend Elevated Storage Tank Utilizing a Buy Board Contract.**

The Board discussed the condition of the River Bend Elevated Storage Tank and the benefits of utilizing a term contract. The Board directed the Manager and the District's Attorney to review Maguire Iron's standard contract for rehabilitation and long term maintenance and to place an item on the agenda of the next meeting. On a motion by Mr. Tipton, and a second by Mr. Gonzalez, the Board unanimously voted to table this item until the next meeting.

**7. Discussion and Action to Accept a Proposal by Maguire Iron, Inc. for a Multi-Year Maintenance Contract for One or Both of the District's Elevated Storage Tanks.**

Mr. Tipton made a motion to table this item to the next meeting as well. The motion was seconded by Mr. Gonzalez approved by a unanimous vote of those present.

**8. Discussion and Action to Renew the Contract with the Houston Galveston Area Council (HGAC) for the Procurement of Electricity Service.**

Mr. Fry reminded the Board that they had previously granted him the authority to execute a 24 month contract with the HGAC, when he and the HGAC representative felt that the time was right. He then stated that the rates had not gone down as the HGAC representative was anticipating, and that the HGAC representative recommended locking in a 36 month contract instead of a 24 month contract due to market conditions. Mr. Gonzalez made a motion to authorize the General Manager to enter into a 36 month contract for the procurement of electricity from the HGAC. The motion was seconded by Mr. Tipton and approved by a unanimous vote of those present.

**9. Discussion and Action to Adopt Resolution Establishing a Current Water Conservation Plan.**

Mr. Fry stated that the Board had previously granted him the authority to draft a Water Conservation Plan and reminded them that its adoption is a requirement in order to borrow money from the Texas Water Development Board. The Board suggested revisions to the appendices including updates to the Water Rate Structure related to the collection of a voluntary fee for the Rancho Viejo Volunteer Fire Department, and the definitions section of the Drought Contingency Plan. Mr. Gonzalez made a motion to adopt the Water Conservation Plan with the suggested changes. The motion was seconded by Mr. Tipton and approved by unanimous vote of those present.

**10. 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. Review and Approve the Final Plan of Finance for the Issuance of Combination Unlimited Tax and Waterworks and Sewer System Revenue Bonds, Series 2018 A&B.
- b. Authorize Staff to Move Forward with Funding of the Texas Water Development Board Projects.

Cris Vela presented the final plan of finance. Mr. Vela also stated that the District will need the outlay reports from the engineer at closing for reimbursement, and that the District will need to select an escrow agent to invest the funds immediately upon their release. Mr. Tipton made a motion to approve the Final Plan of Finance for the issuance of Combination Unlimited Tax and Waterworks and Sewer System Revenue Bonds Series 2018 A&B and to authorize staff to move forward with funding of the Texas Water Development Board funding. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

**11. General Manager's Report**


- **Production and Sales Report-** The reported water loss for March 2018 shows 28.75% unaccounted for water losses.
- **RO Production Report-**The report for March 2018 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Raw Water Report-**The report for March 2018 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Customer Complaints-** Mr. Fry received no customer complaints for March 2018 with the Board.
- **Operations Report-**Mr. Fry reported on the highlights of the monthly operations of the District.
- **Vehicle Maintenance Report-** Mr. Toro presented the vehicle maintenance report.

**12. 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 TIPTON, VICE-PRESIDENT

