

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
April 18, 2016**

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 18, 2016 in accordance with the duly posted notice of said Meeting with a quorum of Directors present as follows:

Roger Nelson Vice-President
Jim Tipton Secretary/Treasurer
Clifford Rowell Director

Directors absent

Richard Lindeman President
Oscar Gonzalez Director

Others present:

Scott Fry General Manager
Jay Toro Assistant General Manager
Cindy Rathbun Mayor of Rancho Viejo
Eduardo Espinoza TxDOT Representative
Eddie De Leon Contract Land Staff
Silverio Salas Jr. TxDOT Representative
Kevin Isbell Rancho Viejo Resident

2. Approval of Minutes of the Regular Meeting held on March 15, 2016.

The Board reviewed the minutes of the previous meeting for approval. Mr. Rowell made a motion to approve the Minutes of the Regular Meeting held on March 15, 2016. The motion was seconded by Mr. Tipton and approved by a unanimous vote of those present.

3. Approval of the Financial Report for the Month of March 2016.

The Board reviewed the Financial Reports for the past month. Mr. Tipton made a motion to approve the Financial Reports for the Month of March 2016. The motion was seconded by Mr. Rowell and approved by a unanimous vote of those present.

4. Discussion and Action on a Request from the Following to have a Water Bill Adjusted.

a. Kevin Isbell-800 Santa Ana. Mr. Isbell mentioned that he had a water leak in his swimming pool, but has now replaced the float valve. He requested relief since his bill was \$287.81 for 65,800 gallons of water. Mr. Tipton made a motion to reduce the higher cost tiers of water down to the cost that we pay for water based on SRWA rates. The motion was seconded by Mr. Rowell and passed by unanimous vote of those present.

b. Richard Ghionzoli- 308 Escandon
Customer was not present. No action was taken.

5. Discussion and Action Regarding the Sale of a Parcel of Land to the Texas Department of Transportation for the Purpose of Widening the U.S. Highway 281.

Mr. Fry stated to the Board that the Texas Department of Transportation (TxDOT) has surveyed the District's main water line that runs along US Highway 281 where they plan to widen the highway and that the line does not have to be moved since it has adequate cover. Therefore, the District and TxDOT will be moving forward with the Joint Use Agreement to maintain the line in place. He added that TxDOT is offering to purchase the front nine feet of land from the River Bend Water Tower tract for \$2,432.00. Mr. Rowell asked the TxDOT representative if they had resolved who has to get permits and pay fees when TxDOT is the one purchasing the property from the District. Mr. Salas stated that the requirements for future maintenance on the existing waterline will be detailed in the Joint Use Agreement. Mr. Rowell made a motion to sell the parcel of Land to TxDOT in the amount of \$2,432.00 for the purpose of widening U.S. Highway 281. The motion was seconded by Mr. Jim Tipton and passed by unanimous vote of those present.

6. Discussion and Action on a Resolution Granting the General Manager to Execute Documents on Behalf of the District, Related to the Sale of Additional Right-of-Way Along U.S. Highway 281.

Mr. Rowell made a motion to give Mr. Fry authority to execute documents on behalf of the District, related to the sale of the right-of-way along U.S. Highway 281. The motion was seconded by Mr. Tipton and approved by unanimous vote of those present.

7. Discussion and Action to Add a \$1.00 Voluntary Fee to the District's Monthly Billing for the Purpose of Funding the Rancho Viejo Volunteer Fire Department and Also Recovering Any Expenses Incurred by the District In Administering the Fund..

Mr. Fry explained that the Town has requested that the District add a \$1.00 voluntary fee to the District's monthly bills for the purpose of establishing a fund for the improvement of the Rancho Viejo Volunteer Fire Department's equipment. He added that the District still needs to determine how much time that the processing of this fee would take for District office personnel. He suggested that a portion of this contribution should be reserved for the District to recover for any expenses incurred to administer the fund. Mr. Nelson stated that River Bend should not be part of this fee contribution. Mr. Tipton also mentioned that there should be an option to Rancho Viejo customers who want to permanently opt out of the contribution. Mayor Rathbun stated that she would like to see it approved at this meeting and that the Town and the District Manager could work out the details at a later time. She also mentioned that she was aware that AVR would charge a \$450.00 set up fee and she said that the Town would pay for that. Mr. Rowell made a motion to approve adding a \$1.00 Voluntary fee to the District's monthly billing with the following conditions: that River Bend customers are excluded from this fee, that the General Manager determine a service fee for staff time, and that he investigate if there is an option for customers

to be able to opt out of having the fee show up on their bill. The motion was seconded by Mr. Nelson and passed by unanimous vote of those present.

8. Public Input.

Mrs. Rathbun thanked Mr. Jim Tipton for personally donating to the small city coalition. She stated that the Town would like to be well informed regarding pavement restoration of utility cuts. She stated that she would like to know details such as what material will be used for repairs since the Town is planning a street rehabilitation program and would like to keep the new streets looking nice. Finally, she stated that the Town administration is aware of Mr. Lindeman's health issues and that they are keeping him in their prayers.

11. General Manager's Report

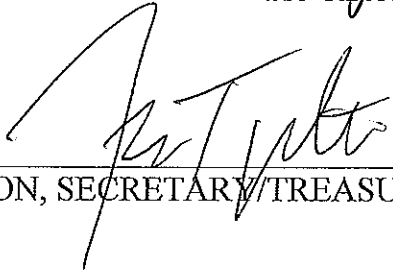
- **Production and Sales Report-** The water loss for February 2015 shows a 23.31% unaccounted for water loss. Mr. Fry explained that this month's high water loss was likely a result of when the meters were read and how many days that water was used between readings. He mentioned that last month's water loss was extremely low for the same reason.
- **RO Production Report-**The report for February 2016 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Raw Water Report-**The report for February 2016 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Customer Complaints-** Mr. Fry reviewed the three customer complaints for the month of February 2016 with the Board.
- **Operations Report-**Mr. Fry reported on the highlights of the monthly operations of the District.
- **Projects/Task List-**Mr. Fry reviewed the task list and gave status updates on various projects.

There being no further business, the Meeting was adjourned at 10:10 a.m.



ROGER NELSON, VICE-PRESIDENT

ATTEST:



JIM TIPTON, SECRETARY/TREASURER

(

(

(