

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2  
December 20, 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, December 20, 2016 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
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Others present:

Scott Fry	General Manager
Paul Cunningham	Attorney
Chris Vela	First Southwest Financial Advisors
Donald Gonzales	Estrada Hinojosa & Co. Financial Advisors
Maribel Guerrero	Town of Rancho Viejo Alderman
Vicente Mendez	Ambiotec Civil Engineers

**2. Approval of Minutes of the Special Board Meeting held on November 15, 2016.**

The Board reviewed the minutes of the previous meeting for approval. Mr. Gonzalez made a motion to approve the Regular Meeting held on November 15<sup>th</sup>. 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 December 2016.**

The Board reviewed the Financial Reports for the past month. Mr. Fry noted that the Investment Report had not been included for the current month and added that the legal requirement for this report is quarterly. Mr. Gonzalez made a motion to approve the Financial Reports for the Month of October 2016. The motion was seconded by Mr. Tipton and approved by a unanimous vote of those present.

**4. Discussion and Action to Authorize the General Manager to negotiate and execute a contract for the procurement of an Engineering Firm to assist with the upcoming Capital Improvements Program mainly related to the Town of Rancho Viejo's Street Rehabilitation Project.**

Alderwoman Maribel Guerrero gave some comments regarding the background of the project and thanked the Board for their willingness to participate in the project. She added that the Town has already borrowed money for this project and she expressed her support for the firms which the Town is using, mainly to keep the project moving

forward at a rapid pace. Mr. Fry stated that four engineers submitted Statements of Qualifications related to this project. He added that he met with Mr. Nelson to review and rank these statements, and that they ranked the firms in the following order: Ambiotec, Brown Leal, Gonzalez Engineering, and Sigler Winston Greenwood, with the last two being tied for third in the rankings. Mr. Fry gave a brief overview of requirements of the Professional Services Procurement Act and suggested that the Board provide input on these firms and how they were ranked. After a brief discussion, Mr. Tipton made a motion to accept the ranking of the firms as stated, and to authorize the General Manager to negotiate and execute a contract based on those rankings, in accordance with the Professional Services Procurement Act. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

**5. Discussion and Action to Authorize the General Manager to negotiate and execute a contract for the procurement of a Financial Advisor to assist with the upcoming Capital Improvements Program mainly related to the Town of Rancho Viejo's Street Rehabilitation Project.**

Mr. Fry stated that two Financial Advisors submitted Statements of Qualifications related to this project. He added that he met with Mr. Nelson to review and rank these statements, and that they ranked the firms in the following order: First Southwest and Estrada Hinojosa. Mr. Fry stated that both firms seemed to be equally qualified, but that the fact that the Board had recently worked with First Southwest, and the fact that they have a valley office gave them a slight advantage over Estrada Hinojosa. After a brief discussion, Mr. Tipton made a motion to accept the ranking of the firms as stated, and to authorize the General Manager to negotiate and execute a contract based on those rankings, in accordance with the Professional Services Procurement Act. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

**6. Discussion and Action to Authorize the General Manager to negotiate and execute a contract for the procurement of Bond Counsel to assist with the upcoming Capital Improvements Program mainly related to the Town of Rancho Viejo's Street Rehabilitation Project.**

Mr. Fry stated that three Law Firms submitted Statements of Qualifications for Bond Counsel related to this project. He added that he met with Mr. Nelson to review and rank these statements, and that they ranked the firms in the following order: Ramirez Law Firm, Smith Murdaugh Little and Bonham, and Norton Rose Fulbright. Mr. Fry stated that the firms were ranked in the same order stated above. He added that the District's recent experience with Mr. Ramirez during the refinance of previously issued bonds and the fact that he is local, helped push his firm to the top. After a brief discussion, Mr. Tipton made a motion to accept the ranking of the firms as stated, and to authorize the General Manager to negotiate and execute a contract based on those rankings, in accordance with the Professional Services Procurement Act. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

7. **Discussion and Action to award Holiday Bonuses to the District Employees.**

Mr. Fry stated that this item has been included on the December Agenda for several years. He added that the Board typically awards an amount that will equal \$100.00 after taxes and other deductions have been taken. Mr. Gonzalez made a motion to award bonuses to the employees as stated. The motion was seconded by Mr. Tipton, and approved by a unanimous vote of those present.

8. **Public Input.**

There was no Public Input.

9. **General Manager's Report**

- **Production and Sales Report-** The reported water loss for November 2016 shows 8.67% unaccounted for water loss.
- **RO Production Report-**The report for November 2016 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Raw Water Report-**The report for November 2016 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Customer Complaints-** There were two customer complaints.
- **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.

10. **Adjourn.**

There being no further business, Mr. Gonzalez made a motion to adjourn the Regular Meeting at 9:50 a.m. The motion was seconded by Mr. Lindeman and approved by unanimous vote of those present.

  
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ROGER NELSON, PRESIDENT

ATTEST:

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OSCAR GONZALEZ, SECRETARY

