

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
February 16, 2016**

1. Call to Order of the Regular Meeting.

The Board of Directors met at the Valley Municipal Utility District No. 2 Office at 9:10 A.M., Tuesday, February 16, 2016 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
Oscar Gonzalez	Director
Jim Tipton	Director
Clifford Rowell	Director

Others present:

Scott Fry	General Manager
Jay Toro	Assistant General Manager
Irving Hattem	Real Energy Solutions
Belia Velasquez	Real Energy Solutions

2. Approval of Minutes of the Regular Meeting held on January 19, 2016.

The Board reviewed the minutes of the previous meeting for approval. Mr. Gonzalez made a motion to approve the Minutes of the Regular Meeting held on January 19, 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 January 2016.

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

4. Action on Resolution Calling Election for May 7, 2016, Designating Polling Places, Appointing Election Judges and Designating Early Voting Clerk.

Mr. Fry stated that Mr. Lindeman and Mr. Nelson are up for election in May and, therefore, an order for election of Directors has to be approved. The order states that the District will run its own election on May 7, 2016, and the early voting clerk will be Gloria Sanchez. A separate resolution appointing Mrs. Patty Perez presiding judge and Sylvia Leyendecker alternate presiding judge for the Election Day was presented before the Board. Mr. Tipton made a motion to accept both resolutions. The motion was seconded by Mr. Nelson and approved by unanimous vote of those present.

5. Discussion and Action Regarding the District's Electricity Rates.

Mr. Fry stated that the District's contract renewal for electricity is up in June and wants to start giving energy consulting firms the opportunity to present their offers. Mr. Irving Hattem with Real Energy Solutions introduced himself and explained that he has information on competitive electricity rates. Since the District has electrical meters that serve agricultural related infrastructure, Mr. Hattem stated that there could be some extra savings. The current electricity rate is about \$0.061/KWH and the rate he is offering under the index program is between \$0.0237 and \$0.0337. Mr. Hattem asked the Board when they will make a decision for an electricity contract. Mr. Fry explained that other firms will have the opportunity to present their information at the next meetings and he anticipates that the Board will make a decision by May. No Action was taken.

6. Discussion and Action to Amend the District's Fee Schedule Including its Water/Sewer Rates.

Mr. Lindeman reminded the Board that he had proposed several changes to the District's water and sewer rates at the last meeting which included a more similar fee schedule for the Condos and RV lots, applied the AWWA multiplier factor to the base rate of commercial customers with oversized meters, and revised the out of District rates. Mr. Lindeman stated that a notification letter on these changes had already gone out to the customers. Mr. Fry added that the Board had previously requested that the AWWA multiplier not be applied to residential customers until more information was available. Mr. Fry stated that some customers with large meters had called to complain about the increase. Mr. Fry then presented the Board with a list of all of the customers who have oversized meters. After a brief discussion, the Board decided to move forward with applying the AWWA multiplier towards residential meters. Mr. Fry then requested a clarification on how the meter change outs would be handled. After a brief discussion, it was decided that the actual cost of the meter and the labor related to its installation should be charged to any customer requesting a change out. Mr. Gonzalez made a motion to apply the AWWA meter factor for residential homes and to charge them if they want a meter change out. The motion was seconded by Mr. Rowell and passed by unanimous vote of those present.

7. Discussion and Action to Adopt a Service Policies Manual.

No action was taken.

8. Public Input.

There was no Public Input.

11. General Manager's Report

- **Production and Sales Report-** The water loss for January 2016 shows a 16.8 % water loss. Mr. Fry stated that he has completely changed the format for this report since we now have an accurate magnetic distribution meter.
- **RO Production Report-**The report for January 2016 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Raw Water Report-**The report for January 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 January 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, Mr. Nelson made a motion to adjourn the Regular Meeting at 10:45 a.m. The motion was seconded by Mr. Gonzalez and approved by unanimous vote of those present.


RICHARD LINDEMAN, PRESIDENT

ATTEST:


JIM TIPTON, SECRETARY/TREASURER

