

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2  
February 17, 2015**

**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, February 17, 2015 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
Jim Tipton	Secretary/Treasurer
Oscar Gonzalez	Director

Directors absent:

Clifford Rowell	Director
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Others present:

Scott Fry	General Manager
Jay Toro	Assistant General Manager
Cindy Rathbun	Alderman
Paul Cunningham	Attorney
Mr. & Mrs. Pete Harris	Rancho Viejo Property Owner

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 January 20, 2015.**

The Board reviewed the minutes of the previous meeting for approval. Mr. Tipton made a motion to approve the Minutes of the Regular Meeting held on January 20, 2015. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

**3. Approval of the Financial Report for the Month of January 2015.**

The Board reviewed the Financial Reports for past month. Mr. Tipton made a motion to approve the Financial Reports for the Month of January 2015. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

**4. Update, Discussion and Action on Drought Conditions and Drought Contingency Plan.**

Mr. Lindeman explained the current Drought situation and the Water Rights Account Allocation status. He stated that the combined water levels in the Rio

Grande Reservoirs are at 51.1% but that the District needs to continue monitoring the levels carefully. Mr. Nelson made a motion to continue in voluntary Stage 1 measures as described in the Drought Contingency Plan. Mr. Gonzalez seconded the motion. The motion was approved by unanimous vote of those present.

#### **5. Discussion and Action to Amend the Reserve Account to Prioritize Projects by Possibly Deleting Existing Ones and Adding New Ones.**

Mr. Fry presented the 2015 Reserve Fund Project Priority List. He reviewed the list with the Board and presented the reorganized list by priorities and revised amounts. Mr. Nelson made a motion to approve the revised Reserve Account Projects, seconded by Mr. Gonzalez. The motion was approved by unanimous vote of those present.

#### **6. Public Input.**

Pete Harris made a comment regarding a possible encroachment of a proposed home on Morelos Street. The Board instructed him to work with the Manager to have an action item brought back for the next meeting.

Mrs. Rathbun stated that the water pressure has been low in the Alvarado area and that the Resaca level has also been low recently.

#### **7. General Manager's Report**

- **Production and Sales Report**-Mr. Fry stated that the unaccounted for water loss for January 2015 was 24.85%, and he cannot explain the high water loss amount, but he will be looking into it.
- **RO Production Report**-The report for January 2015 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Raw Water Report**-The report for January 2015 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Customer Complaints**-The customer complaints for the month of January 2015 were previously distributed to the Board. Mr. Fry discussed the four complaints. The Board requested that future reports indicate whether sewer back-ups occur on the main line or on the customer's service line.
- **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 10:26 a.m. The motion was seconded by Mr. Gonzalez and approved by unanimous vote of those present.

R. J. Lindeman  
RICHARD LINDEMAN, PRESIDENT

ATTEST:

Roger Nelson  
ROGER NELSON, VICE-PRESIDENT