

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

Scott Fry	General Manager
Kathy Cunningham	District Attorney
Cindy Rathbun	Rancho Viejo Mayor
Joaquin Toro	Assistant Manager

2. Public Input.

There was no Public Input.

3. Approval of Minutes of the Regular Board Meeting held on December 19, 2017 and January 16, 2018.

The Board reviewed the minutes of the Regular Meeting held on December 19, 2017 and January 16, 2018. Mr. Tipton made a motion to approve the Board Meeting Minutes of December 19, 2017 and January 16, 2018. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

4. Action on Resolution Calling Election for May 5, 2018, Designating Polling Places, Appointing Election Judges and Designating Early Voting Clerk.

Mr. Fry stated that Mr. Tipton, Mr. Gonzalez, and Mr. Rowell were up for election this May 2018. He then stated that no one filed an application to run against them, so there will be no election this year and a resolution is not needed. No Action was taken.

5. Discussion and Action to Terminate The Collection of a Voluntary Fee for the Rancho Viejo Volunteer Fire Department in the District's Monthly Billing.

Mr. Fry stated that the Town has a contract with the City of Brownsville for fire protection services. He added that the Town of Rancho Viejo had recently suspended its Voluntary Fire Department. He then stated that since the Town will no longer have a Volunteer Fire Department, the Voluntary Collection Fee via the District's utility billing is no longer needed. Mr. Tipton made a motion to

terminate the Collection of a Voluntary Fee for the Rancho Viejo Volunteer Fire Department. The motion was seconded by Mr. Gonzalez and approved by unanimous vote of those present.

6. Discussion Action on a Petition by Rancho Estates, L.P. Through Their General Partner, Anthony de Ponce, for the Annexation of 21.10 Acres of Land out of Certain 50.71 Acre Tract of Land in Share one of the Espiritu Santo Grant. Located on the Northeast Corner of the Intersection of Carmen Avenue and FM1732, in Accordance with the Texas Water Code Chapter 49.301.

Kathy Cunningham suggested that this item be tabled since Mr. De Ponce is not present. Mr. Gonzalez made a motion to table this item. The motion was seconded by Mr. Tipton and approved by unanimous vote of those present.

7. Discussion and Action on a request by Milton E. Kincannon for the District to Assume Control of an Approximately 10 Acre Tract of Land Comprised of the Resaca Bed of the Resaca del Rancho Viejo, Directly Downstream from the Existing Spillway.

Kathy Cunningham stated that the Board should request a title report and a survey for the land that Mr. Kincannon would like to convey to the District. Mr. Gonzalez made a motion to table this item pending the receipt of a title report and survey. The motion was seconded by Mr. Tipton and approved by unanimous vote of those present.

8. Update, Discussion, and Action on the Development of the Project to Replace Utilities Associated with the Town of Rancho Viejo's Street Reconstruction Project.

Mr. Fry stated that all the necessary paperwork has been submitted to the Texas Water Development Board and that the Loan Application will be taken up by them at their March 21st Meeting. No action was taken on Mr. Fry's report.

9. General Manager's Report

- **Production and Sales Report-** The reported water loss for January 2018 shows 23.89% unaccounted for water losses.
- **RO Production Report-**The report for January 2018 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Raw Water Report-**The report for January 2018 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Customer Complaints-** Mr. Fry received no customer complaints for January 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.

- **Projects/Task List**-Mr. Fry stated that he was no longer going to include the task list in its current form because the same items are covered in the General Manager's Report.

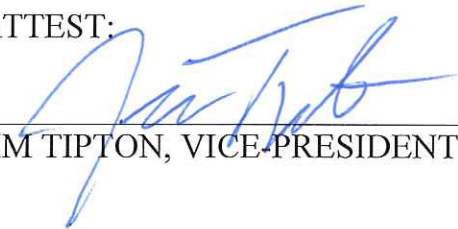
10. Adjourn.

Mr. Tipton made a motion to adjourn the meeting. The motion was seconded by Gonzalez and approved by unanimous vote of those present. The Meeting was adjourned at 10:07 a.m.



ROGER NELSON, PRESIDENT

ATTEST:



JIM TIPTON, VICE-PRESIDENT

