

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2  
July 23, 2013**

**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, July 23, 2013 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
Chris Partridge	Secretary/Treasurer
Jim Tipton	Director

Directors absent:

Oscar Gonzalez	Director
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Others present:

Craig Stowell	General Manager
Jay Toro	Assistant Manager
Paul Cunningham	Attorney
Kathy Cunningham	Attorney
Jean Hager	Mayor
Cindy Rathbun	Alderman
Mauricio Sampayo	Resident
David Garza	Out of District Resident
Eric Hudson	U.S. Government
Juan Escanuela	U.S. Government

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 June 18, 2013.**

The Board reviewed the minutes of the previous meetings for approval. Mr. Tipton made a motion to approve the Minutes of the Regular Meeting held on June 18, 2013, seconded by Mr. Partridge. The motion passed by unanimous vote of those present.

**3. Approval of the Financial Report for the Month of June, 2013.**

The Board reviewed last month's financial report. Mr. Partridge made a motion to approve the Financial Report for the Month of June, 2013. The motion was seconded by Mr. Nelson. The motion passed by unanimous vote of those present.

**4. Update, Discussion and Action on Drought Situation.**

Mr. Stowell explained the current Drought situation and the District's water account position. He stated that the District will continue under Stage 2 restrictions since the water supply reservoir levels have remained about the same and are at 31.1% full.

**5. Discussion and Action on Rancho Nuevo and Miguel Ortiz Annexation Resolutions.**

Mr. Stowell stated that the last nine Rancho Nuevo property owners needed to complete the total annexation of Rancho Nuevo Subdivision into the District have signed the petitions. Mr. Miguel Ortiz has also petitioned to be annexed into the District being that his property is contiguous to the District and should have been annexed as part of The Bend Annexation. Mr. Partridge made a motion to approve the Annexation Resolutions for Rancho Nuevo and Miguel Ortiz. The motion was seconded by Mr. Nelson. The motion passed by unanimous vote of those present.

**6. Discussion and action on Adjustment to the May and June 2013 Bill for David Garza.**

Mr. David Garza explained why he had a \$3,600.86 water bill for the month of May and June 2013. He had a leak inside his house in the kitchen area. He would like for the Board to consider charging him In-District rates for this time only. Mr. Tipton made a motion to charge Mr. David Garza in-District rates for this time bringing his bill to a total of \$1,800.43, seconded by Mr. Partridge. The motion passed by unanimous vote of those present.

**7. Discussion and Action Concerning Signing the Disclaimer in Favor of the US Government for a Road Easement on River Bend.**

Mr. Eric Hudson, with the US Government, stated that the easement agreement has expired and is seeking a disclaimer in favor of the US Government for the Road Easement on River Bend. He needs to close the case, but he needs to make sure there are no claims for compensations. The temporary easement has expired since September 2010, therefore, he would like for the District to sign the disclaimer. Mr. Tipton made a motion to approve the signing of the disclaimer in favor of the US Government for the Road Easement on River Bend. Mr. Nelson seconded the motion. The motion passed by unanimous vote of those present.

**8. Discussion and Action on Development Agreement for El Agostadero Subdivision**

Mr. Stowell stated that he has been discussing changes to the agreement for El Agostadero development with Mr. Mauricio Sampayo and Mr. Lindeman. Mr. Stowell discussed the changes made to paragraph F and paragraph 4. Mr. Lindeman explained that the Ponds in this subdivision will be treated as resacas, and the developer will be charged the current raw water rates to fill them up. He

also stated that even though this property is in the District, the County will be responsible for the drainage. Also, the District will not be responsible for the curbs, gutters, and streets. Mr. Tipton made a motion to accept the agreement for El Agostadero Subdivision with the modifications made by Mr. Stowell and Mr. Lindeman. Mr. Nelson seconded the motion. The motion passed by unanimous vote of those present.

#### **9. Discussion and Action on Drainage Concerns and District Policies on Drainage**

Mr. Stowell explained that the Drainage Letter and FAQ and that it was translated to Spanish. If there are any corrections that the Board would like, he will have them corrected before mailing. He is enforcing the rules and now gets a drainage plan by a registered professional civil engineer (PE). The PE will need to certify that the grading is correct to the plan before a permanent water meter is installed. Mr. Stowell stated that he has created drainage and grading package for the customers which includes the final requisites to install a permanent meter.

Some of the drainage problems are the properties that have no swales because of past practices. Mr. Lindeman stated that there are more people that have improper swales than people with correct swales. Mr. Stowell explained that the next time the owner comes in for any type of permit; the owner will have to meet the drainage rules in order to get their new permit including reestablishing the swale and drainage. Mr. Tipton made a motion to authorize Mr. Stowell to send out the Drainage Letter and Policy to the District's customers. Mr. Tipton made a motion to approve the enforcement of drainage rules whenever there is a new request for a driveway permit and continue to install swales and pipes for drainage. The motion was seconded by Mr. Nelson. The motions passed by unanimous vote of those present.

#### **10. Discussion and Action on FY 2013/2014 Budget.**

The General Manager and the Board discussed the current budget to date and the proposed amounts for next year's budget. Mr. Tipton made a motion to approve the 2013/2014 Budget, seconded by Mr. Partridge. The motion passed by unanimous vote of those present.

#### **11. Public Input**

Mrs. Rathbun asked if it is possible to provide the residents with the service of cleaning pipes under driveways and charge the customers since the district has the tools. Mr. Stowell explained it could be possible. Mrs. Hager would like to know why Las Haciendas can have their resacas filled during Stage 2 drought. Mr. Cunningham explained that the agreement with Las Haciendas states it that way and it is part of the District's resacas. The club ponds are not part of the Resaca

and if they were to find and buy water rights and pay for the electricity, they would be able to get water in their ponds.

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

- **Production and Sales Report** The water loss for June 2013 shows an 8.62 % loss.
- **RO Production Report** For June 2013 was distributed to the Board before the meeting. Mr. Stowell explained the report.
- **Raw Water Report** For June 2013 was distributed to the Board before the meeting. Mr. Stowell explained the report.
- **Customer Complaints.** The customer complaints for the month of June 2013 were previously distributed to the Board. There were a total of two complaints.
- **Operations Report** Mr. Stowell reported on Water, Sewer, Distribution and Lift Station operations.
- **Projects/Task list** Mr. Stowell presented a task list with priority or complete status updates. The trucks have been ordered, the clarifier is complete, and backhoe trailer purchased.

There being no further business to come before the Board of Directors, Mr. Nelson made a motion to adjourn the meeting. Mr. Partridge seconded the motion. The motion passed by unanimous vote of those present.

President Richard Lindeman adjourned the Regular Meeting at 12:30 p.m.

  
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RICHARD LINDEMAN, PRESIDENT

ATTEST:

  
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CHRIS PARTRIDGE, SECRETARY