

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
May 17, 2016**

1. Call to Order of the Regular Meeting.

The Board of Directors met at the Valley Municipal Utility District No. 2 Office at 9:02 A.M., Tuesday, May 17, 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
Jim Tipton	Secretary/Treasurer
Clifford Rowell	Director
Oscar Gonzalez	Director

Others present:

Scott Fry	General Manager
Jay Toro	Assistant General Manager
Cindy Rathbun	Mayor of Rancho Viejo
Fred Blanco	Town of Rancho Viejo Manager
Alex Coronado	Lago Viejo Condos Manager
Aurora Hess	Rancho Viejo Resident

2. Approval of Minutes of the Regular Meeting held on April 18, 2016.

The Board reviewed the minutes of the previous meeting for approval. Mr. Rowell made a motion to approve the Minutes of the Regular Meeting held on April 18, 2016. 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 April 2016.

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

4. Elected Director's Taking Oath of Office.

Paul Cunningham administered the Oath of Office to Mr. Richard Lindeman and Mr. Roger Nelson.

5. Election of Board Officers.

Mr. Fry stated that all positions for Board Officers were open. Mr. Tipton nominated Mr. Nelson for President, himself for Vice-President, Mr. Gonzalez for Secretary and Mr. Rowell for Treasurer. Nominations were then closed and Mr. Gonzalez made a motion to declare the officers elected as nominated. Mr. Rowell seconded the motion. The motion passed by unanimous vote of those present.

6. Discussion and Action on a Request from the Following to have a Water Bill Adjusted.

- a. Aurora C. Hess - 70 Pizarro. Mrs. Hess explained that she had a water leak by her meter which she had to replace twice. She requested relief since her bill was higher than normal in the amount of \$164.57 for 38,200 gallons of water. Mr. Tipton made a motion to reduce the higher cost tiers of water down to the cost that the District pays for water based on SRWA rates. The motion was seconded by Mr. Rowell and passed by unanimous vote of those present.

7. Discussion and Action to Amend the District's Budget.

Mr. Fry requested some changes to the Reserve Fund Project list and asked the Board for approval to amend the Budget for those accounts. He suggested that an item be added for the replacement of the retaining wall adjacent to the raw water intake paddlewheel. In order to fund this project, he suggested transferring the remaining balances from the following completed Reserve Fund Projects: \$12,642.87 from the Force Main Re-route and \$2,127.83 from the Water Treatment Plant Distribution Meter. He also recommended the removal the Parking Lot Project from the current year's Budget and a redirection of those funds of \$15,000.00 to the new project. He stated that this would result in a total transfer of \$29,770.70 for the Raw Water Intake Retaining Wall Project. Mr. Tipton made a motion to zero out of the Force Main Re-route, the Water Treatment Plant Distribution Meter, and to delete the Parking Lot project and transfer \$29,770.70 to the new Raw Water Intake Retaining Wall Project. The motion was seconded by Mr. Rowell and passed by unanimous vote of those present.

8. Discussion and Action on to Replace the Retaining Wall Adjacent to the Resaca Raw Water Pump Station and Rancho Viejo Avenue.

Mr. Fry explained that the Retaining Wall adjacent to the Resaca Raw Water Pump Station needs to be replaced. He recommended using vinyl sheet pile instead of wood because the vinyl has a much longer life. He added that the District would purchase the materials had received bids for the installation of those materials from two vendors. Mr. Rowell made a motion to approve the proposal by MAT Construction in the amount of \$16,538.00 for labor for the replacement of the retaining wall adjacent to the Resaca Raw Water Pump. The motion was seconded by Mr. Tipton and approved by unanimous vote of those present.

9. Discussion and Action to Regarding Bank Stabilization Along the Sewer Effluent Pond Near the Lago Viejo North Condominiums.

Mr. Fry explained that the Pond at Lago Viejo North is a component of the sewer plant and that it is used to store effluent water. He added that the pond is over four feet deep along the bank. He also explained that the pond's retaining wall looks intact at the top, but the bottom part has rotted out and allows the water and dirt to seep under it, which has created holes along the back of the wall. He said that he actually fell into a hole while inspecting the seawall when he stepped on carpet grass that had bridged over the hole. He stated that it is unknown when or who built the retaining wall but that back in 1991 Lago Viejo had approached the District with a request to

put up the retaining wall. He said that he found evidence that the request was denied at the time, and that he would continue researching the issue and obtain a survey to determine which portions of the wall may be on Lago Viejo's property and which portions may be on District property. Mr. Fry stated that in the meantime he will place stakes and caution tape around the area. No action was taken.

10. Public Input.

Mrs. Rathbun mentioned that the Town will be holding a Rabies clinic on Thursday, June 2nd from 5:30 p.m. to 6:30 p.m. and that they will also have an Open House for a photographer/artist who has his art displayed at the Town Hall.

11. General Manager's Report

- **Production and Sales Report-** The water loss for April 18, 2016 shows a 9.15% unaccounted for water loss. .
- **RO Production Report-**The report for April 2016 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Raw Water Report-**The report for April 2016 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Customer Complaints-** Mr. Fry reviewed the four customer complaints for the month of April 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, the Meeting was adjourned at 10:05 a.m.



ROGER NELSON, PRESIDENT

ATTEST:



OSCAR GONZALEZ, SECRETARY

