

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2  
November 19, 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, November 19, 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:

Scott Fry	General Manager
Jean Hager	Mayor
Cindy Rathbun	Alderman
Sylvia Degollado	River Bend Resort
Dan Nolan	River Bend Resort
J.T. Head	River Bend Resort
Albert Perez, Jr.	Brisky Perez Insurance Agency

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 October 15, 2013.**

The Board reviewed the minutes of the previous meetings for approval. Mr. Nelson made a motion to approve the Minutes of the Regular Meeting held on October 15, 2013. Mr. Partridge seconded the motion. The motion passed by unanimous vote of those present.

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

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

**4. Presentation by Brisky Perez Insurance Regarding the Effects of the Affordable Health Care Act on the District's Health Insurance Plan.**

Albert Perez, Jr. reported on the new health regulations and explained how it will affect the District's Insurance Plan. He presented the different options with Blue

Cross Blue Shield and the comparable Silver plan as defined by the Affordable Care Act. He also presented the related premium rates.

**5. Discussion and Action to Change Medical Insurance Renewal Date and Possibly Lower the Deductible Amounts.**

Mr. Perez explained the renewal alternative Plan Options. The renewal rate for the District's current RS31 Plan is \$1875.50/month with a \$5000 deductible (effective 12/01/13), a proposed new RS09 Plan is \$2472.40 with a \$1000 deductible (effective 12/01/13), and the Silver Plan is \$2,866.44 with a \$6000 deductible (effective 01/01/14). As presented, Mr. Perez pointed out that it would be beneficial for the District to renew the plan early to receive a lower rate. In addition, Mr. Perez explained that the Affordable Care Act will require a maximum ninety day waiting period for new employees and that the District's current waiting period is the 1<sup>st</sup> of the month following ninety days after the date of hire. Because of this new requirement, Mr. Perez recommended that eligibility for coverage to be the 1<sup>st</sup> of the month following sixty days. Mr. Tipton made a motion to change the Medical Insurance renewal date to December 1<sup>st</sup>, the waiting period to the 1<sup>st</sup> of the month following sixty days, and to keep the current RS31 Plan at a rate of \$1875.50 a month. The motion was seconded by Mr. Nelson. The motion passed by unanimous vote of those present.

**6. Discussion And Action on TCDRS 2014 Plan.**

Mr. Lindeman explained that the TCDRS Plan has to be reviewed yearly. The current employee contribution rate is seven percent and the employer contribution rate is 5.39 percent. Mr. Partridge made a motion to keep the same plan provisions and make no changes. Mr. Nelson seconded the motion. The motion passed by unanimous vote of those present.

**7. Discussion and Action to Authorize Adding the New General Manager, Scott Fry (And Removing Craig Stowell), to the Bank Accounts to allow him to Sign Checks.**

Mr. Tipton made a motion to authorize the New General Manager, Scott Fry, to the Bank Accounts to allow him to sign checks. Mr. Nelson seconded the motion. The motion passed by unanimous vote of those present.

**8. Discussion and Action to Amend the Reserve Account by Placing Locks on all Lift Stations (in Lieu of fencing) and Transferring the Fund Balance for the Purpose of Rehabilitating Coatings of the Water Filters and External Piping**

Mr. Lindeman explained that as of October 31<sup>st</sup> the unencumbered Reserve Fund is \$41,656. He then proposed a second amendment to the Reserve Account Budget which would add a new line item for rehabilitation of the filters at the Surface

Water Treatment Plant. The new line item would be funded at \$15,000 by reducing the Lift Station Fences/Covers line item from \$20,000 to \$5,000. Mr. Tipton made the motion to amend the Reserve Account expenses as suggested, seconded by Mr. Nelson. The motion passed by unanimous vote of those present.

**9. Discussion Regarding Plumbing Violations at River Bend.**

Mr. Nelson reported that someone informed him that a resident made connections to the District's water line in River Bend. The River Bend Customer wants to install a concrete slab under the shed that stores a washer and dryer. Mr. Nelson wanted to know if customers are required to have a license plumber to modify water or sewer connections. Mr. Lindeman explained that customers need to obtain a permit to modify connections and request a customer service inspection when completed, but the District has to be notified. Mr. Cunningham explained that a policy is already in place and if the District personnel observe any violations to the District's cross-connection control program, a warning will be issued to the customer and a penalty will be assessed if the problem is not corrected.

**10. Discussion and Action to Transfer the Districts Bank Accounts from International Bank of Commerce (IBC) to BBVA Compass Bank.**

The Board discussed the Bank fees for IBC and BBVA Compass Bank. They determined that the savings would not be significant if the District were to transfer the bank accounts from IBC to BBVA Compass. Mr. Tipton made a motion to leave the District's Bank accounts with IBC, seconded by Mr. Partridge. The motion passed by unanimous vote of those present.

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

Mr. Lindeman explained the current Drought situation and the District's water account position. He stated that the Rio Grande River Basin Reservoirs have gone up; but the District will continue under Stage 2 restrictions. The combined total of the monitored Water Supply Reservoirs are 41.6% full as of November 13<sup>th</sup>. Mr. Nelson made a motion to continue on Stage 2 Restriction of the Drought Policy. Mr. Tipton seconded the motion. The motion passed by unanimous vote of those present.

**12. Discussion and Action on a Request by the General Manager to Perform Consulting Engineering Services outside of his Regular Employment with the District.**

Mr. Fry explained that periodically he performs consulting services for Drainage District #1. He is requesting permission from the Board to perform this type of services. Mr. Tipton made a motion to allow Mr. Fry to perform engineering consulting services as long as it does not interfere with District's 8 to 5 work

schedule. The motion was seconded by Mr. Partridge. The motion passed by unanimous vote of those present.

### **13. Public Input**

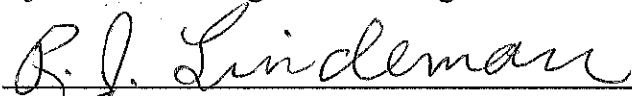
Mrs. Hager commented that there is a problem with people not paying their garbage collection fees. Everyone in the Town of Rancho Viejo is required to pay for garbage pick-up but about 5 to 10 percent is not paying a garbage fee. These people use other people's bins creating problems of over filled bins. She would like to ask if the District could include the garbage fee on the water bill. Mr. Lindeman stated that this would not solve the problem because if people do not want to pay the garbage fee and only pay their water and sewer fees, the District cannot shut them off nor force them to pay.

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

- **Production and Sales Report** The water loss for October 2013 shows a 22% loss.
- **RO Production Report** For October 2013 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Raw Water Report** For October 2013 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Customer Complaints.** The customer complaints for the month of October 2013 were previously distributed to the Board. There were a total of six complaints.
- **Operations Report** Mr. Lindeman reported on Water, Sewer, Distribution Storm Drain and Lift Station operations.
- **Projects/Task list** Mr. Fry reviewed the task list with project status updates.

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 10:50 a.m.

  
RICHARD LINDEMAN, PRESIDENT

ATTEST:

  
CHRIS PARTRIDGE, SECRETARY