

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
October 20, 2015**

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, October 20, 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
Clifford Rowell	Director

Directors Absent:

Jim Tipton	Secretary/Treasurer
Oscar/Gonzalez	Director

Others present:

Scott Fry	General Manager
Jay Toro	Assistant General Manager
Angelica Cristiano	Resident
Albert Perez	Brisky & Perez Insurance

2. Approval of Minutes of the Regular Meeting held on September 15, 2015.

The Board reviewed the minutes of the previous meeting for approval. Mr. Nelson made a motion to approve the Minutes of the Regular Meeting held on September 15, 2015. The motion was seconded by Mr. Rowell and approved by a unanimous vote of those present.

3. Approval of the Financial Report for the Month of September 2015.

The Board reviewed the Financial Reports for the past month. Mr. Lindeman asked the General Manager to show on the Reserve Fund Report that last year's excess Fund balance was applied to the R.O. Rehab Account. Mr. Rowell made a motion to approve the Financial Reports for the Month of September 2015. The motion was seconded by Mr. Nelson and approved by a unanimous vote of those present.

4. Discussion and Action to Renew the District's Health Insurance.

Mr. Albert Perez of Brisky and Perez Insurance presented the options for the renewal of the District's health insurance. He reviewed several quotes, including Blue Cross Blue Shield of Texas (BCBS), the Texas Municipal League (TML), Allegian, Aetna and United Health Care. He recommended that

the Board renew with TML at a rate of \$245.18/employee and \$456.74/employee & spouse verses BCBS at \$249.29 and \$615.47 for employee & spouse. He stated that this renewal will represent an increase of \$30.56 per individual employee over last year's rate with BCBS. Mr. Rowell made a motion to renew the PPN Plan with TML at a rate of \$245.18 per employee. Mr. Nelson seconded the motion. The motion was approved by unanimous vote of those present.

5. Discussion and Action on TCDRS 2016 Plan.

Mr. Lindeman explained that the TCDRS Plan has to be reviewed annually. He added that the current employee contribution rate is 7.0 percent and the employer contribution rate for 2016 would be 5.09 percent. Mr. Nelson made a motion to keep the same plan provisions and make no changes. Mr. Rowell seconded the motion. The motion was approved by unanimous vote of those present.

6. Discussion and Action on Contract Renewal with Orbit Broadband.

Mr. Fry presented the Orbit Broadband Contract to the Board for renewal. After the Board reviewed the contract, Mr. Rowell made a motion to approve the three year contract with Orbit Broadband. The motion was seconded by Mr. Nelson and approved by unanimous vote of those present.

7. Discussion and Action on a Request from the Following to Have a Water Bill Adjusted.

- a. Town of Rancho Viejo-FM 1732 Carmen Entrance Meter. Mr. Fry stated that the Town's September irrigation bill in the amount of \$998.32 was for 286,000 gallons of water usage. They had a leak and it has been repaired.
- b. Town of Rancho Viejo-Resaca Bend Irrigation Meter. Mr. Fry explained that Mr. Ortiz had repaired a valve that was broken and suggested that this was probably the cause of the high usage. Mr. Fry suggested that the Board table Items a. and b., since no one representing the Town was present. Mr. Rowell made a motion to table this item for next meeting. The motion was seconded by Mr. Nelson and approved by a unanimous vote of those present.
- c. Raffaele Cristiano – 1401 Tesoro. Mrs. Cristiano explained she had a high water bill for the month of August 2015 in the amount of \$295.77. She stated that there were no leaks at her house, she does not have a swimming pool, but that she does have a sprinkler system. She also stated that she had the sprinkler checked and no problems were found. She requested some kind of relief from her high bill since its cause was undetermined. Mr. Nelson stated that since the water went through the meter and she did not figure out what happened, the incident will likely repeat and she will have another high bill. He added that the Board would not be able to give her

relief if it happens again. Mr. Lindeman stated that the Board can approve charging her only what it costs the District to produce water. Mr. Rowell made a motion to charge Mrs. Cristiano \$2.80 per thousand gallons for anything over her normal usage. The motion was seconded by Mr. Nelson and approved by unanimous vote of those present.

8. Public Input.

Mr. Anthony Deponce informed the Board about his problem with the drainage inlet box on his driveway. He explained that he gets about 2 to 3 inches of standing water in his driveway when it rains, and this is damaging his driveway. The inlet box has sunk in and when it rains the water accumulates around the inlet box. He would like help from the District to correct the problem. Mr. Lindeman suggested that Mr. Fry work with Mr. Deponce to help correct the problem and replace the inlet to allow the standing water to flow properly.

11. General Manager's Report

- **Production and Sales Report-** The water loss for September 2015 shows a 10.74 % water loss. Mr. Fry explained that the water loss went down.
- **RO Production Report-** The report for September 2015 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Raw Water Report-** The report for September 2015 was distributed to the Board before the meeting. Mr. Fry explained the report.
- **Customer Complaints-** Mr. Fry reviewed the three customer complaints for the month of September 2015 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, Mr. Nelson made a motion to adjourn the Regular Meeting at 11:00 a.m. The motion was seconded by Mr. Rowell and approved by unanimous vote of those present.


RICHARD LINDEMAN, PRESIDENT

ATTEST:


JIM TIPTON, SECRETARY/TREASURER

