

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
September 15, 2015**

1. **Call to Order of a Meeting to discuss the Tax Rate for 2015 (FY 2016).**

The Meeting was called to order by Mr. Richard Lindeman at 9:00 A.M.

2. **Public Hearing regarding the Tax Rate for 2015 (FY 2016).**

Mr. Lindeman asked if there was any public opposition to the adopted tax rate. There were no objections from the public. The Public Hearing was closed at 9:04.

3. **Discussion and Action to set the Tax Rate for 2015 (FY 2016).**

A motion was made by Mr. Tipton to adopt a combined tax rate of \$0.35 per \$100 of valuation. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

4. **Adjourn Tax Rate Meeting.**

The meeting was closed at 9:05 a.m.

5. **Roll Call/Call to Order.**

The Board of Directors met at the Valley Municipal Utility District No. 2 Office at 9:05 A.M., Tuesday, September 15, 2015 in accordance with the duly posted notice of said Meeting with a quorum of Directors present as follows:

- Richard Lindeman President
- Jim Tipton Secretary/Treasurer
- Oscar Gonzalez Director

Directors Absent:

- Roger Nelson Vice-President
- Clifford Rowell Director

Others Present:

- Scott Fry General Manager
- Jay Toro Assistant General Manager
- Angelica Cristiano Resident
- Cyndie Rathbun Mayor
- Xavier Montemayor Rancho Viejo Resort Manager
- Drew Talley Texas Water Conservation Assoc. Risk Management Fund
- Sonia Lambert Texas Water Conservation Association
- Sonny Hinojosa Texas Water Conservation Association

6. **Approval of the Minutes of the Regular Meeting held on August 18, 2015.**

The Board reviewed the minutes of the previous meeting for approval. Mr. Lindeman suggested a correction. He stated that on Item 5.a, that the \$2.80/1,000 gallons of usage should be considered for usage in excess of Mr. Medrano’s average usage. Mr. Tipton made a motion to approve the Minutes of the Regular Meeting held on August 18, 2015 with corrections to Item5a. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

7. **Approval of the Financial Report for the month of August 2015.**

The Board reviewed the Financial Reports for the past month. Mr. Lindeman asked the General Manager to apply the excess Final Year to Date Revenue minus Expense amount and apply it to the 2015-'16 Reserve Fund. Mr. Tipton made a motion to approve the Financial Reports for the Month of August 2015 as noted by Mr. Lindeman. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

8. **Discussion and Action on a Proposal from Anthony De Ponce to place a portion of the canal that serves the Las Haciendas Subdivision underground.**

Mr. Fry explained that Mr. De Ponce approached the District about making improvements to the open canal that connects the District's main irrigation line to the Las Haciendas Subdivision. He stated that Mr. De Ponce would like to place a portion of the canal in to an enclosed underground pipe. Mr. Fry added that Mr. De Ponce claims that said canal has never been covered by an easement, and that Mr. De Ponce offered to negotiate providing an easement in exchange for the material that he needs to cover approximately 360 feet of the canal. Mr. Lindeman stated that the District has no need for the easement. Mr. Gonzalez made a motion to deny the request, seconded by Mr. Tipton. The motion was approved by unanimous vote of those present.

9. **Discussion and Action to renew the District's General Liability Insurance.**

Mr. Fry explained the bid tabulation for the purpose of providing General Liability Insurance to the District. He stated that he had obtained two quotes. He added that one was from the District's current provider, the Texas Municipal League (TML), and that the other was from a similar organization that serves only water districts which is called the Texas Water Conservation Association Risk Management Fund (TWCARMF). Mr. Drew Talley of the TWCARMF explained to the Board the coverages, limits, and benefits his company offers. After evaluating and comparing the yearly contributions for both companies, the Board decided to keep the District's Insurance with TML. Mr. Gonzalez made a motion to renew the District's General Liability and Workmen's Compensation Insurance with the TML. The motion was seconded by Mr. Tipton and approved by unanimous vote of those present.

10. **Discussion and Action on a request from the following to have a water bill adjusted.**

a. **Town of Rancho Viejo Resaca Bend Irrigation Meter-** Mayor Rathbun stated that the Town received a bill in the amount of \$528.00 for said meter. She also stated that they still did not know the reason for the high bill because of the wet conditions. Mayor Rathbun then requested an adjustment to the bill. Mr. Fry suggested that an investigation take place to determine the reason for the high bill. Mr. Tipton made a motion to table this request until more facts could be presented. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.

11. **Public Input.**

Angelica Cristiano stated that her water bill for the month of August was higher than usual at \$295.77. She added that she did not have a leak and does not have a swimming pool. She did mention that she does have a sprinkler system and she asked the Board if she could get some relief on her water bill. Mr. Tipton directed her to work with the General Manager to try to determine the cause of the high bill. He suggested that she pay her normal amount for now, and that this matter could be brought before the Board, if necessary, once an investigation has been completed.

Mayor Rathbun commented that the Town would be holding a National Night Out event on October 6th, and she invited all present to attend. She also mentioned that the Town was in the process of evaluating streets to determine which should be rehabilitated. She stated that the Town would like to include the District in this conversation so that we may make necessary repairs to District

infrastructure at the same time. Finally, Mayor Rathbun discussed her concerns about drainage problems throughout the Town. Mr. Lindeman asked Mr. Cunningham if the District could re-excavate swales along the streets and charge the area residents for the work. Mr. Cunningham responded that the District should not do that and that the Town should control the swales along with the placement of utilities along the roads through their ordinances.

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

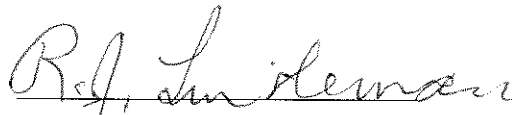
- a. **Production and Sales Report.** Mr. Fry explained the amounts of water produced and used during the month.
- b. **R.O. Production Report.** Mr. Fry explained that only 795,593 gallons were generated by the Reverse Osmosis Plant during the month due to problems with the second stage membranes and due to fluctuations of water coming in from the SRWA.
- c. **Raw Water Report.** Mr. Fry explained that 240.8 acre feet of water were pumped from the river during the month and to who it went.
- d. **Customer Complaints.** Mr. Fry stated that there was only one sewer related complaint for the month.
- e. **Operations Report.** Mr. Fry explained the highlights of events and repairs made during the month.
- f. **Project Task List.** Mr. Fry distributed a new task list for the new year.

13. **Discussion and Action on the Budget for the 2015-'16 Fiscal Year.**

No Action was taken.

14. **Adjourn.**

A motion was made by Mr. Tipton to adjourn the meeting at 10:50 a.m. The motion was seconded by Mr. Gonzalez and approved by a unanimous vote of those present.


Richard Lindeman, President

ATTEST:


Jim Tipton, Secretary/Treasurer

