

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
September 17, 2013**

1. 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 17, 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
Oscar Gonzalez	Director

Directors absent:

Jim Tipton	Director
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Others present:

Jay Toro	Assistant Manager
Jean Hager	Mayor
Cindy Rathbun	Alderman

The Meeting was called to order by Mr. Richard Lindeman at 9:05 A.M.

2. Approval of Minutes of the Regular Meeting held on August 20, 2013 and Special meeting August 27, 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 August 20, 2013 with corrections to the General Manager's report and approve the Special Meeting held on August 27, 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 August, 2013.

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

4. Update, Discussion and Action on Drought Situation.

Mr. Lindeman explained the current Drought situation and the District's water account position. He stated that it has not gone down as projected; therefore, the District will continue under Stage 2 restrictions. The monitored Water Supply Reservoirs are 30.3% full as of September 13th. Mr. Gonzalez made a motion to

continue on Stage 2 Restriction of the Drought Policy. Mr. Nelson seconded the motion. The motion passed by unanimous vote of those present.

5. Consideration and Action on Changing Banking Services from IBC to BBVA.

Mr. Lindeman suggested tabling this item to next month's meeting. Mr. Nelson made a motion to table this item to next meeting, seconded by Mr. Partridge. The motion passed by unanimous vote of those present.

6. Report on status of Search for New General Manager.

Mr. Lindeman stated that the ad has been placed on the Harlingen Valley Morning Star and the McAllen Monitor. The ad is also on craigslist. Mr. Lindeman reported that he has received three applications already and one is a PUB employee. Mr. Gonzalez recommended putting it on Linked and Monster which is more extensive and reaches more qualified job seekers.

7. Discussion and Action on Request for Collection of Voluntary Contribution by Valley Municipal Utility District No.2 Rancho Viejo Customers.

Mrs. Hager informed the Board that they have allotted funds in the budget for the fire department. Mr. Lindeman stated that at this moment the District does not have to get involved. No Action taken.

8. Public Input

Mrs. Hager commented favorably on the Drainage letter sent out by the District to customers. She thought it was very appropriate with all the rain right now that is probably causing some drainage problems. Mrs. Rathbun asked how this rain has affected the tower painting. Mr. Lindeman reported that the contractor has painted the tower inside, but the crew is unable to start painting the outside because of the rain.

Public Hearing on Tax Increase for FY 2013 (2012 Tax Year).

There were no objections from the public.

9. General Manager's Report

- **Production and Sales Report** The water loss for August 2013 shows a 24.4% loss.
- **RO Production Report** For August 2013 was distributed to the Board before the meeting. Mr. Lindeman explained the report.
- **Raw Water Report** For August 2013 was distributed to the Board before the meeting. Mr. Lindeman explained the report.
- **Customer Complaints.** The customer complaints for the month of August 2013 were previously distributed to the Board. There were a total of four complaints.

- **Operations Report** Mr. Lindeman reported on Water, Sewer, Distribution Storm Drain and Lift Station operations.
- **Projects/Task list** Mr. Lindeman presented a task list with priority or complete status updates.

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

President Richard Lindeman adjourned the Regular Meeting at 10:30 p.m.



RICHARD LINDEMAN, PRESIDENT

ATTEST:



CHRIS PARTRIDGE, SECRETARY