

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
March 21, 2024**

1. Call to Order of the Regular Meeting.

The Board of Directors of the Valley Municipal Utility District No. 2 held a Regular Meeting at 9:07 A.M., March 21, 2024 in accordance with the duly posted notice with a quorum of Directors present as follows:

Pat Pace	Vice-President
Richard Harse	Director
Jim Tipton	Secretary
Clifford Rowell	Treasurer

Others present:

Scott Fry	General Manager
Kathy Cunningham	Attorney (via phone)
Isaac Huacuja	Garver Engineering
Payam Bahadorani	Garver Engineering (via Teams)

Not present: Roger Nelson President

2. Public Input.

There was no Public Input.

3. Approval of the Minutes of the Regular Board Meeting Held on February 20, 2024.

The Board reviewed the minutes of the February 20, 2024 Regular Board Meeting. A motion was made by Mr. Rowell and seconded by Mr. Harse to approve the minutes of the February 23, 2024 Board meeting minutes. The motion was approved by unanimous vote of those present.

4. Approval of Financial Report for the Month of February 2023.

Mr. Fry reviewed the Financial Report with the Board for the month February 2024. Mr. Rowell made a motion to approve the Financial Report for the Month of February 2024. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

5. Discussion and Action on an Order to Declare are Roger Nelson and Pat Pace, Jr. Elected Due to A Lack of Opposing Candidates for the May 2024 Election, and to Cancel Said Election.

Mr. Fry stated that there was no opposition for the Board Election this May 2024. He presented the Order of Cancellation Document to the Board for approval to cancel the election and certify them unopposed. The Board will assume office in May and will be sworn in the May Meeting. Mr. Tipton made a motion to approve the Order of Cancellation. The motion was seconded by Mr. Rowell and approved by unanimous vote of those present.

6. Update, Discussion and Action Regarding the Proposed Wastewater Treatment Plant Design.

- a. Presentation of 30% Design Plans. Mr. Huacuja and Mr. Bahadorani of Garver Engineering presented a 30% plans update on the site layout. Mr. Huacuja informed the Board that the Wastewater Treatment Plant will be called the Lindeman-Cunningham Wastewater Treatment Plant. Mr. Rowell suggested that the Board consider purchasing more than 10 acres for this project, as originally planned. Mr. Huacuja explained that the 10-acre tract is sufficient for the current needs of the District, and that the plant will only occupy 30% of the land, and the rest will be available for future expansion or other uses. No action was taken.

7. Updates and Old Business.

a. Rate Model.

Mr. Fry stated the District has been providing information to Chuck Loy for the new Rate Model. Because the District's income had included the drought rate surcharges, Mr. Loy requested new reports showing 2023 usage at regular rate charges. Mr. Fry stated that the report should be ready by the next Board meeting.

8. General Manager's Report

- **Production and Sales Report-** The water loss report for February 2024 shows 14.94 % unaccounted for water loss.
- **Production Report-** Mr. Fry discussed the improved production of the R.O. Plant.
- **Raw Water Report-**Mr. Fry discussed the raw water report.
- **Customer Complaints-** Mr. Fry explained the February 2024 complaints.
- **Operations Report-** The operations report for February 2024 was explained.
- **Vehicle Maintenance Report-** The report was presented and reviewed.

9. The Board May Enter into Executive Session as Allowed By Government Code Pursuant to:

On a motion by Mr. Rowell and a second by Mr. Harse, the Board voted unanimously to enter Executive Session at 10:09 a.m.

- a. Section 551.071(1)(A&B) to Discuss Pending or Contemplated Litigation and/or A Settlement Offer Related to the River Bend POA Rate Appeal to the Public Utility Commission of Texas.
- b. Section 551.072 to Discuss the Purchase of Real Property Related to Land Acquisition for the New Wastewater Treatment Plant.

On a motion by Mr. Rowell and a second by Mr. Tipton, the Board voted unanimously to exit the Executive Session at 10:16 a.m.

10. Discussion and Action Relative to the Executive Session.

- a. River Bend POA Rate Appeal to the Public Utility Commission of Texas.
No action was taken.
- b. Land Acquisition Related to the Construction of a New Wastewater Treatment Plant.
No action was taken.

11. Adjourn.

There being no further business, Mr. Rowell made a motion to adjourn the meeting, The motion was seconded by Mr. Harse and approved by a unanimous vote at 10:17 a.m.

ATTEST:



ROGER NELSON, PRESIDENT



PAT PACE, VICE PRESIDENT

