

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
November 19, 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 9:00 A.M., November 19, 2024 in accordance with the duly posted notice with a quorum of Directors present as follows:

Roger Nelson	President
Pat Pace	Vice-President
Clifford Rowell	Treasurer
Richard Harse	Director
Jim Tipton	Secretary
Others present:	
Scott Fry	General Manager
Kathy Cunningham	Attorney
Jennifer Rector	Higginbotham Insurance
Bobby Closner Jr.	Developer
Sri Talla	Developer
Sergio Santiago	Chula Vista Development

2. Public Input.

There was no public input.

3. Approval of the Minutes of the Regular Board Meeting Held on October 15, 2024.

The Board reviewed the minutes of the October 15, 2024 Regular Board Meeting. A motion was made by Mr. Rowell to approve the minutes of the October 15, 2024 meeting, seconded by Mr. Harse. The motion was approved by unanimous votes of those present.

4. Approval of Financial Report for the Month of October 2024.

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

5. Discussion And Action on Various Requests for Annexation.

- a. Miguel Ortiz-4.413 Acres for the Bend Subdivision, Phase II.
- b. Sri Talla-95 Acres for a proposed single-family subdivision across the resaca from Rancho Viejo.

Mr. Fry stated that two developers are seeking annexation into the District. Miguel Ortiz wants to add several lots to the south side of Resaca Bend Street. He will have to install new water services and a new sewer line to serve each lot. Sri Talla wants to annex an area that was shown on the Rancho Nuevo Subdivision master plan. Mr. Talla stated that he plans to develop his land in phases in order to minimize the impact to our existing Sewer Plant, but he would like to know if there is a high probability that he gets annexed by the District so that he can keep pursuing permits with Olmito Water and the City of Brownsville. Mr. Rowell made a motion to table this item for next meeting in order to get the Sewer Plant's updated capacity analysis from Garver Engineers. The motion was seconded by Mr. Harse and passed by unanimous vote of those present.

6. Discussion and Action to Approve Change Order No. 10 for the 2023-'24 for the Rancho Viejo Paving, and Utilities Replacement Project.

Mr. Fry present Change order No.10 which covers all the final changes to the project. Mr. Fry added that he was making some changes that would not change the bottom line amount, but would change the funding sources for certain line items. He reminded the Board that the project was funded by three sources, the Clean Water State Revolving Fund, the Drinking Water State Revolving Fund, and the Town of Rancho Viejo. Mr. Rowell made a motion to authorize Mr. Fry to reconcile Change order No.10 and complete final payment. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

7. Discussion And Action to Amend the District's Service Policies Regarding Disconnection of Utility Services.

Mr. Fry reminded the Board that the Delinquent Accounts list was reviewed at the last Board meeting and there was a discussion about how accounts should be terminated after they fail to pay their bill for a certain amount of time. Mr. Fry explained that a few customers have been gone for over a year, and since the billing system continues to generate a bill every month, those bills are now over \$500.00. Mr. Rowell made a motion to amend the District's Service Policy to terminate accounts that are 90 days delinquent and only be reinstated as new accounts after they pay all the delinquent and new account fees. The motion was seconded by Mr. Tipton and approved by unanimous vote of those present.

8. Discussion and Action to select a Health Insurance Plan for the Upcoming Year.

Ms. Jennifer Rector presented the Health Insurance Plans with the renewal quotes. She stated that the renewal rate for the current PPO plan is \$945.83 per employee, while the HMO plan, which has a more limited physician selection and requires referrals from a primary physician for specialists, costs \$580.80 per employee. Ms. Rector also noted that if the Board adopts the HMO plan, employees will have the option to upgrade to the PPO plan and pay the difference in cost. On a motion by Mr. Pace and a second by Mr. Rowell, the Board voted unanimously to approve covering 100% of the cost for District employees on the Blue Cross/Blue Shield HMO plan, and continue paying 50% of the cost for employee dependents on either the HMO or PPO plan. Ms. Rector also presented the Dental and Vision plan proposals for employees interested in purchasing coverage. A motion to approve the Sunlife Dental plan with a cost of \$19.04 a month to the employee was made by Mr. Rowell and seconded by Mr. Harse. A motion was made by Mr. Rowell to approve the SunLife Vision plan with a cost of \$6.13 a month to the employee and seconded by Mr. Harse. Another motion was made by Mr. Rowell to remain with the current Dearborn Life Insurance plan covered by the District for employees. The motion was seconded by Mr. Pace. The motions were passed by unanimous vote of those present.

9. Updates and Old Business.

- a. Update on Water Meter Installations at River Bend.

Mr. Fry provided a map showing the progress of meter installations at River Bend. No action was taken.

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

- a. Section 551.072 to Discuss the Purchase of Real Property Related to Land Acquisition for the New Wastewater Treatment Plant.
Board did not enter into executive session.

11. Discussion and Action Relative to the Executive Session.

- a. Land Acquisition Related to the Construction of a New Wastewater Treatment Plant.
Mr. Rowell made a motion to approve the revision to the contract of \$10,000.00 credit for the removal of the trash on the property. The motion was seconded by Mr. Pace and approved by unanimous vote of those present.

12. Update, Discussion and Action on the Design of the Proposed Wastewater Treatment Plant.

Mr. Fry provided the latest rendition of the site plan as shown on the new property. He stated that he would get with Garver to make some changes so that the property to the rear would have sufficient access for development.

13. Discussion and Action to Approve a Resolution for the Intention to Reimburse Certain Expenditures Related to the Construction of the New Wastewater Treatment Plant.

Mr. Fry presented the revised Expenditures Reimbursement Resolution and explained that the land cost had to be revised because the cost increased dramatically. A motion was made by Mr. Rowell to approve the Resolution for the reimbursement of certain expenditures related to the construction of the New Wastewater Treatment Plant and seconded by Mr. Harse. The motion was approved by unanimous vote of those present.

14. Discussion and Action to Approve an Order Authorizing Application of Project and Bond Issue by the Texas Commission on Environmental Quality, Related to the Construction of the New Wastewater Treatment Plant.

Mr. Fry explained that the Order has to be revised to show the cost of \$1,000,000.00 for the purchase of the land and that Garver had recommended increases in some of the contingency items for the construction of the New Wastewater Treatment Plant. He noted that the increase did not mean that the District will have to borrow that amount. It simply means that money can be borrowed up to that amount, if necessary. He then stated that it was recommended by Garver and Hilltop Securities to ensure that enough funds were included in this Order, since it is difficult to increase the amount afterwards. Mr. Rowell made a motion to revise the Order authorizing application of the Project and Bond Issue by TCEQ related to the construction of the New Wastewater Treatment Plant. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

15. General Manager's Report

- **Production and Sales Report-** The water loss report for October 2024 shows 11.16% 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-** No October 2024 customer complaints Report.
- **Operations Report-** The operations report for October 2024 was explained.
- **Vehicle Maintenance Report-** The report was presented and reviewed.

16. 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 10:35 a.m.

ATTEST:


PAT PACE, VICE PRESIDENT


ROGER NELSON, PRESIDENT