

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
February 17, 2023**

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., February 17, 2023 in accordance with the duly posted notice with a quorum of Directors present as follows:

Roger Nelson	President
Pat Pace	Vice-President
Jim Tipton	Secretary
Richard Harse	Director

Directors absent:

Clifford Rowell	Treasurer
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Others present:

Scott Fry	General Manager
Kathy Cunningham	Attorney
Isaac Huacuja	Garver Engineering
Joana Gutierrez	River Bend POA Member
Janie Bennett	River Bend POA Member

2. Public Input.

There was no Public Input.

3. Approval of the Minutes of the Regular Board Meeting Held on January 17, 2023 and the Special Board Meeting Held on January 31, 2023.

The Board reviewed the minutes of the January 17, 2023 Regular Board Meeting. A motion was made by Mr. Pace to approve the January 17, 2023 minutes and seconded by Mr. Tipton. The Board reviewed the minutes the January 31, 2023 Special Board Meeting. Mr. Tipton made a motion to approve the January 31, 2023 minutes and Mr. Harse seconded the motion. The motions were approved by unanimous vote of those present.

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

Mr. Fry reviewed the Financial Report with the Board for the month January 2023. Mr. Pace made a motion to approve the Financial Report for the Month of January 2023. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

5. Discussion and Action to Select Funding Sources for All or Part of The Projects to Expand the Capacity of the Rancho Viejo Wastewater Treatment Plant and to Construct a New Wastewater Treatment Plant.

Mr. Huacuja and Ms. Kirby gave a presentation to the Board on the funding alternatives for the Project to Expand the existing Wastewater Treatment Plant and to Construct a New Wastewater Treatment Plant. She explained that the purpose is to explore which are the best options and to begin submitting applications as most of the funding options have deadlines. After a detailed explanation of the Federal and State funding programs was presented, Mr. Huacuja stated that the difference in savings between funding the project through

government funds and the private companies is about a one percent interest rate difference. Mr. Huacuja then recommended that the Board authorize Garver to submit a Project Information Form Application to the Texas Water Development Board's Clean Water State Revolving Fund (CWSRF) since their deadline was quickly approaching. He stated that the application does not obligate the Board to select that funding source, but that it wouldn't be an option if the application deadline passes. A motion was made by Mr. Pace and seconded by Mr. Harse to proceed with the CWSRF Project Information Form application. The motion was approved by unanimous vote of those present. Mr. Tipton made another motion to delay action on selecting funding source until the March meeting. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

6. Discussion and Action to Change the Stage of the Drought Contingency Plan.

Mr. Fry explained that TCEQ has replenished the municipal water allocation for the District which has brought our combined water rights to 26.6%. He added that this percentage is above the threshold for stage 2, and that the Board now has the option to move to Stage 1 of the Drought Contingency Plan. After a brief discussion, Mr. Pace made a motion to table this item until next meeting. The motion was seconded by Mr. Tipton and approved by unanimous vote of those present.

7. Updates and Old Business.

Mr. Fry gave an update on the following items.

- a. Resaca Dredging - Mr. Fry gave an update on this project.
- b. Metering of the District's Potable Water Mains – Mr. Fry had no update.

8. General Manager's Report

- **Production and Sales Report-** The water loss report for January 2023 shows 4.55% 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-** There was no customer complaints for the month of January 2023.
- **Operations Report-** The operations report for January 2023 was explained.
- **Vehicle Maintenance Report-** The report was presented and reviewed.

9. The Board May Enter into Executive Session as Allowed By Government Code 551.071(1)(A) to Discuss Pending or Contemplated Litigation.

- a. River Bend POA Rate Appeal to the Public Utility Commission of Texas.
The Board did not enter into executive session.

10. Discussion and Action Relative to the Executive Session.

- a. River Bend POA Rate Appeal to the Public Utility Commission of Texas.
Mr. Pace made a motion to table this item for discussion and action for next Board meeting. Mr. Tipton seconded the motion. The motion was approved by unanimous vote of those present.

11. Discussion and Action on A Petition For Annexation From Rancho Estates, L.P, For a Certain 21.10 Acre Tract Located at the Northeast Corner of the Intersection of Carmen Avenue and FM1732.

Mr. Fry stated that he was going to send some documents to the attorneys for review. Ms. Cunningham stated she has no new information. Mr. Pace made a motion to table this item

until the next Board Meeting. The motion was seconded by Mr. Tipton and approved by unanimous vote of those present.

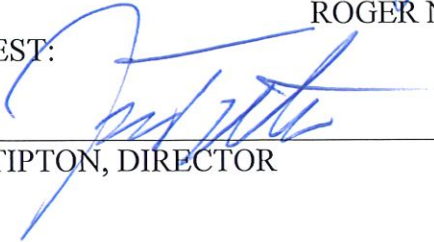
12. Adjourn.

There being no further business, Mr. Tipton made a motion to adjourn the meeting, The motion was seconded by Mr. Harse and approved by a unanimous vote at 10:42 a.m.



ROGER NELSON, PRESIDENT

ATTEST:



JIM TIPTON, DIRECTOR

