

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
June 20, 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., June 20, 2023 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
Directors absent:	
Jim Tipton	Secretary
Others present:	
Scott Fry	General Manager
Kathy Cunningham	Attorney
Isaac Huacuja	Garver Engineering (via zoom)
Payam Bahadorani	Garver Engineering (via zoom)

2. Public Input.

No public input.

3. Approval of the Minutes of the Regular Board Meeting Held on May 16, 2023.

The Board reviewed the minutes of the May 16, 2023 Regular Board Meeting. A motion was made by Mr. Rowell to approve the May 16, 2023 minutes. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

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

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

5. Discussion and Action to Compensate R.M. Walsdorf for Work Performed During the 2018 Utilities Replacement Project, For which Federal Loan Proceeds Were Denied by the Texas Water Development Board due to Errors on the Contractor's DBE Forms.

Mr. Fry stated that \$123,821.43 is due to R.M. Walsdorf for the Water and Sewer Utility replacement projects. Mr. Fry added that although the project is complete, the TWDB denied payment since the RM Walsdorf failed to properly complete the Disadvantaged Business Enterprise (DBE) forms. In order to correct their mistake, Walsdorf readvertised to follow the proper guidelines and resubmitted the forms, but TWDB claimed they cannot pay for Invoiced that were originally denied. The TWDB representative suggested that the District take out a loan from the D-fund to pay for these items, but Mr. Fry suggested the District utilize the Committed Funds to pay for it in order to save on origination and interest costs. Mr. Pace instructed Mr. Fry to put together a complete analysis of the remaining Committed Fund Balance and how it will be utilized. Mr. Pace made a motion to table this item until

next meeting. The motion was seconded by Mr. Rowell and approved by unanimous vote of those present.

6. **Discussion and Action on an Update by Garver USA Regarding the Re-Evaluation of the Capacity of the Rancho Viejo Wastewater Treatment Plant and the Status of the Proposed New Wastewater Treatment Plant.**

Mr. Fry stated that Garver Engineering were presenting via zoom on the options for the proposed new Treatment Plant. Mr. Huacuja informed the Board that they will be reviewing the three best options available for the construction of a new wastewater treatment plant and the preliminary budget estimates for the construction. Mr. Payam explained the pros and cons of the Sequence and Batch (SBR) alternative, the Common Wall System, and the Conventional System. He stated that the Conventional System requires the most area of land (about 13 acres), increased WWTP footprints and higher capital assets, but it has a standalone aeration basin, clarifier and RAS/WAS pump stations. The SBR Alternative does not require clarifies and reduces overall WWTP footprints and capital assets, but needs multiple basins for continued operations. The common wall is composed of 5 basins, reduces overall WWTP footprints and overall capital costs, and produces high quality effluent. Mr. No action was taken.

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

Mr. Fry explained that the water reservoir went up slightly and that we are actually in Stage 1 territory with respect to reservoir levels and available water rights. After a brief discussion, the Board decided that staying in Stage 2 was best because the numbers are so close to the Stage 2 threshold and we are entering the hottest period of the year. Mr. Rowell made a motion to remain in Stage 2 of the Drought Contingency Plan. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

8. **Updates and Old Business.**

Mr. Fry gave an update on the following items.

- a. Resaca Dredging - Mr. Fry gave an update on this project. He stated they have reached the Escandon Bridge with the initial 30 foot wide channel, and have begun further widening the channel back toward the west. He mentioned that the contractor has had some concerns about being able to get the barges under the Escandon Bridge.

9. **General Manager's Report**

- **Production and Sales Report-** The water loss report for May 2023 shows 15.11% 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-** Not available.
- **Operations Report-** The operations report for May 2023 was explained.
- **Vehicle Maintenance Report-** The report was presented and reviewed.

10. **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.
No executive session.

11. **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.

12. 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 10:56 a.m.



ROGER NELSON, PRESIDENT

ATTEST:



PAT PACE, DIRECTOR

