

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
November 15, 2022**

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 15, 2022 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
Clifford Rowell	Treasurer

Others present:

Scott Fry	General Manager
Kathy Cunningham	Attorney
Isaac Huacuja	Garver Engineers

2. Public Input.

There was no Public Input.

3. Approval of the Minutes of the Regular Board Meeting Held on October 18, 2022.

The Board reviewed the minutes of the October 18, 2022 Regular Board Meeting. Mr. Rowell made motion to approve the October 18, 2022 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 October 2022.

Mr. Fry reviewed the Financial Report with the Board for the month October 2022. Mr. Rowell made a motion to approve the Financial Report for the Month of October 2022. The motion was seconded by Mr. Pace and approved by unanimous vote of those present.

5. Presentation of Statements of Qualifications by Various Engineering Firms For Engineering Services Related to Evaluating and Possibly Improving the Treatment Capacity of The District's Existing Wastewater Treatment Plants, and for The Potential Planning, Design, and Construction of a New Wastewater Treatment Plant.

Mr. Fry stated that he advertised the Request for Qualifications (RFP) on the Company website and the Small Business Administration website. He also made calls to seven Engineering firms to inform them of the opportunity. He received responses from Ferris & Flynn, Hanson, Garver, SWG, and Halff. He added that he reviewed and evaluated the Statements of Qualification, and then called some references. He stated that he was able to speak with three references and that two of the references recommended Garver and one recommended Hanson. Mr. Rowell commented that after reviewing the proposals, he feels that Halff has the background and experience to manage the Wastewater Project for the District. Mr. Pace stated that to him an important aspect of the evaluations would be the Engineer's funding experience to be able to maximize the financial funding for the District. Mr. Isaac Huacuja with Garver Engineering introduced his company and explained how they would approach the evaluation of the existing Wastewater Plant and the planning of the new wastewater Treatment Plant. Mr. Rowell asked for the Engineering Fees and commitment

obligations. Mr. Fry answered that at this point the District is only selecting the top three candidates to rank them and then later negotiate the fees. Kathy stated that although the agenda item is for the execution of the contract, a ranking and negotiation needs to take place first. Mr. Fry apologized for the confusion and stated that he would bring this item back properly worded during the next meeting. No action was taken.

6. Discussion and Action to Award a Professional Services Contract for Engineering Services Related to Evaluating and Possibly Improving the Treatment Capacity of the District's Existing Wastewater Treatment Plants, and For the Potential Planning, Design, and Construction of a New Wastewater Treatment Plant.

Mr. Tipton made a motion to table this item and bring back ranking results to next meeting. The motion was seconded by Mr. Rowell and approved by unanimous vote of those present.

7. Discussion and Action to Implement Metering of the District's Potable Water Distribution Mains

Mr. Fry mentioned that at the last meeting, the Board asked about metering the District's potable water distribution mains to tell if there is any water loss in those areas. He explained that in order for this to work there has to be a single source water to an area. He mentioned that Section 11 Rancho Nuevo were eligible areas.. Mr. Tipton stated that since those two areas are fairly new and the water loss issue existed before those subdivisions developed, it would not be useful to place the meters at those locations. Mr. Fry stated that meters could be installed near the intersection of FM1732 and Carmen, and at the endpoint of the line near US 281 to monitor the canal line for leaks. Mr. Fry also stated that the meters could be hooked up to existing SCADA panels at both locations for real time monitoring. Mr. Tipton then made a motion to place a meter on the 12 inch water main at the Lift Station No. 4 on Carmen Ave. and a second meter on the 4 inch water main at the River Bend Water Tower on US 281. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

8. Discussion and Action to approve the District's 2022-'23 Fiscal Year Budget.

Mr. Fry explained that he is presenting the Final Budget showing the difference in costs between a four percent and six percent increase in the salary line item as requested by the Board at the last meeting. He explained that the percent approved is not distributed evenly to the employees. He stated that normally, a cost of living increase is implemented in which the same percentage is given to all employees but then additional funds are used for merit increases and market adjustments which normally consume the total amount budgeted. Mr. Tipton made a motion to approve the Budget with a six percent salary increase. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

9. Updates and Old Business.

Mr. Fry gave an update on the following items.

- a. Resaca Dredging - Mr. Fry informed the Board that he has a meeting today with the contractor to finalize the contract. Then within the next two weeks the contractor will get the bonding and begin work shortly after.

10. General Manager's Report

- **Production and Sales Report-** The water loss report for October 2022 shows 11.31% 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 4 customer complaints for the month of October 2022.
- **Operations Report-** The operations report for October 2022 was explained.
- **Vehicle Maintenance Report-** The report was presented and reviewed.

11. The Board Entered into Executive Session as Allowed By Government Code 551.074 to Discuss A Personnel Issue and/or Section 551.071(1)(A) to Discuss Pending Litigation.

Mr. Rowell made a motion to go into executive session which seconded by Mr. Pace, and approved by a unanimous vote at 10:19 a.m. The Board emerged from Executive Session at 10:22 a.m.

12. Discussion and Action Relative to the Executive Session.

There was no action taken relative to the Executive Session.

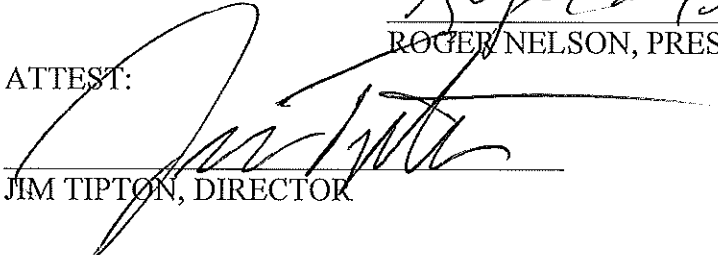
13. Adjourn.

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 10:22 a.m.



ROGER NELSON, PRESIDENT

ATTEST:



JIM TIPTON, DIRECTOR

