

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2  
December 19, 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., December 19, 2023 in accordance with the duly posted notice with a quorum of Directors present as follows:

Roger Nelson	President
Pat Pace	Vice-President
Richard Harse	Director
Directors absent:	
Jim Tipton	Treasurer
Clifford Rowell	Treasurer
Others present:	
Scott Fry	General Manager
Kathy Cunningham	Attorney

**2. Public Input.**

There was no Public Input.

**3. Approval of the Minutes of the Regular Board Meeting Held on November 21, 2023.**

The Board reviewed the minutes of the November 21, 2023 Regular Board Meeting. A motion was made by Mr. Harse and seconded by Mr. Pace to approve the minutes of the November 21, 2023. Board meeting minutes. The motion was approved by unanimous vote of those present.

**4. Approval of Financial Report for the Month of November 2023.**

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

**5. Discussion and Action to Review and Possibly Amend The District's Investment Policy.**

Mr. Fry explained the legal requirement to review the District's Investment Policy on an annual basis, and added that he is not proposing any changes at this time. A motion was made by Mr. Pace to approve the Investment Policy with no changes, seconded by Mr. Harse. The motion was approved by a unanimous vote of those present.

**6. Updates and Old Business.**

Mr. Fry gave an update on the following items.

- a. New Wastewater Treatment Plant – Mr. Fry gave the update. The only update is that he received the appraisal for the property that will be purchased for the new Sewer Plant. It will be discussed in executive session.
- b. Resaca dredging – Mr. Fry stated that Bryant Industrial is still working on the north side of the Escandon Bridge.

**7. General Manager's Report**

- **Production and Sales Report-** The water loss report for November 2023 shows

- 2.88% 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 November 2023 complaints.
- **Operations Report-** The operations report for November 2023 was explained.
- **Vehicle Maintenance Report-** The report was presented and reviewed.

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

On a motion by Mr. Harse and a second by Mr. Pace, the Board voted unanimously to enter Executive Session at 9:49 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. Pace and a second by Mr. Harse, the Board voted unanimously to exit the Executive Session at 10:02 a.m.

**9. Discussion and Action Relative to the Executive Session.**

- a. River Bend POA Rate Appeal to the Public Utility Commission of Texas.  
Mr. Harse made a motion to accept the proposed settlement from the Ratepayers. The motion was seconded by Mr. Pace and approved by a unanimous vote of those present.
- b. Land Acquisition Related to the Construction of a New Wastewater Treatment Plant.  
Mr. Pace made a motion to table this item and instructed Mr. Fry to obtain a second appraisal for the Property. The motion was seconded by Mr. Harse and approved by a unanimous vote of those present.

**10. Discussion and Action to Award Christmas Bonuses to District Employees.**

Fry stated that the Board typically awards an amount that will equal the amount after taxes and other deductions have been taken. Mr. Pace made a motion to award a \$250.00 (after taxes) bonus to the employees this year. The motion was seconded by Mr. Harse, and approved by a unanimous vote of those present.

**11. Discussion and Action to Add Tuesday December 26, 2023 as a District Holiday.**

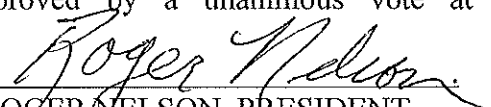
Mr. Pace made a motion to add December 26, 2023 to the Holiday Calendar for the Year 2023. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

**12. Adjourn.**

There being no further business, Mr. Pace made a motion to adjourn the meeting, The motion was seconded by Mr. Harse and approved by a unanimous vote at 10:08 a.m.

ATTEST:

  
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 PAT PACE, VICE-PRESIDENT

  
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 ROGER NELSON, PRESIDENT