

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
March 21, 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., March 21, 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
Ken Booth	River Bend POA Member
Harry Page	River Bend POA Member

2. Public Input.

Mr. Ken Booth stated that he wants the Board to be informed that the River Bend Resort will no longer allow River Bend residents to use the Raw Water since the POA will no longer pay for the raw water system repairs. River Bend residents currently have valves at their property to access the raw water system to use for watering their yards. He wants the Board to know so that the Board informs the residents of the options available for them for watering. Mr. Nelson stated that this item should be on the agenda in the next meeting so that the Board can discuss the issue and present the options.

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

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

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

Mr. Fry reviewed the Financial Report with the Board for the month February 2023. Mr. Pace made a motion to approve the Financial Report for the Month of February 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 gave a presentation to the Board to briefly review the funding alternatives discussed last month for the Project to Expand the existing Wastewater Treatment Plant and to Construct a New Wastewater Treatment Plant. After discussing the options, Mr. Pace

stated that he is leaning more towards private funding. Mr. Harse mentioned that he would like to consider submitting applications to the Federal and State funding programs. Mr. Huacuja explained that one major difference between private funding and government funding is the deferral of the principal payment to about 10 years. Mr. Huacuja then explained that some Federal Funding applications require lengthy Engineering reports which would be charged to the District on an hourly basis. This would consume a major portion of the engineering costs allowed for the initial phase of this project. He stated that submitting the applications does not obligate the Board to select that funding source and delaying the selection of funding source for another month is still possible. A motion was made by Mr. Pace and seconded by Mr. Harse to delay action on selecting a funding source until the next Board meeting in April. The motion was approved by unanimous vote of those present.

6. Discussion and Action to Amend Section G.26I of the District's Service Policies to Update the Rate the District Charges for Temporary Construction Meters.

Mr. Fry explained that the District places a temporary meter on fire hydrants when contractors want to get water for their projects. The cost of the meter is \$5,000.00, but the District only charges a \$500 deposit when contractors request the temporary meter. If the meter gets stolen or damaged, the \$500.00 deposit would not cover the cost of the meter. Mr. Fry is suggesting changing the service policy to state that the deposit for a temporary meter is \$5,000.00. Mr. Pace made a motion to approve the change in deposit charge in Section G.26I of the District's Service Policy from \$500.00 to \$5,000.00. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

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

Mr. Fry explained that even though the water reservoir is going down slowly, he has been getting free pumping from TCEQ. The water levels in February were 26.6 and in March they went down to 25.6. Mr. Fry recommends staying in Stage 2 because the numbers are so close to the threshold that if he moves to Stage 1, then next month he may have to move back to Stage 2. After a brief discussion, 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.

9. General Manager's Report

- **Production and Sales Report-** The water loss report for February 2023 shows 5.01% 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 February 2023.
- **Operations Report-** The operations report for February 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.
The Board did not enter into 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.

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 11:10 a.m.



ROGER NELSON, PRESIDENT

ATTEST:



PAT PACE, DIRECTOR

