

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
August 15, 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 9:02 A.M., August 15, 2023 in accordance with the duly posted notice with a quorum of Directors present as follows:

Pat Pace	Vice-President
Clifford Rowell	Treasurer
Richard Harse	Director

Directors absent:

Roger Nelson	President
Jim Tipton	Secretary

Others present:

Scott Fry	General Manager
Kathy Cunningham	Attorney
Isaac Huacuja	Garver Engineering
Payam Bahadorani	Garver Engineering (via zoom)
Abigail Graves	Garver Engineering (via zoom)
Steve Tacher	Las Haciendas Resident
David Martinez	Las Haciendas Resident
Marisol Guajardo	Las Haciendas Resident
Patricia Sampayo	Las Haciendas Resident
Aide Monaves	Las Haciendas Resident
Marcos Garcia	Las Haciendas Resident

2. Public Input.

No Public Input.

3. Presentation of the Budget for the Upcoming Fiscal Year.

Mr. Fry presented and reviewed the Budget for the 2023-'24 Fiscal Year. He stated that this is only a rough draft and will keep working on it to complete by the next Board meeting. No action was taken.

4. Public Hearing on the Tax Rate for the 2023-'24 Fiscal Year.

There being no public for this item, Mr. Rowell made a motion to open and close the hearing at 9:10 a.m. The motion was seconded by Mr. Harse. The motion passed by unanimous vote of those present.

5. Discussion and Action to set the Tax Rate for the 2023-'24 Fiscal Year.

Mr. Fry recommended that the Board maintain the current Tax Rate of \$0.25/\$100.00 of valuation for the Interest and Sinking Fund Tax Rate. He explained that this recommendation was based on the Financial Advisors recommendation for the new Wastewater Treatment Plant. Mr. Fry then reviewed the tax rate worksheet provided by the County which shows the M&O tax rate calculation. Mr. Fry then recommended that the Board adopt a Maintenance

and Operations tax rate of \$0.97064/\$100 valuation. A motion was made by Mr. Rowell to set the taxed rate for the Fiscal Year 2022-'23 combined Tax Rate at \$0.347064/\$100.00 of valuation. Mr. Harse seconded the motion. The motion passed by unanimous vote of those present.

6. Approval of the Minutes of the Regular Board Meeting Held on July 18, 2023.

The Board reviewed the minutes of the July 18, 2023 Regular Board Meeting. A motion was made by Mr. Rowell to approve the July 18, 2023 minutes. The motion was seconded by Mr. Pace and approved by unanimous vote of those present.

7. Approval of Financial Report for the Month of July 2023.

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

8. Discussion and Action on a Request by the Las Haciendas Homeowners Association to Perform Maintenance (Cattail removal) on the Waterway within the Neighborhood.

Mr. Fry explained that the Las Haciendas Homeowners Association has been asking the District to remove cattail vegetation from the resacas at that subdivision. He stated that the lack of employees has made it difficult to tend to issues such as this. Mr. Fry also expressed concerns about the potential damage to the bulkhead structures from the heavy equipment that would be used to remove the cattails. Mr. Tacher, representing the Homeowners Association, stated that the cattail is causing damage to their seawall and their irrigation pumps, and they need for the District to take care of the problem because the District is responsible for the resacas maintenance. Mr. Rowell instructed the General manager to investigate and bring back options on how to resolve this issue, including the legal boundaries. A motion was made by Mr. Rowell to allow the Manager to investigate the problem and report to the Board for the next meeting. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

9. Discussion and Action to Terminate the Agreement with WIFI 4U to Utilize Space on the District's Water Towers for Communication Equipment.

Mr. Fry explained that the Board agreed a few months ago to extend the contract for the placement of the communication equipment on the Rancho Viejo Tower. The executed agreement was never returned by WIFI 4U, and now they are about one year behind on their payments. He is seeking authorization to terminate the agreement with WIFI 4U. Mr. Pat Pace made a motion to authorize the General Manager to terminate the contract Effective August 31, 2023. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

10. 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 introduced Isaac Huacuja from Garver Engineering. Mr. Huacuja and Payam Bahadorani gave a presentation to the Board on the findings on the re-evaluation of the capacity of the existing 400,000 gallon per day wastewater treatment plant in Rancho Viejo. No action was taken.

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

Mr. Fry stated that due to the current reservoir levels, the District should remain in Stage 2. No action was taken.

12. 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 Bryant Industrial has not been able to jump across Escandon Avenue due to issues with another boat that will fit under the bridge. Once they bring in that boat, activity will begin on the other side of the bridge.

13. General Manager's Report

- **Production and Sales Report-** The water loss report for July 2023 shows 10.07% 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 July 2023 complaints.
- **Operations Report-** The operations report for July 2023 was explained.
- **Vehicle Maintenance Report-** The report was presented and reviewed.

14. 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.
Mr. Rowell made a motion enter into executive session at 11:12 a.m. The executive session was closed at 11:18 a.m.

15. Discussion and Action Relative to the Executive Session.

- a. River Bend POA Rate Appeal to the Public Utility Commission of Texas.
Mr. Rowell made a motion to reject the Settlement Offer from the River Bend POA. The motion was seconded by Mr. Harse and approved by a unanimous vote of those present.

16. Adjourn.

There being no further business, Mr. Rowell made a motion to adjourn the meeting, The motion was seconded by Mr. Pace and approved by a unanimous vote at 11:19 a.m.



PAT PACE, VICE-PRESIDENT

ATTEST:


CLIFFORD ROWELL, TREASURER

