

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
January 18, 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., January 18, 2022 in accordance with the duly posted notice with a quorum of Directors present as follows:

Roger Nelson	President
Jim Tipton	Vice-President
Clifford Rowell	Treasurer
Pat Pace	Secretary

Directors absent:

Richard Harse	Director
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Others present:

Scott Fry	General Manager
Kathy Cunningham	Attorney
Raleigh Seabourne	River Bend POA Board Member
Sylvia Delgado	River Bend POA Manager
Ken Booth	River Bend POA Member

2. Public Input.

There was no public input.

3. Approval of the Minutes of the Regular Board Meeting Held on December 21, 2021.

The Board reviewed the minutes of the December 21, 2021 Regular Board Meeting. Mr. Pace made motion to approve the December 21, 2021 minutes. The motion was seconded by Mr. Nelson and approved by unanimous vote of those present.

4. Discussion and Action to Amend the District's Service Policies to Update The Water and Wastewater Rate Class for RV Parks.

Mr. Nelson stated that this item was discussed in the December 10, 2021 Workshop and again in the regular December Board Meeting. It was tabled at the last Board meeting since the full Board was not present. Mr. Fry reviewed the rates as stated in Section G of the current customer Service Policy and explained the changes and how they would affect how the RV Park is charged for water and sewer usage. Mr. Pace stated that the master meter relocation will eliminate non-RV Park flushing from the RV Park's consumption. Mr. Pace then made a motion to relocate the master meter closer to the levee, on Sacramento River Drive, with the Property Owners' Association sharing fifty-percent of the cost of labor and materials. The motion was seconded by Mr. Rowell and approved by a unanimous vote of those present. Mr. Pace then recommended that the District gradually install individual meters for the RV lots. Another motion was made by Mr. Pace to add a gallonage usage charge, based on the master meter, to the unmetered RV Park lots, and to install individual meters in the RV Park, including a \$17 per month charge for two years, to each lot as individual meters are installed, in order to cover the cost of meter purchase and installation.

The motion was seconded by Mr. Rowell, and approved by a unanimous vote of those present. Mr. Pace then clarified that the unmetered lots would continue to pay their proportionate portion of the master meter bill until they are individually metered. Mr. Booth from the River Bend Property Owners' Association stated that they had no problem with the meter relocation, but that the idea of the addition of individual meters came out of the blue. Pat addressed Mr. Booth's concerns. Mr. Seabourne asked if he, as a contractor, could be allowed to install the meters in order to lower the installation costs.

5. Presentation of the Audit for the Fiscal Year 2020-'21.

Mr. Fry stated the Auditors were not finished with this year's audit.

6. Discussion and Action to Acknowledge the Audit for the Fiscal Year 2020-21.

No action was taken.

7. Approval of Financial Report for the Month of December 2021.

Mr. Fry reviewed the Financial Report with the Board for the month December of 2021. Mr. Tipton made a motion to approve the Financial Report for the Month of December 2021. The motion was seconded by Mr. Rowell and approved by unanimous vote of those present.

8. Discussion and Action to Discuss Water Loss.

Mr. Fry stated that he was asked at the last Board meeting to place this item on the agenda to discuss water loss. He has done some research and found that the EPA estimates that water loss rates average about sixteen percent and it can be caused by several factors. One is the inaccuracy of the water loss estimation for line breaks and flushing. Other causes are the water leaks in water mains, water theft, and faulty meters. Mr. Fry mentioned that he had met with a representative of the Texas Rural Water Association who suggested getting rid of meters after they read over 1,000,000 gallons of water. Mr. Fry stated that the District has hundreds of water meters in this range and that he would prioritize the current meter replacement effort to get rid of those older meters. Mr. Fry then stated that most of the multi family and commercial meters seem to be original meters from back in the 1970's and 1980's. Mr. Tipton made a motion to have Mr. Fry place an item on the next agenda to discuss a strategy for replacing the older and larger commercial meters. The motion was seconded by Mr. Rowell and approved by a unanimous vote of those present.

9. Discussion and Action on the Project to Replace Utilities Associated with the Town of Rancho Viejo's Street Reconstruction Project.

Mr. Fry gave an update on the project. He then gave a detailed explanation of each of the following change orders.

- a. Change Order No.7
- b. Change Order No.8
- c. Change Order No.9

Mr. Rowell made a motion to accept Change Orders No. 7, 8, and 9. The motion was seconded by Mr. Tipton and approved by unanimous vote of those present.

10. Updates and Old Business.

Mr. Fry gave an update on the following items.

- a. Resaca Dredging Proposed Project - Mr. Fry stated that he will try to get the specifications completed by the end of the month so that we start moving forward with the project.

- b. Potential Wastewater Treatment services from Neighboring Utilities – Mr. Fry stated that he is sending out registered letters today to PUB, Olmito Water, East Rio Hondo, and Military Highway Water asking if they have any interest in serving our District with sewer services. This is required by the TCEQ before any plans of a sewer plant construction begins.
- c. Ovation and Capella Agreement – Mr. Fry stated that he has sent out the corrected easements. Ms. Cunningham stated that the agreement should be finalized soon.

11. General Manager’s Report

- **Production and Sales Report-** The reported water loss December 2021 shows a 6.95 % unaccounted for water loss.
- **Production Report-**The report for December 2021 was distributed to the Board before the meeting.
- **Raw Water Report-**The report for December 2021 was distributed to the Board before the meeting.
- **Customer Complaints-** There was one customer complaints for the month of November 2021.
- **Operations Report-** The operations report for December 2021 was explained.
- **Vehicle Maintenance Report-** No report was presented.

12. Adjourn.

There being no further business, Mr. Rowell made a motion to adjourn the meeting, seconded by Mr. Pace at 10:13 a.m.



ROGER NELSON, PRESIDENT

ATTEST:



JIM TIPTON, VICE-PRESIDENT

