

**MINUTES OF THE BOARD OF DIRECTORS MEETING
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2
October 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 9:02 A.M., October 18, 2022 in accordance with the duly posted notice with a quorum of Directors present as follows:

Roger Nelson	President
Jim Tipton	Secretary
Richard Harse	Director
Clifford Rowell	Treasurer

Directors absent:

Pat Pace	Vice-President
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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 September 13, 2022.

The Board reviewed the minutes of the September 13, 2022 Regular Board Meeting. Mr. Rowell made motion to approve the September 13, 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 September 2022.

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

5. Discussion and Action on the District's 2022-'23 Fiscal Year Budget.

Mr. Fry presented and explained the Budget Book for the upcoming year. He reviewed the detailed breakdown of each item, the budget history, a brief explanation of why the proposed amount may be changing. He noted that the budget is at a deficit of \$48,398.00 for the year. Mr. Fry stated that the budget would be final after the last adjustments are made this month. Mr. Tipton asked the General Manager to also show the difference in the salary costs with a 4% and 6% COLA. After a brief discussion and review of the budget, no action was taken. Mr. Tipton made a motion to table this item to the next Board meeting in November. The motion was seconded by Mr. Rowell and approved by unanimous vote of those present.

6. Discussion and Action on the Drought Contingency Plan.

Mr. Fry informed the Board that the recent rains have helped to meet the criteria for Stage 1 of the Drought Plan, but it would not hold for too long so he recommends moving back to Stage 2. He also stated that he has been taking all the free pumping water he can to fill the

resacas. Mr. Tipton made a motion to move to Stage 2 of the Drought Contingency Plan, seconded by Mr. Rowell. The motion passed by unanimous vote of those present.

7. **Discussion and Action to Amend Section G of the District's Service Policies to Require the Transfer of Municipal Water Rights (Or A Fee in Lieu of) For Annexations of Property Into the District or For New Developments within the District, and To Require Payment for the Use of District Owned Water Outside of the District's Boundary.**

Mr. Fry presented the revised Policy that had been discussed at the September Board meeting. Mr. Tipton made a motion to Amend Section G of the District's Service Policies to require the transfer of Municipal Water Rights or a fee in Lieu of, for the annexations of property into the District or for new developments within the District, and to require payment for the Use of District owned water outside of the District's boundary, as presented. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

8. **Discussion and Action To Amend the District's Service Policies Manual to establish a Policy for the Installation, Maintenance And Removal of Resaca Aerations for Private Individuals, Including Establishing Fees for those Services.**

Mr. Fry presented and explained his suggested amendment to Section G of the Service Policies Manual. He stated that he made changes based on comments from the Board during the last meeting. He explained that the District will install aerators in the Resacas at a customer's request, but the District will select the aerator and purchase the materials. Customers will have to pay all the costs incurred for the installation, plus the monthly electricity. The District will maintain the Aerator for a fee of \$100.00 per service call, plus time and material expenses. If the aerator fails and the applicant refuses to pay the service fee, the District will remove the aerator and the applicant will be liable for an additional \$100.00 for the removal fee. Mr. Fry stated he has had three requests from customers wanting to place an aerator in the past three months. Mr. Rowell made a motion amend the District's Service Policies as stated, and to establish the fees as presented. The motion was seconded by Mr. Tipton and approved by unanimous vote of those present.

9. **Discussion and Action to Affirm Item 18 From the September 2022 Board Meeting for the Purchase of a New Pick-Up Truck through the Buy Board Cooperative Purchasing Program.**

Mr. Fry stated that this item was put back on the agenda due to ambiguous wording on the previous agenda He clarified that the wording did not clearly mention the purchase through the Buy Board Cooperative Purchasing Program. Mr. Rowell made a motion to approve the purchase of a new Dodge Ram Pick-up truck through the Buy Board Cooperative Purchasing Program. 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. Potential Wastewater Treatment services from Neighboring Utilities – Mr. Fry stated that he put out a Request for Qualifications for Engineering Services in accordance with the rules for the use of Federal funds, which is due November 3, 2022. He added that the first task on the RFQ is to evaluate the Rancho Viejo Wastewater Treatment Plant to see if we can re-rate the capacity of the Plant. The second task is to begin the planning of the new plant. He has talked to five Engineers so far about this project and he is moving forward. No action was taken.

11. General Manager's Report

- **Production and Sales Report-** The water loss report for September 2022 shows 17.09% 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 August 2022.
- **Operations Report-** The operations report for September 2022 was explained.
- **Vehicle Maintenance Report-** The report was presented and reviewed.

12. 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.

No executive session.

13. Discussion and Action Relative to the Executive Session.

None.

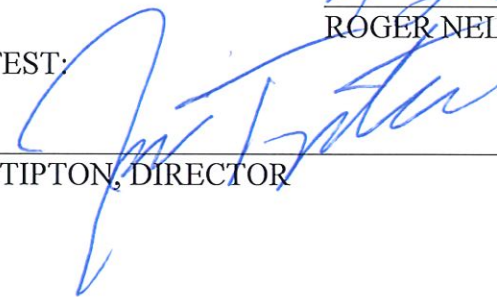
14. Adjourn.

There being no further business, Mr. Rowell made a motion to adjourn the meeting, seconded by Mr. Harse at 10:32 a.m.



ROGER NELSON, PRESIDENT

ATTEST:



JIM TIPTON, DIRECTOR

