

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
VALLEY MUNICIPAL UTILITY DISTRICT NO. 2  
June 18, 2024**

**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., June 18, 2024 in accordance with the duly posted notice with a quorum of Directors present as follows:

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

Others present:

Scott Fry	General Manager
Kathy Cunningham	Attorney
Anthony DePonce	Rancho Viejo Resident/Developer
Ernie Ortega	Aguaworks Pipe & Supply
Joe Flores	Aguaworks Pipe & Supply

**2. Public Input.**

There was no Public Input.

**3. Approval of the Minutes of the Regular Board Meeting Held on June 18, 2024.**

The Board reviewed the minutes of the June 18, 2024 Regular Board Meeting. A motion was made by Mr. Harse and seconded by Mr. Pace to approve the minutes of the June 18, 2024. The motion was approved by unanimous vote of those present.

**4. Approval of Financial Report for the Month of May 2024.**

Mr. Fry reviewed the Financial Report with the Board for the month May 2024. Mr. Pace made a motion to approve the Financial Report for the Month of April 2024. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

**5. Discussion and Action Regarding the Failing Drainage System Along the 100 Block of Avenida Santa Ana.**

Mr. Fry stated that he received a call from the Mayor of Rancho Viejo concerning the drainage problems along the 100 block of Santa Ana. He explained that the street has a metal pipe storm sewer on both sides below the curb and gutter. He added that the pipe has been evaluated and it appears to be rusting away which is allowing adjacent dirt to fall into the pipe, undermining the pavement. He also stated that this is becoming a safety issue, and either the District or the Town will have to repair it. Mr. Pace stated that it is the only place in Rancho Viejo that has that type of drainage system and believes it was installed by the Resaca Terrace Condos, and that they need to resolve that problem. Mr. Pace made a motion to table this item so that Mr. Fry can do more research. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

**6. Discussion and Action regarding the proposed Rate Increase.**

Mr. Fry presented the new utility rates with the 5.97% increase for the water and 6.98% increase for the Sewer as approved at the last meeting. The notices for the rate increases will go out with the next month's billing. Mr. Fry informed the Board that he will bring this item back in the next Board meeting because he needs to update the meter installation fees. A motion was made by Mr. Pace to approve the new plan with the actual rate increases for all categories and seconded by Mr. Harse. The motion was approved by unanimous vote of those present.

**7. Discussion and Action Regarding the Proposed Wastewater Treatment Plant Design.**

- a. Approval of agreement for Surveying Services from Orive Land Surveying, LLC
- b. Approval of agreement for Geotechnical Services from MEG Engineers.

8. No Updates.

**9. Updates and Old Business.**

No Updates.

**10. General Manager's Report**

- **Production and Sales Report-** The water loss report for May 2024 shows 8.49 % 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-** No complaints Report.
- **Operations Report-** The operations report for May 2024 was explained.
- **Vehicle Maintenance Report-** The report was presented and reviewed.

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

On a motion by Mr. Tipton and a second by Mr. Harse, the Board entered into Executive Session at 9:55 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.

The Board exited the Executive Session at 10:01 a.m.

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

- a. River Bend POA Rate Appeal to the Public Utility Commission of Texas.  
On a motion by Mr. Rowell and a second by Mr. Tipton, the Board unanimously voted to accept settlement provided by the Ratepayers.
- b. Land Acquisition Related to the Construction of a New Wastewater Treatment Plant.  
On a motion by Mr. Rowell and a second by Mr. Harse, the Board authorized Mr. Fry to negotiate with Mr. DePonce for the tract of land which he has offered to sell the District for the new wastewater treatment plant.

**13. Discussion and Action to Enter into a Pilot Program for AMI Metering with Kamstrup.**

Mr. Fry stated that Aguaworks is offering him a pilot program for AMI/ALD Meters. These meters will communicate with the office to report leaks and provide readings without having to go out in the field. These meters can also detect leaks in the system. The normal price of

ALD meter is about \$320.00. This pilot provides 150 ALD meters and a data collector for a total cost of \$32,200.00. After the pilot program, then licensing fees and employee training will be at additional costs.

A motion was made by Mr. Rowell and seconded by Mr. Harse to approve the pilot program for 150 ALD meters. The motion was approved by unanimous vote of those present.

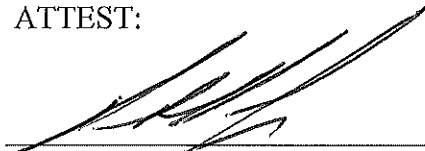
**14. Discussion and Action to Declare July 5, 2024 as a District Holiday.**

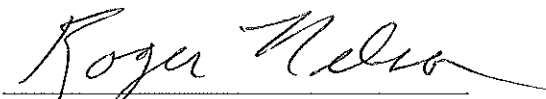
Mr. Tipton made a motion to add July 5, 2024 to the Holiday Calendar for the Year 2024. The motion was seconded by Mr. Harse and approved by unanimous vote of those present.

**15. 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 10:21 a.m.

ATTEST:

  
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PAT PACE, VICE PRESIDENT

  
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ROGER NELSON, PRESIDENT

