



December 17, 2020
Board Meeting Packet

CALL TO ORDER

A. ROLL CALL

B. PUBLIC COMMENTS



Agua Special Utility District
P. O. Box 4379 | Mission, Texas | 78573-0075
(956) 585-2459 | FAX (956) 585-1516

Board of Directors
Homero Tijerina, President
Ivan Sandoval, Vice-President
Maribel Diaz, Secretary
Esmeralda H. Solis, Treasurer
Lloyd Loya, Director
Cesar Rodriguez, Jr., Director
Adolfo Arriaga, Director

**Special Meeting of the Board of Directors
(Virtual Meeting)**

Agua S.U.D. Administration Building
3120 North Abram Road
Palmview, Texas

December 17, 2020
6:00 PM
AGENDA

A MEETING OF THE AGUA SPECIAL UTILITY DISTRICT’S BOARD OF DIRECTORS WILL BE HELD BY VIDEOCONFERENCE ON MONDAY, DECEMBER 17, 2020 AT 6:00 P.M. AND SHALL BE IN ATTENDANCE VIA A COMPUTER, TABLET OR SMARTPHONE AT THE LINK SHOWN <https://global.gotomeeting.com/join/389309733> OR VIA DIAL IN USING YOUR PHONE AT 1 (571) 317-3112 AND ACCESS CODE: 389-309-733.

THIS AGUA SUD MEETING WILL BE HELD USING VIDEO CONFERENCE SYSTEM AND IS AUTHORIZED BY GOVERNOR GREG ABBOTT’S TEMPORARY SUSPENSION OF CERTAIN ASPECTS OF THE TEXAS OPEN MEETINGS ACT WHICH ALLOWS FOR A GOVERNING BODY TO HOLD A “VIRTUAL” MEETING SO AS TO AVOID GATHERING MEMBERS OF THE PUBLIC AND/OR BOARD MEMBERS, AND STAFF IN A PHYSICAL SETTING THAT MIGHT CONSTITUTE A PUBLIC HEALTH RISK. THERE WILL BE NO PHYSICAL PUBLIC ACCESS TO THIS MEETING, HOWEVER, THERE WILL BE REAL TIME VIRTUAL ACCESS. PLEASE SEE OPEN MEETING LAWS SUBJECT TO TEMPORARY SUSPENSION.

PUBLIC COMMENTS WILL ONLY BE ACCEPTED IN WRITING NO LATER THAN THIRTY (30) MINUTES IN ADVANCE OF THE MEETING BY SENDING THEM TO CYNTHIA VILLARREAL AT cynthiav@aguasud.com. IN THE BODY OF THE EMAIL PLEASE INCLUDE DATE, NAME, ADDRESS, PHONE NUMBER, AGENDA ITEM # IF APPLICABLE OR SUBJECT OF DISCUSSION, AND COMMENTS.

DISCUSSION AND POSSIBLE ACTION ON THE FOLLOWING MATTERS:

1. Call to Order
 - a. Roll Call
 - b. Public Comments (*Refer to paragraph above regarding public comments; email method*)
2. Public Hearing on the proposed 2021 Operating and Capital Improvements Budget.

3. Discussion and possible action on a Resolution by the Agua Board of Directors adopting the 2021 Operating and Capital Improvement Budget.
4. Discussion and possible action on a on a Non-Standard Service Agreement for water and wastewater service to be submitted to Mr. Rodolfo Munoz, for the cost related to water and wastewater service for El Rancho Estates Phase 4 Subdivision.
5. Discussion and possible action on a on a Non-Standard Service Agreement for water and wastewater service to be submitted to Mr. Rodolfo Munoz, for the cost related to water and wastewater service for El Rancho Estates Phase 5 Subdivision.
6. Discussion and possible action on the proposals submitted for Property/Casualty and Workers Compensation policies.
7. Discussion, consultation and possible action on proposed contract for professional legal services.
8. EXECUTIVE SESSION:
Pursuant to Texas Open Meetings Act and Texas Gov. Code Section 551.001 Consultation with Attorney, 551.072 Regarding Real Property, 551.073 Prospective Gift, 551.074 Personnel Matters and 551.076 Security.
 - a. TWDB Palmview Sanitary Sewer Improvements Project
 - b. Discussion regarding Cause No. C-3353-20-I; S&B Infrastructure vs. Agua Special Utility District; In the District Court of Hidalgo County, Texas, 398th Judicial District.
 - c. Deliberation on continuation or termination of exiting Agreement for Professional Legal Services.
 - d. Deliberation on recently received legal invoices from current legal counsel
9. Discussion and possible action regarding item(s) discussed in Executive Session.
 - a. TWDB Palmview Sanitary Sewer Improvements Project
 - b. Discussion regarding Cause No. C-3353-20-I; S&B Infrastructure vs. Agua Special Utility District; In the District Court of Hidalgo County, Texas, 398th Judicial District.
 - c. Deliberation on continuation or termination of existing Agreement for Professional Legal Services.
 - d. Deliberation on recently received legal invoices from current legal counsel.
10. Adjournment.

Notice of Special Meeting of the
Agua Special Utility District Board of Directors

Notice is hereby given that on the 17th day of December, 2020 the Board of Directors of Agua Special Utility District will hold a special meeting at 6:00 p.m. at the Agua Administration Building, 3120 North Abram Rd., Mission, Texas 78572. The subjects to be discussed are listed on the agenda, which is attached to and made part of this notice.

If, during the course of the meeting covered by this Notice, the Board of Directors should determine that a closed or executive meeting or session of the Board is required, then such closed or executive meeting or session as authorized by the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq., will be held by the Board at the date, hour and place given in this Notice or as soon after the commencement of the meeting covered by this Notice as the Board may conveniently meet in such closed or executive meeting or session concerning any and all purposes permitted by the Act, including, but not limited to the following sections and purposes.

Texas Government Code Section:

- 551.071 Consultation with Attorney.
- 551.072 Deliberation regarding real property.
- 551.073 Deliberation regarding prospective gifts.
- 551.074 Personnel Matters.
- 551.076 Deliberation regarding security devices or security audits.
- 551.0785 Deliberation involving medical or psychiatric records of individuals.
- 551.084 Investigation; exclusion of witness from hearing.
- 551.087 Deliberation regarding economic development negotiation.
- 551.088 Deliberation regarding test item.

Should any final action, final decision, or final vote be required in the opinion of the Board of Directors with regard to any matter considered in such closed or executive meeting or session, then the final action, final decision, or final vote shall be either:

- (a) in the open meeting covered by the Notice upon the reconvening of the public meeting; or
- (b) at a subsequent public meeting of the Board of Directors upon notice thereof; as the Board shall determine.

On this the 14th day of December, 2020 was posted on the Agua SUD official website and in a place convenient to the public in the bulletin board at Agua Special Utility District, 3120 North Abram Rd. Palmview, Texas 78572 at 5:00 p.m. on said date.

/s/
Pamela S. Perez, Project Manager

ITEM 3.

**AGUA SPECIAL UTILITY DISTRICT
A RESOLUTION ADOPTING AN OPERATING & CAPITAL
2021 ANNUAL BUDGET**

WHEREAS, the Board of Directors of Agua Special Utility District (“Agua SUD”) is required to adopt an annual budget prior to the commencement of its fiscal year; and

WHEREAS, Agua SUD is required to conduct a public hearing and make available for viewing the proposed annual budget; and

WHEREAS, it is necessary, in order to provide for the operation of the water and wastewater systems, to now adopt the 2021 Annual Budget in accordance with Section 5.05 of the District’s By-laws,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
DIRECTORS OF AGUA SPECIAL UTILITY DISTRICT:**

- 1) That the proposed annual budget attached hereto is adopted as the 2021 Operating and Capital Budget for Agua Special Utility District.
- 2) That the proposed budget will provide for and ensure a 125% debt coverage ratio as required by the various loan obligations of the District.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Agua Special Utility District this ___ day of December, 2020.

Mr. Homero Tijerina
President, Agua Special Utility District

ATTEST:

Mrs. Maribel Diaz
Secretary, Agua Special Utility District

ITEM 6.



Memo

To: Jose E. "Eddie" Sáenz, P. E., General Manager

From: Benefit Committee (Pamela Perez, Cindy Villarreal, Albert Alonzo, Juan Perez, Antonio Quintana)

Date: November 16th, 2020

Ref: Renewal of Property and Casualty Insurance Policies and Texas Mutual Insurance (W/C)


This memo serves to document AGUA SUD's meeting regarding the renewal of Property and Casualty Insurance Policies and Texas Mutual Insurance (W/C). The Benefit Committee gives its recommendation to select The Philadelphia Insurance Company and Texas Mutual Insurance Company for AGUA SUD's property, casualty, and worker compensation insurance. This decision was made after careful review and cost-benefit analysis of three different quotes presented by our insurance agent on record Ismael Martinez.

The Benefit Committee concurs that there is a favorable level of satisfaction for the services provided by The Philadelphia Insurance Company and Texas Mutual Insurance Company. Even though the Benefit Committee was informed about an initial cost increase with the renewal of The Philadelphia Insurance Company, it concludes the gains of such renewal offset its cost. As per our Insurance Agent, Ismael Martinez, the eligibility of a dividend from Texas Mutual Insurance still exists which would be very beneficial to the District. Please, feel to contact any member of the Benefit Committee for further discussion upon your consideration. Thank you.

Cindy Villarreal, Executive Assistant



Pamela Perez, Project Manager



Albert Alonzo, Asset Manager



Juan Perez, Chief Accountant



Antonio Quintana, Havana Water Plant Supervisor



IAM Insurance Agency

P.O. Box 657
Edinburg, Texas 78540-0657

November 16, 2020

Re: Renewal of all Property and Casualty Insurance Policies and Texas Mutual Insurance (W/C)

To: Eddie Saenz (General Manager), Members of The Agua SUD board of Directors

I would like to make the following recommendation to the benefit committee, the General Manager and the Board of Directors. After going out for RFP's on behalf of Agua SUD, and receiving a DNQ from The Travelers, a Partial quote from Starr Technical Risks, Inc., and renewal quotes from our current carriers The Philadelphia Insurance Company and Texas Mutual Insurance company, my recommendation is as follows. After negotiating with The Philadelphia Insurance Company and Texas Mutual Insurance Company, we reached an agreement, that they would offer a renewal with a slight increase due to the amount of claims from the hurricane and this term would be for the plan year beginning 1/1/2021 thru 12/31/2021. This would be for an entire 12 months. Last term was only 9 months. We will have an initial increase of \$7,546. We are in our 3rd renewal year with Texas mutual for the W/C and are eligible for a significant dividend due to us in April or May of 2021. Depending on the exact amount it will reduce our total annual cost closer to what we paid for the last term of 9 months. Last year we received total dividends in the amount of \$5,535.67.

Thank you,

Ismael A. Martinez (Agent of Record for Agua SUD)

IAM Insurance Agency
P.O. Box 657
Edinburg, Texas 78540-0657
956-207-2789
iamins@sbcglobal.net



IAM Insurance Agency

P.O. Box 657
Edinburg, Texas 78540-0657

December 17, 2020

Current Coverage Limits

Renewal Coverage Limits

- | | |
|--|--|
| 1). GL Coverage: 1Mil ea. Occ / 3Mil Agg | 1Mil ea. Occ / 3Mil Agg |
| 2). PI Coverage: 1Mil ea. Occ / 3Mil Agg | 1Mil ea. Occ / 3Mil Agg |
| 3). Cyber Liability: 1Mil ea. Occ / 3Mil Agg | 1Mil ea. Occ / 3Mil Agg |
| 4). D&O Coverage: 1Mil ea. Occ / 3Mil Agg | 1Mil ea. Occ / 3Mil Agg |
| 5). Property: \$56,890,114 (RC)
Underground Lines: (Covered)
Ded. Ded. \$25K per Schedule or 0.1% of TIV
Additional Coverages Incl: See Attachment | \$56,890,114 (RC)
Underground Lines: (Covered)
Ded. \$25K per Schedule or 0.1% of TIV
Additional Coverages Incl: See Attachment |
| 6). Auto Coverage: Liability \$500,000 (Ded.\$500)
PD: RC (Ded. \$500/\$2,500) | Liability \$500,000 (Ded. \$500)
PD: RC (Ded. \$500/\$2,500) |
| 7). Workers Comp Limits: 1Mil/1Mil/1Mil | 1Mil/1Mil/1Mil |
| 8). Umbrella: \$4,000,000 | \$4,000,000 |
| 9). Crime & Theft: \$300,000
Money theft On Premises \$50,000
Computer Fraud: \$50,000 | \$300,000
\$50,000
\$50,000 |

Total Policy Premiums \$194,737.95 2020 (9mos.) \$202,283.95 2021 (12mos.)

(\$202,283.95 - \$194,737.95 = \$7,546.00 (increase)

Premium 2018-2019: \$196,706 Premium 2019 - 2020 \$194,737 Renewal Premium 2021 \$202,283.95

Increase of \$7,546.00 Audit Savings of \$3,483.31.00 Dividend Refund of \$7,000.00 (+/-)

Total Savings after Audit Savings dividend refund 2021: \$7,546 - \$7,000 - \$3,483.31 = \$2,937.31