

# **AGUA SPECIAL UTILITY DISTRICT**

Regular Meeting of the Board of Directors  
Agua SUD Administration Building  
3120 North Abram Road  
Palmview, Texas

6:00 p.m., May 4, 2020

## **MINUTES OF REGULAR MEETING**

1. The meeting was called to order by Mr. Lloyd Loya at 6:00 p.m., May 4, 2020, at which time Mr. Loya acknowledged the presence of the following Elected Members of the Board of the Agua SUD:

**Directors Present:**

Mr. Lloyd Loya  
Mr. Adolfo Arriaga  
Mr. Ivan Sandoval  
Mr. Franco Lopez  
Mr. Esequiel Ortiz, Jr.  
Mr. Homero Tijerina

**Directors Absent:**

Mr. Cesar Rodriguez, Jr.

A quorum of the members of the Agua SUD being present, the meeting was duly convened. Invocation was presented by Mrs. Cynthia Villarreal, Executive Assistant.

2. Public Comment: None
3. The Board of Directors reviewed and adopted minutes of the February 10, 2020 Agua Board Meeting. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Homero Tijerina and was unanimously approved by the Board. The Board of Directors reviewed and adopted minutes of the March 2, 2020 Agua Board Meeting. The motion was made by Mr. Homero Tijerina and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board. The Board of Directors reviewed and adopted minutes of the March 13, 2020 Agua Special Board Meeting. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
4. The Board of Directors approved a Non-Standard Service Agreement and 30-year letter for water service to be submitted to Pena Chapa Development, for the cost related to water service for El Crucero Subdivision. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

5. The Board of Directors approved a Non-Standard Service Agreement and 30-year letter for water service to be submitted to Pena Chapa Development, for the cost related to water service for Era Monte Subdivision. The motion was made by Mr. Ivan Sandoval and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.
6. The Board of Directors approved a Non-Standard Service Agreement and 30-year letter for water service to be submitted to Pena Chapa Development, for the cost related to water service for Monte Escondido Subdivision. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
7. The Board of Directors approved the agreement with La Joya ISD for the Sam Fordyce sanitary sewer service connection. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
8. The Board of Directors approved quotes in the amount of \$23,900 to H&R Lease Services as sole bidder for Sam Fordyce utility project. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
9. The Board of Directors approved support agreement with Aqua Metrics as sole source provider. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.
10. The Board of Directors approved Capex Consulting agreement for additional water and wastewater services. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.
11. The Board of Directors enable General Manager to enter into negotiations toward the purchase of 1,250-acre feet of irrigation water rights at a cost not to exceed \$3,125 per converted municipal acre foot. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Franco Lopez and was unanimously approved by the Board.
12. The Board of Directors approved Resolution to add new authorized signers to the Multi-Bank Securities, Inc. investment account. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Franco Lopez and was unanimously approved by the Board.
13. The Board of Directors approved agreement with M2 Engineering for Construction Management for Agua SUD's Palmview Wastewater Collection System, Phase-I, Group – A&G. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.
14. The Board of Directors approved contract with M2 Engineering for professional services. The motion was made by Mr. Ivan Sandoval and seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.
15. The Board of Directors approved contract with Frank Garza for Legal Services. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

16. The Board of Directors approved contract with Caballero Government Affairs for Legislative Services. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.
17. The Board of Directors rescinded Board action of March 13, 2020, approving Change Order No. 16 with Mor-Wil for Palmview Wastewater Collection System Phase 1, Main Lift Station and Forcemain Conveyance System (Project 4) due to change order being outside the terms of contract. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
18. The Board of Directors awarded the Liquid Aluminum Sulfate Blend and Liquid Ammonium Sulfate to Chemtrade Chemicals US, LLC., for Agua SUD's water treatment chemicals as recommended by Mr. Aaron Castillo, Water Plant Supervisor. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
19. The Board of Directors discussed awarding the Palmview Residential Yard Line Project. Numerous comments were made by the Board President addressing his concerns and proposed taking the item into executive session. Mr. Homero Tijerina motioned to place item nineteen in executive session. Motion failed for lack of second. A brief discussion was held about the concern regarding previous low bidders. A recommendation was made by Agua's Engineer, Milo Salinas, M2 Engineering, to select Mor-Wil, LLC. as lowest bidder. Agua's Attorney Frank Garza explained that he would review contract and if there were any concerns with the terms of the contract it would be brought back before the Board. The Board of Directors approved selecting Mor-Wil, LLC as lowest bidder in the amount of \$2,968,814.13 for the Palmview Residential Yard Line Project as recommended by Agua's Engineer, Milo Salinas. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Ivan Sandoval and was approved 4-1, with a nay by Mr. Homero Tijerina.
20. The Board of Directors approved selecting MaGuire Iron, Inc. as lowest bidder in the amount of \$332,500.00 for the Penitas Elevated Storage Tank Rehabilitation Improvement Project as recommended by Agua's Engineer, Milo Salinas. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
21. The Board of Directors approved selecting MaGuire Iron, Inc. as lowest quote in the amount of \$44,702.00 for the 3 Mile Stand Pipe Rehabilitation Improvement Project as recommended by Agua's Engineer, Milo Salinas. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Franco Lopez and was unanimously approved by the Board.
22. The Board of Directors received recommendation by Humberto Guerrero, Jr., Project Engineer, S&B Infrastructure. Mr. Guerrero advised the Board that only one bid was received by Mor-Wil, LLC in the amount of \$173,911.50 and that the amount was considerably higher than their engineer cost of estimate. He went on to explain that given the timeframe S&B Infrastructure had to review the bid package submitted, and that no other competitive bids for the work were received, S&B could not provide a recommendation at the moment regarding the acceptance or rejection pertaining to the bid. Furthermore, he expressed that their first inclination was not to award the contract and to rebid the project to obtain more bids. Questions

about high price were made and a brief discussion was held. The Board made a motion to table the item for the next board meeting. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

23. The Board of Directors approved agreement with Hidalgo County Community Service Agency. The motion was made by Mr. Homero Tijerina and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.
24. The Board of Directors approved Supplemental #11 to Work Authorization #12 to be extended until September 30, 2020 for the contract of Palmview Wastewater Collection System Project. The motion was made by Mr. Homero Tijerina and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
25. The Board of Directors received a report from the General Manager on operations and finance including:
  - a. March Financials
  - b. TWDB Palmview Sanitary Sewer Improvements
  - c. NadBank Technical Assistance Agreement (Sewer Hook-ups)
  - d. COVID-19 Report
  - e. No other business was discussed
26. The Board of Directors recessed into an Executive (closed) meeting at 6:42 p.m. under 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. The motion was made by Mr. Ivan Sandoval and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

ITEM 26. a. TWDB Palmview Sanitary Sewer Improvements Project.

At 7:29 p.m., The Board moved to reconvene in open session and no action was taken in executive session. The motion was made by Mr. Ivan Sandoval and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

27. The Board of Directors took no action in open session regarding item(s) discussed in executive session for the following:


ITEM 26.a. The Board of Directors took no action on TWDB Palmview Sanitary Sewer Improvements Project.

At 7:29 p.m., Mr. Ian Sandoval moved for adjournment. Motion was seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

Approved, the 13<sup>th</sup> of July, 2020

  
Lloyd Loya, President, Agua SUD

Attested by:

  
Adolfo Arriaga, Secretary, Agua SUD