

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., February 4, 2021

MINUTES OF REGULAR "VIRTUAL" MEETING

1. The meeting was called to order by Mr. Homero Tijerina at 6:02 p.m., February 4, 2021, at which time Mr. Tijerina acknowledged the presence of the following Elected Members of the Board of the Agua SUD:

Directors Present:

Mr. Homero Tijerina
Mr. Ivan Sandoval
Mrs. Maribel Diaz
Mrs. Esmeralda H. Solis
Mr. Cesar Rodriguez, Jr. (Virtually present - arrived at 6:04 p.m.)

Directors Absent:

Mr. Lloyd Loya
Mr. Adolfo Arriaga

A quorum of the members of the Agua SUD being present, the meeting was duly convened.

Public Comment: None

2. The Board of Directors reviewed and adopted minutes of the November 9, 2020 Agua Board Meeting. The motion was made by Mr. Ivan Sandoval and seconded by Mrs. Esmeralda H. Solis and was unanimously approved by the Board. The Board of Directors reviewed and adopted minutes of the December 7, 2020 Agua Board Meeting. The motion was made by Mr. Ivan Sandoval and seconded by Mrs. Esmeralda H. Solis and was unanimously approved by the Board.
3. The Board of Directors received presentation by Performance Services, Inc. on Agua SUD's Smart Meter program. Questions were asked by Directors and a brief discussion was held on the rates and number of customers used for the project annual savings guarantee analysis, and when the contract was awarded to Performance Services, Inc. Directors requested a follow up update on rates and number of customers used for the analysis at the next board meeting.

4. The Board of Directors received presentation by Mr. Jeff Snowden, Capex Consulting Group on Agua SUD Water Rights, Rates and Planning. Mr. Snowden noted that the District adopted a five-year rate increase and year three is scheduled for implementation in the next month or two. Water revenues are on target based on the forecast made in 2017, but may be revisited due to the District cutting of expenses that included new smart meters, refunded debt and renegotiated whole sale water supply and delivery agreements. However, he also noted that he was not suggesting the District bypass the rate, but advised that the system was doing better than expected when it came to trimming expenses since last study in 2017. General Manager requested a full assessment from Capex Consulting Group on the upcoming monthly base increase at the next board meeting.
5. The Board of Directors awarded bid to Mor-Wil, LLC for the FM 492 Water Recovery and Waste Process Improvement Project (Water Saver) as recommendation by M2 Engineering, PLLC. The motion was made by Mr. Ivan Sandoval and seconded by Mrs. Maribel Diaz and was unanimously approved by the Board.
6. The Board of Directors approved a Resolution allowing M2 Engineering to submit a SFY 2022 Drinking Water State Revolving Fund (DWSRF) Intended Use Plan to Texas Water Development Board for FM 492 Water Recovery and Waste Process Improvement Project (Water Saver) subject to including Abram Water Treatment Plant. The motion was made by Mr. Ivan Sandoval and seconded by Mrs. Maribel Diaz and was unanimously approved by the Board.
7. The Board of Directors moved item seven into executive session regarding the Resolution accepting all project infrastructure and officially closing construction project with Jimmy Closner & Sons Construction Co. Inc for Agua SUD's Palmview Wastewater Collection System Phase 3, Lift Stations A2, F, G & G7. The motion was made by Mr. Ivan Sandoval and seconded by Mrs. Esmeralda H. Solis and was unanimously approved by the Board.
8. The Board of Directors moved item eight into executive session regarding KM International LLC service contract. The motion was made by Mr. Ivan Sandoval and seconded by Mrs. Esmeralda H. Solis and was unanimously approved by the Board.
9. The Board of Directors approved contract with Pena & Vela, PLLC for professional legal services subject to removing retainer fee and interest fee. The motion was made by Mrs. Esmeralda H. Solis and seconded by Mrs. Maribel Diaz and was unanimously approved by the Board.
10. The Board of Directors received a report from the General Manager on operations and finance including:
 - a. 4th Quarter Investment Report
 - b. TWDB Palmview Sanitary Sewer Improvements
 - c. NAD Bank Technical Assistance Agreement (Sewer Hook-ups) status update was presented by Project Engineer, Milo Salinas, M2 Engineering. The status included summary of hookups on the L&G side, 629 completed lines, 315 connected and have sewer flowing to lift station, 226 septic tanks pump out, and 163 fully decommissioned septic tanks. Contractors are approximately 37%

complete and based on time they should be 55% complete making them approximately 20% behind.

11. The Board of Directors recessed into an Executive (closed) meeting at 7:04 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 Mrs. Esmeralda H. Solis and was unanimously approved by the Board.

- ITEM 11. a. TWDB Palmview Sanitary Sewer Improvements Project
- ITEM 11. 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.
- ITEM 11. c. Discussion regarding previously terminated contract for professional legal services.
- ITEM 11. d. Discussion regarding KM International LLC service contract.
- ITEM 11. e. Discussion regarding iPay service contract.
- ITEM 11. f. Mendiola Water Storage Tank Project
- ITEM 7. Discussion and possible action on approval of a Resolution accepting all project infrastructure and officially closing construction project with Jimmy Closner & Sons Construction Co. Inc for Agua SUD's Palmview Wastewater Collection System Phase 3, Lift Stations A2, F, G & G7.

At 9:36 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 Mrs. Esmeralda Solis and was unanimously approved by the Board.

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

- ITEM 11.a. The Board of Directors took no action on TWDB Palmview Sanitary Sewer Improvements Project.
- ITEM 11.b. The Board of Directors took no action on 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.
- ITEM 11.c. The Board of Directors took no action on previously terminated contract for professional legal services.
- ITEM 11.d. The Board of Directors took no action on KM International LLC service contract.
- ITEM 11.e. The Board of Directors took no action on iPay service contract.

ITEM 11 f. The Board of Directors took no action on Mendiola Water Storage Tank Project.

ITEM 7. Director Solis motioned to return to item seven and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board. The Board of Directors approved Resolution accepting all project infrastructure and officially closing construction project with Jimmy Closner & Sons Construction Co. Inc for Agua SUD's Palmview Wastewater Collection System Phase 3, Lift Stations A2, F, G & G7 subject to final payment and according to Engineers recommendation. The motion was made by Mrs. Esmeralda H. Solis and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.

At 9:38 p.m., Mr. Ivan Sandoval moved for adjournment. Motion was seconded by Mrs. Maribel Diaz and was unanimously approved by the Board.

Approved, the 4th of March, 2020


Homero Tijerina, President, Agua SUD

Attested by:


Maribel Diaz, Secretary, Agua SUD