

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., March 4, 2019

MINUTES OF REGULAR MEETING

1. The meeting was called to order by Mr. Esequiel Ortiz, Jr. at 6:00 p.m., March 4, 2019, at which time Mr. Ortiz acknowledged the presence of the following Elected Members of the Board of the Agua SUD:

Directors Present:

Mr. Esequiel Ortiz, Jr.
Mr. Lloyd Loya
Mr. Cesar Rodriguez, Jr.
Mr. Adolfo Arriaga
Mr. Rogelio Hernández, III
Mr. Ivan Sandoval
Mr. Homer Tijerina

Directors Absent

None

A quorum of the members of the Agua SUD being present, the meeting was duly convened. Invocation was presented by Pastor De la Garza, Iglesia Del Pueblo.

2. The Board of Directors opened a public hearing at 6:02 pm concerning the proposed amendment of water and establishing wastewater rates. The motion was made by Mr. Lloyd Loya and seconded by Mr. Roger Hernandez and was unanimously approved by the Board. Mr. Esequiel Ortiz, Jr., Board President, asked if anyone in the public had comments on the proposed water and wastewater rate study. Mr. Mario Chapa addressed the Board of Directors with his remarks and opposing the proposed water and wastewater rate study. The Board of Directors closed the public hearing at 6:18pm. The motion was made by Mr. Roger Hernandez, III and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
3. The Board of Directors read, passed and approved the second reading of the proposed Ordinance regarding Water Rates and Establishing Wastewater Rates and approved to move on to the third and final reading of the Water Rates and Establishing Rates. The motion was made by Mr. Roger Hernandez, III and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

4. The Board of Directors reviewed and adopted minutes a and b of the January 14, 2019 Agua Board Meeting and the February 4, 2019 Agua Board Meeting. The motion was made by Mr. Roger Hernandez, III and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.
5. The Board of Directors approved the South Texas Water Utility Managers Association membership annual dues. The motion was made by Mr. Roger Hernández, III and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
6. The Board of Directors approved the 2019 Lower Rio Grande Development Council (LRGVDC) membership dues. The motion was made by Mr. Roger Hernández, III and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.

The Board of Directors approved changing the order of business placing item eleven (11) after item six (6). The motion was made by Mr. Roger Hernandez, III and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

11. The Board of Directors approved Ricardo Perez Law Firm as District Bond Counsel. The motion was made by Mr. Lloyd Loya and seconded by Mr. Roger Hernández, III and was approved 4-2, with a nay by Mr. Ivan Sandoval and Mr. Homer Tijerina.
12. The Board of Directors approved a Reimbursement Resolution. The motion was made by Mr. Roger Hernández, III and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
7. The Board of Directors did not approve Change Order No. 8 with L & G Construction for Palmview Wastewater Collection System Phase I, Group B&F (Project 1). The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was approved 4-2, with a nay by Mr. Homer Tijerina and Mr. Ivan Sandoval.
8. The Board of Directors did not approve Change Order No. 4 with OG Construction for Palmview Wastewater Collection System Phase I, Group A&G (Project 2). The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was approved 4-2, with a nay by Mr. Homer Tijerina and Mr. Ivan Sandoval.
9. The Board of Directors did not approve Change Order No. 4 with Closner Construction for Palmview Wastewater Collection System Phase 1, Lift Station A2, F, G & G7 (Project 3). The motion was made by Mr. Roger Hernández, III and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
10. The Board of Directors tabled the Change Order No. 1 with Mor-Wil for Palmview Wastewater Collection System Phase 1, Main Lift Station and Forcemain Conveyance System (Project 4). The motion was made by Mr. Roger Hernández, III and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
13. The Board of Directors authorized General Manager to negotiate a 6-12 month agreement with Pathfinders Public Affairs. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Roger Hernández, III and was unanimously approved by the Board.

14. The Board of Directors approved installation contract for Phase 2 of the Guaranteed Energy Savings Performance Contract as per Local Government Code 302.001, via The Interlocal Purchasing System contract #170103 with Performance Services, Inc, contingent upon 3rd party engineering review and financing. The motion was made by Mr. Roger Hernández, III and seconded by Mr. Cesar Rodriguez, Jr. and was approved 4-2, with a nay by Mr. Homer Tijerina and Mr. Ivan Sandoval.
15. The Board of Directors appointed a working committee to include Board President, Mr. Esequiel Ortiz, Jr., General Manager, Mr. Jose E. Saenz, Legal Counsel, Frank Garza and District Engineer, M2 Engineering. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Roger Hernández, III and was unanimously approved by the Board.
16. The Board of Directors motioned to extend termination date on the agreement with City of Palmview for trash collection. The motion was made by Mr. Roger Hernandez, III and seconded by Mr. Lloyd Loya. General Manager requested the item be taken into executive session. Motion to extend termination date was retracted by Mr. Roger Hernandez, III. A motion to take item into executive session at 6:43pm under Texas Gov. Code Section 551.001 Consultation with Attorney, by Mr. Roger Hernandez, III and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board. The Board of Directors motioned to reconsidered going into executive session by Mr. Roger Hernandez, III and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board. The Board of Directors approved moving item sixteen to be placed with item eighteen. The motion was made by Mr. Lloyd Loya and seconded by Mr. Roger Hernández, III and was unanimously approved by the Board.
17. The Board of Directors received a report from the General Manager on operations and finance including:
 - a. TWDB Palmview Sanitary Sewer Improvements
 - b. Other Business includes Board President inquiring about an Agua SUD vehicle being identified at a gambling facility out of the County.
18. 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. Cesar Rodriguez, Jr. and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

ITEM 18:

- a. Discussion regarding PUC Docket No. 48497; Application of Agua Special Utility District for Section 13.252 Cease and Desist Order.
- b. Palmview Petition on CCN Application.
- c. Discussion regarding C-0667-18-H, City of Palmview vs. Agua Special Utility District; In the District Court of Hidalgo County, Texas, 398th District Court.
- d. Discussion and possible action on authorizing the acquisition, by purchase or condemnation, of certain property.
- e. Consider offer letter for water rights purchase.
- f. Discussion regarding employee matters.

ITEM 16: Discussion and possible action extending termination date on the agreement with City of Palmview for trash collection.

At 7:56 p.m., The Board moved to reconvene in open session and no action was taken in executive session. The motion was made by Mr. Roger Hernández, III and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

19. The Board of Directors took action in open session regarding item(s) discussed in executive session for the following:

Item 16. The Board of Directors approved extending termination notice until April 1, 2019 for City of Palmview trash collection.

Item 18.a. The Board of Directors took no action on PUC Docket No. 48497; Application of Agua Special Utility District for Section 13.252 Cease and Desist Order.

Item 18.b. The Board of Directors took no action on Palmview's Petition on CCN Application.

Item 18.c. The Board of Directors took no action on C-0667-18-H, City of Palmview vs. Agua Special Utility District; In the District Court of Hidalgo County, Texas, 398th District Court.

Item 18.d. The Board of Directors moved to proceed as discussed in executive session regarding the acquisition by purchase or condemnation of property. The motion was made by Mr. Lloyd Loya and seconded by Mr. Roger Hernandez, III and was unanimously approved by the Board.

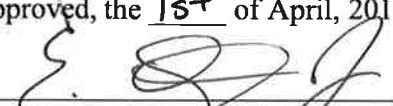
Item 18.e. The Board of Directors moved to proceed as discussed in executive session regarding offer letter for water rights purchase. The motion was made by Mr. Lloyd Loya and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

Item 18.f. The Board of Directors took no action regarding employee matters.

20. Public Comments: Mr. Mario Chapa addressed the Board of Directors by expressing his concern regarding the fire suppression rate.

At 8:02 p.m., Mr. Roger Hernandez, III moved for adjournment. Motion was seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

Approved, the 15th of April, 2019


Esequiel Ortiz, Jr., President, Agua SUD

Attested by:


Adolfo Arriaga, Secretary, Agua SUD