

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., April 1, 2021

MINUTES OF REGULAR "VIRTUAL" MEETING

1. The meeting was called to order by Mr. Homero Tijerina at 6:04 p.m., April 1, 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
Ms. Maribel Diaz
Mrs. Esmeralda H. Solis

Directors Absent:

Mr. Lloyd Loya
Mr. Cesar Rodriguez, Jr.
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 January 14, 2021 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 a presentation of an Award of Certificate of Achievement for Excellence in Financial Reporting from GFOA for Agua SUD's Comprehensive Annual Financial Report for the Fiscal Year Ending December 31, 2019.
4. The Board of Directors received a presentation by Mr. Eric Ramirez, Valiant Energy Sources on an Electricity Tax Reimbursement.
5. The Board of Directors tabled the presentation by Capex Consulting Group on Agua SUD Water Rights, Rates and Planning. The motion was made by Mr. Ivan Sandoval and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.

6. The Board of Directors approved a Non-Standard Service Agreement for water to be submitted to Pena Chapa Development for the cost related to water service for El Crucero Phase II Subdivision. The motion was made by Mr. Ivan Sandoval and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
7. The Board of Directors approved a Non-Standard Service Agreement for water to be submitted to Jorge Luis Gonzalez and Sara Gonzalez for the cost related to water service for Lots 15A, 15B, and 15C, Re-plat of Lot 15, Taurus Estates No. 5 Subdivision. The motion was made by Mr. Ivan Sandoval and seconded by Mrs. Esmeralda Solis and was unanimously approved by the Board.
8. The Board of Directors took no action on the Interlocal Agreement with Hidalgo County Municipal Utility District No. 1 (MUD No. 1) regarding temporary sewage transportation and treatment services.
9. The Board of Directors approved Supplemental #1 to Work Authorization #8 of M2 Engineering agreement to incorporate an archeologist for TWDB Havana Water Treatment Plant Raw Water Conveyance Improvement Project. The motion was made by Mr. Ivan Sandoval and seconded by Mrs. Esmeralda Solis and was unanimously approved by the Board.
10. The Board of Directors received presentation by M2 Engineering on Supplemental #1 to Work Authorization #D to extend and revise agreement regarding the Construction Management Services for Palmview Wastewater Collection System Project. Questions were asked by District Attorney and a brief discussion was held on a proposed six-month extension and rate decrease to complete the project. Mr. Salinas, M2 Engineering, added that if project was completed prior to the six months, the rate would be prorated and that closeout documents that are required by TWDB would be obtained. Also, for the SureTec project, the closeout would include a signoff by M2 Engineering indicating the project is done according to the specifications. The Board of Directors moved item ten into executive session regarding Supplemental #1 to Work Authorization #D with M2 Engineering to extend and/or revise agreement regarding the Construction Management Services for Palmview Wastewater Collection System Project. The motion was made by Mr. Ivan Sandoval and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
11. The Board of Directors received presentation by M2 Engineering on Change Order #1 with Mor-Wil, LLC for FM 492WTP Water Recovery and Waste Process Improvement Project (Water Saver). M2 Engineering presented a deduct change order inclusive of removal of work that includes removal blowers to rapid mix and stainless-steel pipping and remainder of work will remain as is. The Board of Directors approved a deduct Change Order #1 in the amount of \$75,466.66 with Mor-Wil, LLC for FM 492WTP Water Recovery and Waste Process Improvement Project (Water Saver). The motion was made by Mr. Ivan Sandoval and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
12. The Board of Directors received presentation by M2 Engineering on Change Order #1 with Mor-Will, LLC for the NADBank Palmview Yard Line Project (Hook-Up Project). The increase to change order #1 include several unforeseen issues inclusive of rain events, septic tanks under a home, proper PPE were required due to manually pumping out sewer, additional

connecting of yard line plumbing, underground concrete structures. The Board of Directors approved Change Order #1 in the amount of \$43,749.66 with Mor-Will, LLC for the NADBank Palmview Yard Line Project (Hook-Up Project) subject to approval by NAD Bank. The motion was made by Ms. Maribel Diaz and seconded by Mrs. Esmeralda H. Solis and was unanimously approved by the Board.

13. The Board of Directors amended agreement with CSJ Group to reduce the notice period under Supplemental #1 to Article 2 of Services of the Agreement; section (b) to revise renewal terms under the scope of services as General Manager from 180 days, April 4, 2021 to 45 days, middle of August as proposed amendment in board packet. The motion was made by Ms. Maribel Diaz and seconded by Mrs. Esmeralda H. Solis and was unanimously approved by the Board.
14. The Board of Directors discussed the iPay service contract with Mr. Matt Beatty, District Legal Attorney. Mr. Beatty reviewed contract that was previously entered into by the district regarding credit card merchant services, accounting software and advised Board Directors of providing legal advice in executive session. The motion was made by Mrs. Esmeralda H. Solis and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
15. The Board of Directors received a report from the General Manager on operations and finance including:
 - a. February Financials
 - b. 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 Mor-Wil project, 748 service connections, 485 connected, 360 septic tanks pumped out and hauled out, and 275 fully decommissioned.
16. The Board of Directors recessed into an Executive (closed) meeting at 6:52 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 16. a. TWDB Palmview Sanitary Sewer Improvements Project

ITEM 16. 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 16. c. Discussion regarding Cause No. C-3856-20-D; Marvin Lee Terveen vs. Agua Special Utility District, Mor-Wil, LLC, S&B Infrastructure, LTD; In the District Court of Hidalgo County, Texas, 206th Judicial District

ITEM 16. d. Discussion regarding iPay service contract.

ITEM 16. e. Discussion regarding previously terminated contract for professional legal services.

ITEM 16. f. Mendiola Water Storage Tank Project

ITEM 16. g. Performance Services, Inc. smart meter program guarantee

- ITEM 16. h. M2 Engineering service contract
- ITEM 10. Discussion and possible action on Supplemental #1 to Work Authorization #D with M2 Engineering to extend and/or revise agreement regarding the Construction Management Services for Palmview Wastewater Collection System Project.
- ITEM 14. Discussion and possible action regarding iPay service contract.

At 9:06 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 Ms. Maribel Diaz and was unanimously approved by the Board.

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

- ITEM 16.a. The Board of Directors took no action on TWDB Palmview Sanitary Sewer Improvements Project.
- ITEM 16.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 16.c. The Board of Directors took no action on Cause No. C-3856-20-D; Marvin Lee Terveen vs. Agua Special Utility District, Mor-Wil, LLC, S&B Infrastructure, LTD; In the District Court of Hidalgo County, Texas, 206th Judicial District.
- ITEM 16.d. The Board of Directors took no action on iPay service contract.
- ITEM 16.e. The Board of Directors took no action on regarding previously terminated contract for professional legal services.
- ITEM 16.f. The Board of Directors took no action on Mendiola Water Storage Tank Project.
- ITEM 16.g. The Board of Directors took no action on Performance Services, Inc. smart meter program guarantee.
- ITEM 16.h. The Board of Directors took no action on M2 Engineering service contract.
- ITEM 14. The Board of Directors took no action on the iPay service contract.
- ITEM 10. Director Mr. Ivan Sandoval motioned to return to item ten and seconded by Ms. Maribel Diaz and was unanimously approved by the Board. The Board of Director approved to extend Supplemental #1 to Work Authorization #D with M2 Engineering regarding the Construction Management Services for Palmview Wastewater Collection System Project. The motion was made by Mrs. Esmeralda H. Solis and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.

At 9:07 p.m., Mr. Ivan Sandoval moved for adjournment. Motion was seconded by Mrs. Esmeralda H. Solis and was unanimously approved by the Board.

Approved, the 1st of July, 2020


Homero Tijerina, President, Agua SUD

Attested by:


Maribel Diaz, Secretary, Agua SUD