

# 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., October 7, 2019

## MINUTES OF REGULAR MEETING

1. The meeting was called to order by Mr. Lloyd Loya at 6:00 p.m., October 7, 2019, 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. Cesar Rodriguez, Jr.  
Mr. Adolfo Arriaga  
Mr. Rogelio Hernández, III  
Mr. Esequiel Ortiz, Jr.  
Mr. Homero Tijerina

Directors Absent:

Mr. Ivan Sandoval

A quorum of the members of the Agua SUD being present, the meeting was duly convened. Invocation was presented by Ms. Pamela Perez.

Public Comment: None

2. The Board of Directors reviewed and adopted minutes for item a as followed:
  - a. The Board of Directors reviewed and adopted minutes of the September 16, 2019 Agua Board Meeting. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Rogelio Hernandez, Jr. and was unanimously approved by the Board.
3. The Board of Directors approved Resolution Authorizing the issuance of “Agua Special Utility District Waterworks and Sewer System Refunding Bonds, Series 2019”, and authorized other matters related to the foregoing financing. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.
4. The Board of Directors approved enabling the Board of Directors or the General Manager to execute Resolution for the purchase of 1,250 acre feet of irrigation water rights from ML Rhodes and to enable ML Rhodes’ representatives to work with the TCEQ on all administrative

matters. The motion was made by Mr. Rogelio Hernandez, III and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

5. The Board of Directors approved enabling the Board of Directors or the General Manager to execute Water Rights Sales Agreement for the purchase of 1,250 acre feet of irrigation water rights from ML Rhodes and to enable ML Rhodes' representatives to work with the TCEQ on all administrative matters. The motion was made by Mr. Rogelio Hernandez, III and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
6. The Board of Directors received presentation by Mr. Hector Lopez, S&B Infrastructure, on Change Order No. 4a with OG Construction for Palmview Wastewater Collection System Phase 1, Group A&G (Project 2). The motion was made by Mr. Rogelio Hernandez, III and seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.
7. The Board of Directors moved item seven regarding Change Order No. 4b with OG Construction for Palmview Wastewater Collection System Phase 1, Group A&B (Project 2) into executive session. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
8. The Board of Directors moved item eight regarding Change Order No. 5 with OG Construction for Palmview Wastewater Collection System Phase 1, Group A&G (Project 2) into executive session. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
9. The Board of Directors moved item nine regarding Change Order No. 9 with L&G Construction for Palmview Wastewater Collection System Phase 1, Group B&F (Project 1) into executive session. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
10. The Board of Directors un-tabled item regarding S&B contract extension of CM Services for Palmview Wastewater Collection System, Main Lift Station and Force Main from September 16, 2019 to October 7, 2019. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Homero Tijerina and was unanimously approved by the Board. The Board of Directors moved item ten into executive session. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.
11. The Board of Directors approved termination of existing Energy Consulting Services contract and providing a 45 day notice of termination. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Rogelio Hernandez, III and was unanimously approved by the Board.
12. The Board of Directors authorized General Manager to advertise for Energy Consultant Services. The motion was made by Mr. Cesar Rodriguez and seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.
13. The Board of Directors received a report from the General Manager on operations and finance including:
  - a. September Financials
  - b. 3<sup>rd</sup> Quarter Investment Report

- c. TWDB Palmview Sanitary Sewer Improvements
- d. NadBank Technical Assistance Agreement (Sewer Hook-ups)
- e. No other business was discussed

14. The Board of Directors recessed into an Executive (closed) meeting at 6:35 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. Rogelio Hernandez, III and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

- ITEM 14. a. TWDB Palmview Sanitary Sewer Improvements Project.
- b. Discussion and possible action on approval of S&B contract extension of CM Services for Palmview Wastewater Collection System, Main Lift Station and Force Main.
- ITEM 7. Presentation, discussion and possible action on Change Order No. 4b with OG Construction for Palmview Wastewater Collection System Phase 1, Group A&G (Project 2).
- ITEM 8. Presentation, discussion and possible action on Change Order No. 5 with OG Construction for Palmview Wastewater Collection System Phase 1, Group A&G (Project 2).
- ITEM 9. Presentation, Presentation, discussion and possible action on Change Order No. 9 with L&G Construction for Palmview Wastewater Collection System Phase I, Group B&F (Project 1).
- ITEM 10. Discussion and possible action on approval of S&B contract extension of CM Services for Palmview Wastewater Collection System, Main Lift Station and Force Main.

At 7:21 p.m., The Board moved to reconvene in open session and no action was taken in executive session. The motion was made by Mr. Homero Tijerina and seconded by Mr. Rogelio Hernandez, III and was unanimously approved by the Board.

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

Item 1 for executive session, the Board of Directors added item under 551.072 Regarding Real Property. CAPEX addressed the Board of Directors regarding the water supply and water delivery agreements with Irrigation Districts. The Board of Directors authorized General Manager, Legal and CAPEX to negotiate agreements as discussed in executive session. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

- ITEM 14. a. The Board of Director took no action on TWDB Palmview Sanitary Sewer Improvements Project.

- ITEM 14.b. The Board of Directors discussed S&B contract extension of CM Services for Palmview Wastewater Collection System, Main Lift Station and Force Main in executive session and no action was taken in executive session. The Board of Directors authorized Legal and Management to proceed in the negotiations of the terms of the agreement. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Rogelio Hernandez, III and was unanimously approved by the Board.
- ITEM 7. The Board of Directors approved to proceed as discussed in executive session regarding Change Order No. 4b with OG Construction for Palmview Wastewater Collection System Phase 1, Group A&G (Project 2). The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
- ITEM 8. The Board of Directors approved to proceed as discussed in executive session regarding Change Order No. 5 with OG Construction for Palmview Wastewater Collection System Phase 1, Group A&G (Project 2). The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
- ITEM 9. The Board of Directors approved to proceed as discussed in executive session regarding Change Order No. 9 with L&G Construction for Palmview Wastewater Collection System Phase I, Group B&F (Project 1). The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.

At 7:26 p.m., Mr. Homero Tijerina moved for adjournment. Motion was seconded by Mr. Rogelio Hernandez, III and was unanimously approved by the Board.

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

  
Lloyd Loya, President, Agua SUD

Attested by:

  
Adolfo Arriaga, Secretary, Agua SUD