

# **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., December 11, 2018

## **MINUTES OF REGULAR MEETING**

1. The meeting was called to order by Mr. Roger Hernández, III at 6:00 p.m., December 11, 2018, at which time Mr. Hernández acknowledged the presence of the following Elected Members of the Board of the Agua SUD:

### Directors Present:

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

2. The Board of Directors reviewed and adopted minutes a, b and c of the October 1, 2018 Agua Board Meeting, the October 18, 2018 Agua Special Board Meeting and the November 5, 2018 Agua Board Meeting. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
3. The Board of Directors recognized the Accounting Department for GFAO certificate and award for Achievement of Excellence in Financial Reporting for Agua SUD's Comprehensive Annual Financial Report for the Fiscal Year Ending December 31, 2017.
4. The Board of Directors approved a Non Standard Service Agreement and 30 year letter for water service to be submitted to Mr. Manuel Chapa for the cost related to water service for Camino De Abram Phase II Subdivision. The motion was made by Mr. Lloyd Loya and seconded by Mr. Homer 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 Mr. Gabriel Aguilar for the cost related to water service for Isabella Subdivision. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. 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 Santa Cruz Properties for the cost related to water service for Pipeline Road Ranches Subdivision. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
7. The Board of Directors approved professional engineering services with Raba Kistner for “on-call” construction materials testing services. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
8. The Board of Directors approved professional engineering services with MEG Engineers for construction materials testing services for Agua SUD’s Palmview Lift Station & Force Main Conveyance System (Project 4). The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
9. The Board of Directors approved to award the bid for Waterline/Meter Maintenance Supplies as recommended by the General Manager as followed: Core & Main, LP for sections 1, 2, 4, 5, 7, 9, 12, 16, 17, 18, 21, 23 and 25, Ferguson Waterworks for sections 6, 10, 11, 13, 20, 22, 24, 26 and 27 and ACT Pipe & Supply for sections 3, 8, 14, 15 and 19. The motion was made by Mr. Lloyd Loya and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board
10. The Board of Directors awarded bid to Saenz Brothers Construction as the lowest most responsible bidder for the FM492/Abram Reservoir Raw Water Intake Flowmeter project as recommended by M2 Engineering, Project Engineer. The motion was made by Mr. Ivan Sandoval and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
11. The Board of Directors awarded bid to JMJ Constructors as the lowest most responsible bidder for the Havana Water Treatment Plant Filters and Blowers Improvement project as recommended by M2 Engineering, Project Engineer. The motion was made by Mr. Ivan Sandoval and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
12. The Board of Directors approved Change Order No. 3 with Closner Construction for Palmview Wastewater Collection System Phase 1, Lift Stations A2, F, G & G7 (Project 3). The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Homer Tijerina and was unanimously approved by the Board.
13. The Board of Directors approved adoption of resolution amending the Agua SUD Employee Policy Handbook on District Holidays. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
14. The Board of Directors approved a one-time Supplemental Pay for Agua SUD employees in the amount of \$500 for full time employees and \$250 for part time employees. The motion

was made by Mr. Homer Tijerina and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.

15. The Board of Directors approved termination of contract with current financial advisory. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
16. The Board of Directors approved engagement with PFM Financial Advisors. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
17. The Board of Directors approved to enter into an agreement with TIPS-awarded vendor KM International, LLC, to provide website development and management services and public relations and communications services under Contract #170602. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Lloyd Loya and was approved 5-2, with a nay by Mr. Homer Tijerina and Mr. Ivan Sandoval.
18. The Board of Directors approved Letter of Intent to proceed with Investment Grade Audit with Performance Services Inc. for an addendum of the guaranteed energy savings performance contract as per Local Government Code 302 and authorize the President to execute any related documents. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
19. The Board of Directors discussed and selected next three monthly meetings (January, February and March) for public hearing on water and sewer rates. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
20. The Board of Directors approved solicitation of bids for staff safety trainings. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
21. The Board of Directors approved to move the January regular board meeting from January 7, 2019 to January 14, 2019 at 6:00pm. The motion was made by Mr. Adolfo Arriaga and seconded by Mr. Homer Tijerina and was unanimously approved by the Board.
22. The Board of Directors approved Supplemental #7 to Work Authorization #12 to extend an additional six months to contract for Palmview Wastewater Collection System. The motion was made by Mr. Lloyd Loya and seconded by Mr. Esequiel Ortiz, Jr. and was approved 6-1, with a nay by Mr. Homer Tijerina.
23. The Board of Directors moved item twenty-three to run concurrent with item twenty-five. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
24. The Board of Directors received a report from the General Manager on operations and finance including:
  - a. TWDB Palmview Sanitary Sewer Improvements

- b. NADBanc Meeting (Technical Assistance Funding)
- c. Surplus Auction
- d. City of Mission Sewer Collection Rates
- e. City of Palmview Trash Collection Rates

25. The Board of Directors recessed into an Executive (closed) meeting at 6:53 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. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.

- 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

Item 23. Discussion and possible action to terminate agreement with City of Palmview for trash collection.

At 7:20 p.m., The Board moved to reconvene in open session and no action was taken in executive session. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.

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

Item 23. The Board of Directors approved to terminate agreement with City of Palmview by issuing a thirty day termination notice and help through the transition. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

Item 25. a. The Board of Directors moved to proceed as discussed in executive session regarding PUC Docket No. 48497; Application of Agua Special Utility District for Section 13.252 Cease and Desist Order and Palmview petition on CCN application. The motion was made by Mr. Esequiel Ortiz, Jr. and seconded by Mr. Homer Tijerina and was unanimously approved by the Board.

Item 25. b. The Board of Directors received update regarding the Palmview petition on CCN application.


27. Public Comments. None received.

At 7:23 p.m., Mr. Ivan Sandoval moved for adjournment. Motion was seconded by Mr. Homer Tijerina and was unanimously approved by the Board.

Approved, the 14 of January, 2019

  
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Roger Hernández, III, President, Agua SUD

Attested by:

  
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Esequiel Ortiz, Jr., Secretary, Agua SUD