

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., July 1, 2021

MINUTES OF REGULAR “VIRTUAL” MEETING

1. The meeting was called to order by Mr. Homero Tijerina at 6:02 p.m., July 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 (arrived at 6:12 p.m.)
Mrs. Esmeralda H. Solis
Mr. Cesar Rodriguez, Jr.

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: Mrs. Zoila Huaracha addressed the Board of Directors regarding sinkholes on South La Homa Road.

2. The Board of Directors reviewed and adopted minutes of the April 1, 2021 Agua Board Meeting. The motion was made by Mr. Ivan Sandoval and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
3. The Board of Directors approved a Non-Standard Service Agreement for water service to be submitted to Mr. Eden & Maria Ramirez for the cost related to water service for Triple E Subdivision. The motion was made by Mr. Ivan Sandoval and seconded by Mrs. Esmeralda H. Solis and was unanimously approved by the Board.
4. The Board of Directors approved selection of RV “Valdivia” Welding Services as lowest quote in the amount of \$5,330.00 for labor and equipment only for waterline relocation project at FM2221 (7 Mile Line), due to TxDOT improvements. The motion was made by Mr. Ivan

Sandoval and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.

5. The Board President, Mr. Homero Tijerina called out a list of appointees to include Marcos Ochoa, Adolfo Villarreal, Mary T. Hernandez and keep Diana Izaguirre and John A. Womack as the Advisory Committee pursuant to Tex. Local Gov't Code §395.058 as required to review, evaluate and update Impact Fees charged by District. Mr. Ivan Sandoval made the motion. Motion failed for lack of second. The Board of Directors tabled the appointment of Advisory Committee pursuant to Tex. Local Gov't Code §395.058 as required to review, evaluate and update Impact Fees charged by District. The motion was made by Ms. Maribel Diaz and seconded by Mrs. Esmeralda H. Solis and was approved 4-1, with a nay by Mr. Homero Tijerina.
6. The Board of Directors approved recommendations by staff committee to amend fee schedule set forth in District Rules Article 9. The motion was made by Mrs. Esmeralda H. Solis and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
7. The Board of Directors received presentation by CAPEX Consulting Group regarding 3rd year water rate increase as approved on April 1, 2019. Questions were asked and a brief discussion was held. The Board of Directors did not implement year 3 of the proposed water rate increase as approved on April 1, 2019 for this year only. The motion was made by Mr. Ivan Sandoval and seconded by Mr. Homero Tijerina and was approved 3-2, with a nay by Mrs. Esmeralda H. Solis and Ms. Maribel Diaz.
8. The Board of Directors approved Joe's Auto Repair and Guzman Tune-Up for auto mechanic services for District vehicles. The motion was made by Mr. Ivan Sandoval and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
9. The Board of Directors approved Pete's Muffler Shop and Scotts Tire Center for tire maintenance and repairs for District vehicles. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
10. The Board of Directors approved Fiesta Lube Express for oil changes and preventive maintenance for District vehicles. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
11. Mr. Homero Tijerina excluded himself from discussing and voting on this item. The Board of Directors approved Diesel Fleet Care for repairs and preventive maintenance to District emergency generators. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
12. The Board of Directors authorized General Manager and Capex Consulting to negotiate acquisition of raw water rights for District. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
13. The Board of Directors moved item thirteen into executive session regarding the interlocal agreement with City of Penitas to maintain and service fire hydrants within city limits. The

motion was made by Mrs. Esmeralda H. Solis and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.

14. The Board of Directors authorized General Manager to solicit Request for Qualifications for engineering services (Civil, Mechanical, Structural, Electrical and Geotechnical). The motion was made by Mr. Ivan Sandoval and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
15. The Board of Directors approved Change Order No. 2 with Mor-Wil, LLC for the NADBank Palmview Yard Line Project (Hook-Up Project). The motion was made by Mr. Ivan Sandoval and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
16. The Board of Directors received a report from the General Manager on operations and finance including:
 - a. May Financials
 - 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 Mor-Wil project, 846 service connections, 667 fully connected, 548 septic tanks pumped out and hauled out, and 485 fully decommissioned.
 - d. Update regarding potential wholesale potable water supply interlocal agreements.
 - e. Update on District newsletter
 - f. Update on Website
 - g. Update on 3 Mile Road Waterline Relocation Improvement
17. The Board of Directors recessed into an Executive (closed) meeting at 7:21 p.m. under Texas Gov. Code Section 551.071 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 17. a. TWDB Palmview Sanitary Sewer Improvements Project

ITEM 17. 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 17. 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 17. d. Jimmy Closner & Sons Liquidated Damages for Palmview Wastewater Collection System Phase 1, Lift Stations A2, F, G, & G7. (Project 3)

ITEM 17. e. Mor-Wil, LLC Liquidated Damages for Palmview Wastewater Collection System, Main Lift Station and Force Main. (Project 4)

ITEM 17. f. Salida del sol tank certification

ITEM 17. g. Performance Services, Inc. smart meter program guarantee

- ITEM 17. h. Energy provider contract status and review
- ITEM 17. i. Raw water rights acquisition update
- ITEM 17. j. Mendiola project
- ITEM 13. Discussion and possible action regarding interlocal agreement with City of Penitas to maintain and service fire hydrants within city limits.

At 8:31 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 H. Solis and was unanimously approved by the Board.

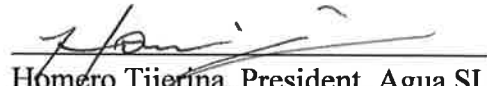
18. The Board of Directors took no action in open session regarding item(s) discussed in executive session for the following:

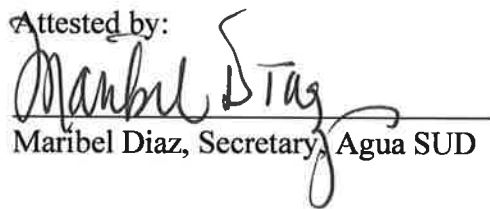
- ITEM 12.a. The Board of Directors took no action on TWDB Palmview Sanitary Sewer Improvements Project.
- ITEM 12.b. The Board of Directors took no action on Cause No. C-3353-20-I; S&B Infrastructure vs. Agua Special Utility District; In the District Court of Hidalgo County, Texas, 398th Judicial District.
- ITEM 12.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 12. d. The Board of Directors took no action on Jimmy Closner & Sons Liquidated Damages for Palmview Wastewater Collection System Phase 1, Lift Stations A2, F, G, & G7. (Project 3).
- ITEM 12.e. The Board of Directors took no action on Mor-Wil, LLC Liquidated Damages for Palmview Wastewater Collection System, Main Lift Station and Force Main. (Project 4).
- ITEM 12.f. The Board of Directors took no action on Salida del sol tank certification.
- ITEM 12.g. The Board of Directors took no action on Performance Services, Inc. smart meter program guarantee.
- ITEM 12. h. The Board of Directors took no action on Energy provider contract status and review.
- ITEM 12.i. The Board of Directors took no action on raw water rights acquisition.
- ITEM 17. j. The Board of Directors took no action on Mendiola project.
- ITEM 13. Director Mr. Ivan Sandoval motioned to return to item thirteen and seconded by Mr. Homero Tijerina and was unanimously approved by the Board. The Board of Director approved interlocal agreement with City of Penitas to maintain and service fire hydrants within city limits. The motion

was made by Mr. Ivan Sandoval and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

At 8:32 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 4 of October, 2021


Homero Tijerina, President, Agua SUD

Attested by:

Maribel Diaz, Secretary, Agua SUD