

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, 2019

MINUTES OF REGULAR MEETING

1. The meeting was called to order by Mr. Esequiel Ortiz, Jr. at 6:05 p.m., April 1, 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 Mr. Ismael Martinez, IAM Insurance.

2. The Board of Directors opened a public hearing at 6:07 pm concerning the proposed amendment of water and establishing wastewater rates. The motion was made by Mr. Rogelio Hernandez, III and seconded by Mr. Cesar Rodriguez 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. A concerned customer addressed the Board of Directors with his remarks regarding his water meter. The Board of Directors closed the public hearing at 6:10pm. The motion was made by Mr. Lloyd Loya and seconded by Mr. Rogelio Hernandez, III and was unanimously approved by the Board.
3. The Board of Directors received presentation and approved the preliminary plan of finance for Agua SUD Waterworks & Sewer Revenue Refunding Bonds, Series 2019 as presented by Mr. David Gonzalez, PFM Financial Advisors. The motion was made by Mr. Rogelio Hernandez, III and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.

4. The Board of Directors moved item four on the approval of 3rd and final reading of the ordinance amending water rates and establishing wastewater rates into executive session. The motion was made by Mr. Rogelio Hernández, III and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
5. The Board of Directors reviewed and adopted minutes a, b and c the corrected minutes for the January 14, 2019 Agua Board Meeting, the February 13, 2019 Agua Special Board Meeting and the March 4, 2019 Agua Board Meeting. The motion was made by Mr. Rogelio Hernandez, III and seconded by Mr. Adolfo Arriaga 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 Daniec Development, Inc., for the cost related to water service for Abram Estates No. 1 Subdivision. The motion was made by Mr. Rogelio Hernández, III and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
7. The Board of Directors approved a Non Standard Service Agreement and 30 year letter for water service to be submitted to Palmview Spur, LP, for the cost related to water service for Silver Spur Apartments subject to Legal Counsel finalizing all documents. The motion was made by Mr. Lloyd Loya and seconded by Mr. Rogelio Hernández, III and was unanimously approved by the Board.
8. The Board of Directors approved a Non Standard Service Agreement and 30 year letter for water service to be submitted to Garco, Ltd., for the cost related to water service for 6 Western Vegas Unit II Subdivision. The motion was made by Mr. Rogelio Hernández, III and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
9. The Board of Directors tabled Change Order No. 1 with Mor-Wil for Palmview Wastewater Collection System Phase I, Main Lift Station and Forcemain Conveyance System (Project 4). The motion was made by Mr. Lloyd Loya and seconded by Mr. Rogelio Hernández, III and was unanimously approved by the Board.
10. The Board of Directors tabled Change Order No. 2 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. Lloyd Loya and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.
11. The Board of Directors approved Change Order No. 1 with JMJ Constructors for FM 492 WTP Filters & Pumps. The motion was made by Mr. Rogelio Hernández, III and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.
12. The Board of Directors approved and accepted the letter of intent from Texas Gas. The motion was made by Mr. Lloyd Loya and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.
13. The Board of Directors approved to terminate agent of record for Employee health insurance plan and all voluntary ancillary products. The motion was made by Mr. Rogelio Hernández, III and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.

14. The Board of Directors approved engagement of IAM Insurance as agent of record for Employee health insurance plan and all voluntary ancillary products. The motion was made by Mr. Lloyd Loya and seconded by Mr. Homer Tijerina and was unanimously approved by the Board.
15. The Board of Directors approved Resolution of the Governing Body of Agua Special Utility District, authorizing the execution and delivery of a schedule to the master equipment lease/purchase agreement for the acquisition, financing and leasing of certain equipment for the public benefit within the terms herein provided; authorizing the execution and delivery of other documents required in connection therewith; and authorizing all other actions necessary to the consummation of the transactions contemplated by this Resolution. The motion was made by Mr. Lloyd Loya and seconded by Mr. Rogelio Hernández, III and was unanimously approved by the Board.
16. The Board of Directors approved amending agreement with M. Garcia Engineering, LLC as the owner representative for an Energy Savings Performance Contract Phase 2 as per Local Government Code 302, with Performance Services, Inc. via The Interlocal Purchasing System Contract #170103, for a turn-key solution to implement capital intensive improvements utilizing energy, operational savings and increased revenue to offset the cost of improvements, and authorized the General Manager to execute any related documents. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was approved 5-1, with a nay by Mr. Homer Tijerina.
17. The Board of Directors moved item seventeen on extending termination date on the agreement with City of Palmview for trash collection into executive session. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
18. The Board of Directors received a report from the General Manager on operations and finance including:
 - a. January and February Financials
 - b. Drought Contingency Plan Public Meeting
 - c. TWDB Palmview Sanitary Sewer Improvements.
 - d. NadBank Technical Assistance Agreement
 - e. Other Business
19. The Board of Directors recessed into an Executive (closed) meeting at 6:48 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. Adolfo Arriaga and seconded by Mr. Rogelio Hernandez, III and was unanimously approved by the Board.

ITEM 19:

- 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. Sanitary sewer easement for Force Main Project.
- e. Discussion regarding Palmview Wastewater Collection System contracts.
 - i. Phase 1, Group B&F (Project 1)
 - ii. Phase 1, Group A&G (Project 2)
 - iii. Phase 1, Lift Station A2, F, G & G7 (Project 3)

ITEM 4: Discussion and possible action for approval of 3rd and final Reading of the Ordinance Amending Water Rates and Establishing Wastewater Rates.

ITEM 17: Discussion and possible action extending termination date on the agreement with City of Palmview for trash collection.

At 7:54 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. Adolfo Arriaga and was unanimously approved by the Board.


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

- Item 4. The Board of Directors approved rates presented and prepared by Mr. Jeff Snowden, CAPEX and for another rate study to be performed within two years. The Board President called for a roll call vote: Esequiel Ortiz, Jr: vote-in-favor of motion made by Mr. Lloyd Loya, Cesar Rodriguez, Jr.: vote-in-favor, Adolfo Arriaga: vote-in-favor, Rogelio Hernandez, III: vote-in-favor, Ivan Sandoval: vote-against, Homer Tijerina: vote-against, Lloyd Loya: vote-in-favor. Motion carries, in-favor of 5-2.
- Item 17. The Board of Directors approved extending termination notice until May 6, 2019 for City of Palmview trash collection. The motion was made by Mr. Lloyd Loya and seconded by Mr. Rogelio Hernández, III and was unanimously approved by the Board.
- Item 19.a.,b.,c. The Board of Directors approved Rule 11 to include 19.a.: PUC Docket No. 48497; Application of Agua Special Utility District for Section 13.252 Cease and Desist Order, 19.b.: Palmview’s Petition on CCN Application, 19.c.: C-0667-18-H, City of Palmview vs. Agua Special Utility District; In the District Court of Hidalgo County, Texas, 398th District Court, as discussed in executive session. The motion was made by Mr. Lloyd Loya and seconded by Mr. Rogelio Hernandez, III and was unanimously approved by the Board.
- Item 19.d. The Board of Directors approved as discussed in executive session regarding the sanitary sewer easement for Force Main Project. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
- Item 19.e. The Board of Directors took no action regarding Palmview Wastewater Collection System contracts: Phase 1, Group B&F (Project 1), Phase 1, Group A&G (Project 2) & Phase 1, Lift Station A2, F, G & G7 (Project 3)

21. Public Comments: NONE

At 7:59 p.m., Mr. Cesar Rodriguez, Jr. moved for adjournment. Motion was seconded by Mr. Homer Tijerina and was unanimously approved by the Board.

Approved, the 10th of May, 2019



Esequiel Ortiz, Jr., President, Agua SUD

Attested by:



Adolfo Arriaga, Secretary, Agua SUD