

# **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., September 4, 2018

## **MINUTES OF REGULAR MEETING**

1. The meeting was called to order by Mr. Roger Hernández, III at 6:00 p.m., September 4, 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. Adolfo Arriaga  
Mr. Homer 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 Dagoberto Soto, Agua SUD's Chief Accountant.

2. The Board of Directors reviewed and adopted minutes a. and b. of the July 23, 2018 Agua Board Meeting and the August 6, 2018 Agua Board Meeting. The motion was made by Mr. Homer Tijerina and seconded by Mr. Adolfo Arriaga and was unanimously approved by the Board.
3. The Board of Directors awarded bid for Chlorine Gas to DPC Industries, Inc. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
4. The Board of Directors approved Gexa Energy as the energy provider for electrical consumption services and approved a 36 month term contract with an option to negotiate an additional 1 year with a blend and extend option subject to Legal review. The motion was made by Mr. Lloyd Loya and seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.

5. The Board of Directors received a presentation by M2 Engineering on three relocation projects. The Board of Directors approved the submission of the State Infrastructure Bank application for waterline relocation improvements with TxDOT. The motion was made by Mr. Homer Tijerina and seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.
6. The Board of Directors authorized advertisement for bids for the US83 Relief Route Utility Relocation Project Phase 2 (Jara Chinas Road east to US83). 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 tabled Change Order No. 4 with OG Construction. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
8. The Board of Directors tabled Change Order #5 with L&G Construction. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
9. The Board of Directors tabled Change Order #6 with L&G Construction. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
10. The Board of Directors establish a committee as recommended by Director Lloyd Loya who represents City of Penitas including the following Directors: Mr. Lloyd Loya, Treasurer, Mr. Cesar Rodriguez, Vice-President and Mr. Roger Hernandez, President, to follow up on discussions from August 28, 2014 regarding Agua SUD's water CCN within the City of Penitas. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr., the Board President called for a roll call on votes by show of hands, the Board voted 4 ayes and 2 nays. The motion was carried.
11. The Board of Directors approved change order for contract extension with Metro Electric. The motion was made by Mr. Lloyd Loya and seconded by Mr. Homer Tijerina and was unanimously approved by the Board.
12. The Board of Directors approved agreement with Vanderpool Brothers for participation of waterline upgrade for proposed subdivision improvements. The motion was made by Mr. Lloyd Loya and seconded by Mr. Homer Tijerina and was unanimously approved by the Board.
13. Then Board of Directors approved a Non Standard Service Agreement and 30 year letter for water service to be submitted to Mr. Eberardo Torres for the cost related to water service for Alyssa Marie Torres Subdivision. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
14. Then Board of Directors approved agreement with Go Underground Construction for costs of materials on waterline service connections due to drainage improvements by Urban County in Sullivan City (El Pinto Road). 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 rejecting bids for the Palmview Sewer Project (Main Lift and Force Main) and approved to rebid accordingly with the proposed redesign as approved by

TWDB. The motion was made by Mr. Lloyd Loya and seconded by Mr. Homer Tijerina and was unanimously approved by the Board.

16. The Board of Directors recognized the Accounting Department for GFAO award for budget goals and guidelines. The Board received a few words on receiving recognition.
17. The Board of Directors received a report from the General Manager on operations and finance including:
  - a. 2<sup>nd</sup> Quarter Financials
  - b. 2<sup>nd</sup> Quarter Investment Report
  - c. TWDB Palmview Sanitary Sewer Improvements
  - d. NADBanc Meeting (Technical Assistance Funding)

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

Discussion regarding C-0667-18-, City of Palmview vs. Agua Special Utility District; In the District Court of Hidalgo County, Texas, 398<sup>th</sup> District Court.

Discussion regarding Cause No. C-2178-17-J; Agua Special Utility District vs. Hidalgo County Irrigation District No. 6; In the District Court of Hidalgo County, Texas, 430<sup>th</sup> Judicial District.

Discussion regarding PUC Docket No. 48497; Application of Agua Special Utility District for Section 13.252 Cease and Desist Order.

Discussion and possible action on authorizing the acquisition, by purchase or condemnation, of certain property.

At 7:49 p.m., The Board moved to reconvene in open session and no action was taken in executive session. The motion was made by Mr. Homer Tijerina and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.

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

The Board of Directors authorized Legal Counsel to finalize General Manager's contract as discussed in executive session and extend engineering contract with CSJ Group. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.

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. The motion was made by Mr. Lloyd Loya and seconded by Mr. Homer Tijerina and was unanimously approved by the Board.

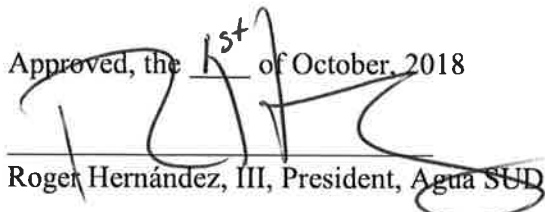
The Board of Directors took no action on the discussion regarding C-0667-18-, City of Palmview vs. Agua Special Utility District; In the District Court of Hidalgo County, Texas, 398<sup>th</sup> District Court.

The Board of Directors took no action on the discussion regarding Cause No. C-2178-17-J; Agua Special Utility District vs. Hidalgo County Irrigation District No. 6; In the District Court of Hidalgo County, Texas, 430<sup>th</sup> Judicial District.

19. Public Comments. None received.

At 7:50 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 15<sup>th</sup> of October, 2018

  
Rogel Hernández, III, President, Agua SUD

Attested by:

  
Esequiel Ortiz, Jr., Secretary, Agua SUD