

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., November 1, 2021

MINUTES OF REGULAR MEETING

1. The meeting was called to order by Mr. Homero Tijerina at 6:00 p.m., November 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
Mrs. Esmeralda H. Solis
Mr. Lloyd Loya
Mr. Cesar Rodríguez, Jr.
Mr. Ricardo Perez

Directors Absent:

Ms. Maribel Diaz

A quorum of the members of the Agua SUD being present, the meeting was duly convened.

Public Comment: None received.

2. The Board of Directors reviewed and adopted minutes of the August 6, 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 orders amending the District's Capital Improvements Plan, Impact Fee, Water Rights Fee, and other fees set forth in Article 9 of the Rules of the Agua Special Utility District. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.

The Board of Directors approved changing the order of business placing item twelve (12) after item three (3). The motion was made by Mr. Lloyd Loya and seconded by Mrs. Esmeralda H. Solis and was unanimously approved by the Board.

12. The Board of Directors approved enabling the board president and / or general manager to execute resolution for the purchase of 1,500-acre feet of class B priority use with a municipal equivalent of 500-acre feet from M.L. Rhodes, LLC and to direct Agua SUD staff and Consultants to work with the M.L. Rhodes staff and TCEQ on all administrative matters. The motion was made by Mr. Lloyd Loya and seconded by Mr. Ricardo Perez and was unanimously approved by the Board.
4. The Board of Directors authorized General Manager to seek retail electrical contract and engage energy consultant. The motion was made by Mr. Lloyd Loya and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
5. The Board of Directors authorized General Manager to seek professional audit services. The motion was made by Mrs. Esmeralda H. Solis and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
6. The Board of Directors authorized General Manager to acquire waterline, meter maintenance supplies, pipe and fittings from non-contracted third-party vendors due to supply chain delays. The motion was made by Mr. Lloyd Loya and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
7. The Board of Directors approved a on a Non-Standard Service Agreement for water and wastewater service to be submitted to Cage I Plaza, LLC, for the cost related to water and wastewater service for Elizondo Plaza Subdivision. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Ricardo Perez and was unanimously approved by the Board.
8. The Board of Directors approved a on a Non-Standard Service Agreement for water service to be submitted to El Carrizales, LLC, for the cost related to water service for Carrizales II Subdivision. The motion was made by Mr. Lloyd Loya and seconded by Mrs. Esmeralda H. Solis and was unanimously approved by the Board.
9. The Board of Directors tabled the selection of employee health insurance plan and all voluntary ancillary products as presented by IAM Insurance Agency. The motion was made by Mr. Lloyd Loya and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
10. The Board of Director approved interlocal agreement with City of Sullivan relating to fire hydrants within city limits. The motion was made by Mr. Lloyd Loya and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
11. The Board of Director authorized General Manager to file water rights petition with Hidalgo County Irrigation District Nos. 6 and 16 to convert water use after subdivision in accordance with Section 49.503 of the Texas Water Code. The motion was made by Mrs. Esmeralda H. Solis and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
13. The Board of Directors approved clerical correction to meeting minutes, correcting the year from 2020 to 2021 of the adoption date of meeting minutes for the meetings held on the following dates: 1/14/21, 2/4/21, 3/4/21, 4/1/21, 5/6/21, 5/24/21, and 9/2/21. The motion was

made by Mr. Lloyd Loya and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.

14. The Board of Directors received a report from the General Manager on operations and finance including:
 - a. Agua SUD's budget workshop/board training
 - b. Engineering selection committee report

15. The Board of Directors received a report from the District Engineer on ongoing projects including:
 - a. NAD Bank Technical Assistance Agreement (Sewer Hook-ups) summary of hookups on the Mor-Wil project, 1,187 service connections, 877 connected, 825 septic tanks fully pumped out, and 794 fully decommissioned.
 - b. Mile 2 Mission Interconnect Improvements plans are 100% Complete and Shovel Ready, and upon Agua SUD directive can be sent to Contractors for Quoting. Pending execution of Mission Inter-Local Agreement.
 - c. FM 492WTP Water Recovery and Waste Process Improvements (Water Saver) notice to proceed was on November 1, 2021. Submittal No. 1 was submitted on July 2021, and was approved contingent on the contractor changing the Water Saver Decant Thickener Torque Tube size from a 10 to a 14-inch diameter. Submittal No. 2 was submitted on October 2021, and is under review. Material Delivery Original ETA Date: October 18, 2021. Material Revised Delivery ETA Date: November 18, 2021.
 - d. Liberty Road Waterline Improvements plans and specs are 100% complete, and shovel ready. Project is pending Agua SUD directive for bidding and construction phase.
 - e. Mile 3 Road Waterline Improvement is approximately 90% installed, pending street crossings, flushing, hydro-static testing, reconnection of service connections and being placed in service. Existing waterlines are required to be removed, and may result in potential change order due to the Road Widening Contractor installing traffic control temporary detours over existing waterlines.
 - f. Havana Water Treatment Plant Improvements Project (TWDB) has a heavy vegetation at the project site reported by Surveyor; Survey Data Collection has been completed for Design, additional Survey Data Collection needed will be performed once the Land has been cleared Environmentally. Environmental Information Document (EID) Coordination Letters have been sent to necessary entities and agencies. Responses: Hidalgo County Drainage District No. 1, Army Corp of Engineers, Texas Historical Commission. As requested by the Texas Historical Commission (THC), an archeologic survey was conducted in August 2021. The site was cleared of any findings. As requested by the Army Corp of Engineers, an application for department of the army permit was submitted along with supporting documents. EID is approximately 60% Complete.

16. The Board of Directors recessed into an Executive (closed) meeting at 7:13 p.m. under Texas Gov. Code Sections 551.071-551.091, the Board of Directors may convene in closed Executive Session to deliberate, discuss, or consult regarding the matters listed below and, on proper motion and approval, any of the items set forth above. The motion was made by Mr. Ivan

Sandoval and seconded by Mrs. Esmeralda H. Solis and was unanimously approved by the Board.

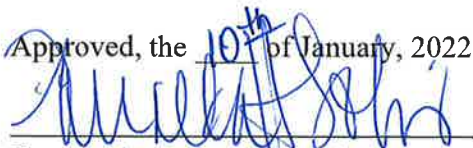
- ITEM 16. a. Mor-Wil, LLC's request for a change order pertaining to the NADBank Palmview Yard Line Project (Hook-Up Project).
- ITEM 16 b. Mor-Wil, LLC Liquidated Damages for Palmview Wastewater Collection System, Main Lift Station and Force Main. (Project 4) ***Texas Open Meetings Act, Texas Government Code Section 551.071 (Consultation with Attorney).***

At 8:26 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.

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

- ITEM 16.a. The Board of Directors took no action on Mor-Wil, LLC's request for a change order pertaining to the NADBank Palmview Yard Line Project (Hook-Up Project).
- ITEM 16.b. 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).

At 8:26 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 10th of January, 2022

Esmeralda H. Solis, President, Agua SUD

Attested by:

Cesar Rodriguez, Jr., Secretary, Agua SUD