

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., February 5, 2018

MINUTES OF REGULAR MEETING

1. The meeting was called to order by Mr. Roger Hernández, III at 6:00 p.m., February 5, 2018, at which time Mr. Hernandez acknowledged the presence of the following Elected Members of the Board constituting a quorum of the Agua SUD:

Directors Present:

Mr. Rogelio Hernández, III
Mr. Homer Tijerina
Mr. Lloyd Loya
Mr. Esequiel Ortiz, Jr.
Mr. Ricardo Ochoa
Mr. Cesar Rodriguez, Jr.
Mr. Ivan Sandoval

Directors Absent:

None

A quorum of the members of the Agua SUD being present, the meeting was duly convened. Invocation was presented by Father Michael Montoya.

2. The Board of Directors reviewed and adopted minutes a. and b. of the December 28, 2017 Agua Special Board Meeting and the January 8, 2018 Agua Board Meeting. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.
3. The Board of Directors presented the Certificate and Award from GFAO for Certificate of Achievement for Excellence in Financial Reporting to Mr. Dagoberto Soto.
4. The Board of Directors received a brief introduction from Interim General Manager on the UTRGV intern, Mr. Amado Zambrano. Mr. Zambrano is pursuing his education in Environmental Science and chose Agua SUD for his internship because it is more structured than other areas.
5. The Board of Directors approved selection of CAPEX Consulting Group to perform a rate study as recommended by the Interim General Manager. The motion was made by Mr. Lloyd Loya and seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.

6. The Board of Directors took no action on the franchise agreement with the City of Palmview.
7. The Board of Directors received an update from Legal Counsel on the City of Palmview joint workshop. Mr. Frank Garza updated the Board on several issues: 1. The City of Palmview's request on interlocal agreements for sewer connections to empty lots and paving of the roads. 2. The City of Palmview building a lift station in the Agua SUD service area without approval of the Agua Board. An application was handed to the City Manager of Palmview during the workshop but no fees or submittal of application have been turned in. 3. The City of Palmview requesting a franchise agreement. 4. Coordination of the Residential/Commercial development agreement wanting to enter into some better rules at the City levels on development as far as utilities are concerned, but no agreement has been received for review on the language from the City.
8. The Board of Directors approved to engage with IAM Insurance as agent of record for Property/Casualty and Worker's Compensation Insurance as recommended by the Interim General Manager. The motion was made by Mr. Homer Tijerina and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
9. The Board of Directors approve the Change Order No. 1 with Closner Construction for Palmview Wastewater Collection System Phase 1, Lift Stations A2, F, G & G7. The motion was made by Mr. Homer Tijerina and seconded by Mr. Ivan Sandoval and was unanimously approved by the Board.
10. The Board of Directors approved to award a contract to Salazar Utilities for labor and equipment only for the Cuevitas Railroad bore and waterline extension as recommended by the Interim General Manager. The motion was made by Mr. Lloyd Loya and seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.
11. The Board of Directors approved to award a contract to Geo-Tech Construction for labor and equipment only for the Goodwin Tract Subdivision No. 2 caliche easement project as recommended by the Interim General Manager. The motion was made by Mr. Homer Tijerina and seconded by Mr. Ricardo Ochoa and was unanimously approved by the Board.
12. The Board of Directors approved Addendum No. 1 to the contract with RGV Redlight, LLC. Mr. Homer Tijerina was present, but excluded himself from any discussions on item 12. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Esequiel Ortiz, Jr. and was approved 6-1, with Mr. Homer Tijerina abstaining.
13. The Board of Directors approved the vehicle finance proposal with Government Capital Corporation through Buy Board Coop. as presented by RGV Redlight, LLC. Mr. Homer Tijerina was present, but excluded himself from any discussions on item 13. The motion was made by Mr. Cesar Rodriguez, Jr. and seconded by Mr. Lloyd Loya and was approved 6-1, with Mr. Homer Tijerina abstaining.
14. The Board of Directors authorized Interim General Manager to advertise for competitive bids on the purchase of Water Treatment Chemicals to include Liquid Aluminum Sulfate Blend and

Liquid Ammonium Sulfate. The motion was made by Mr. Homer Tijerina and seconded by Mr. Esequiel Ortiz, Jr. and was approved 6-1, with Mr. Lloyd Loya abstaining.

15. The Board of Directors took no action on approval of Change Order No. 2 with L7G Construction for Palmview Wastewater Collection System Phase I, Group B&F (Project 1). The Board moved this item into executive session.
16. The Board of Directors received a report from Interim General Manager on operations and finance including:
 - a. TWDB meeting 02.15.18 at 10:00 a.m.
 - b. Mile 2/Tom Gill Booster Station Electrical Upgrade (Trinity MEP)
 - c. El Pinto Road Water Meter Reconnections
 - d. Performance Saving Project
 - e. Office Layout for Lobby Restroom
 - f. Finance
 - i. December Financials
 - ii. 4th Quarter Investment Report
17. The Board recessed into an Executive (closed) meeting at 7:02 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. Ivan Sandoval and was unanimously approved by the Board.

Item 15. Discussion and possible action on approval of Change Order No. 2 with L&G Construction for Palmview Wastewater Collection System Phase I, Group B&F (Project 1).

- Item 17. a. Strategic Development Plan
- b. City of Palmview' s Sanitary Sewer Improvements (Lift Station)
 - c. 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, 430th Judicial District
 - d. Discussion regarding Los Ebanos Village Lot 39 (.44AC)

At 8:23 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. Ivan Sandoval and was unanimously approved by the Board.

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

Item 15. The Board of Directors approved for Legal to proceed as instructed in executive session. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.

Item 17. b. The Board of Directors approved for Legal to proceed as instructed in executive session on City of Palmview' s Sanitary Sewer Improvements (Lift Station). The motion was made by Mr. Lloyd Loya and seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.

Item 17. c. The Board of Directors approved for Legal to proceed as instructed in executive session on 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, 430th Judicial District. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.

Item 17. a. and d. (a.)The Board took no action on Strategic Development Plan. (d.) The Board took no action on Los Ebanos Village Lot 39 (.44AC).

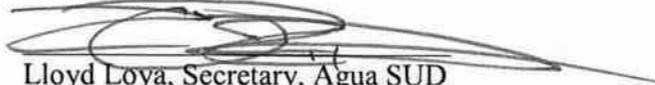
19. Public Comments: None received.

At 8:25 p.m., Mr. Homer Tijerina moved to adjournment. Motion was seconded by Mr. Esequiel Ortiz, Jr. and was unanimously approved by the Board.

Approved, the 5th day of March, 2018


Roger Hernandez, III, President, Agua SUD

Attested by:


Lloyd Loya, Secretary, Agua SUD