

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., January 10, 2022

MINUTES OF REGULAR MEETING

1. The meeting was called to order by Mrs. Esmeralda H. Solis at 6:02 p.m., January 10, 2022, at which time Mrs. Solis acknowledged the presence of the following Elected Members of the Board of the Agua SUD:

Directors Present:

Mrs. Esmeralda H. Solis
Ms. Maribel Diaz (virtually present)
Mr. Cesar Rodríguez, Jr. (arrived at 6:14p.m.)
Mr. Ricardo Perez
Mr. Lloyd Loya
Mr. Homero Tijerina

Directors Absent:

Mr. Ivan Sandoval

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 December 1, 2021 Agua Special Board Meeting. The motion was made by Mr. Homero Tijerina and seconded by Mr. Lloyd Loya and was unanimously approved by the Board. The Board of Directors reviewed and adopted minutes of the November 18, 2021 Agua Special Board Meeting. The motion was made by Mr. Homero Tijerina and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
3. The Board of Directors approved amendment to meter fee pertaining to ¾” meters as 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. Ricardo Perez and was approved 3-1, with a nay by Mr. Homero Tijerina.
4. The Board of Directors approved a Non-Standard Service Agreement for water to be submitted to Lyonel A. Adame, for the cost related to water service for Capricorn Estates Subdivision.

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

5. The Board of Directors approved a Non-Standard Service Agreement for water to be submitted to EIA Properties LTD, for the cost related to water service for Los Suenos Ranches. The motion was made by Mr. Lloyd Loya and seconded by Mr. Ricardo Perez and was unanimously approved by the Board.
6. The Board of Directors approved a Non-Standard Service Agreement for water to be submitted to Mile Seven Ronie, LLC, for the cost related to water service for Villas West Phase 1 Subdivision. The motion was made by Mr. Lloyd Loya and seconded by Mr. Ricardo Perez and was unanimously approved by the Board.
7. The Board of Directors approved a Non-Standard Service Agreement for water to be submitted to Mile Seven Ronie, LLC, for the cost related to water service for Villas West Phase 2 Subdivision. The motion was made by Mr. Lloyd Loya and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
8. The Board of Directors approved a Non-Standard Service Agreement for water to be submitted to Seefried Industrial Properties, for the cost related to water service for Moon Commercial Park. The motion was made by Mr. Homero Tijerina and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
9. The Board of Directors approved a Non-Standard Service Agreement for water to be submitted to Christopher Vargas, for the cost related to water service for Vargas Subdivision. The motion was made by Mr. Homero Tijerina and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
10. The Board of Directors moved item ten into executive session regarding the approval of government affairs agreement. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
11. The Board of Directors authorized General Manager to acquire mini-excavators and trailers through Buy Board Coop. The motion was made by Mr. Homero Tijerina and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
12. The Board of Directors approved a Resolution of the Governing Body of Agua Special Utility District, authorized 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; authorized the execution and delivery of other documents required in connection therewith; and authorized 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. Ricardo Perez and was unanimously approved by the Board.
13. The Board of Directors moved item thirteen into executive session regarding a proposed resolution of outstanding matters between Agua SUD and Mor-Wil, LLC, for Agua SUD's Palmview Wastewater Conveyance System, Main Lift Station & Force Main. The motion was

made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.

14. The Board of Directors moved item fourteen into executive session regarding a resolution accepting all project infrastructure and officially closing construction project with Mor-Wil, LLC, for Agua SUD's Palmview Wastewater Conveyance System, Main Lift Station & Force Main. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
15. The Board of Directors moved item fifteen into executive session regarding Mor-Wil, LLC's request for Change Order pertaining to the NADBank Palmview Yard Line Project (Hook-Up Project). The motion was made by Mr. Lloyd Loya and seconded by Mr. Ricardo Perez and was unanimously approved by the Board.
16. The Board of Directors authorized General Manager to seek proposals for explosion lights and fix the issue at 492 and Abram plants with a threshold of up to \$45,000. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.
17. The Board of Directors received a report from the General Manager on operations and finance including:
 - a. November Financials
 - b. TxDOT Administrative Settlement Approval the General Manager advised the Board regarding TxDOT accepted the counter offer from Agua in the amount of \$25,000.
 - c. District Annual Audit Update - Selection of CRI was made to conduct district annual audit 2021
 - d. District Operations Update - Order No. 2019-04-001 Rate Increase will be implemented for 2022. For the record, Mr. Homero Tijerina made the comment; he voted against it back in April 1, 2019.
18. 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, 1,349 service connections, 917 connected, 917 septic tanks fully pumped out, and 892 fully decommissioned.
 - b. Mile 3 Road Waterline Improvements update, waterline is approximately 95% installed and 6 crossing completed.
 - c. TWDB Palmview Sanitary Sewer Improvements Project
19. The Board of Directors recessed into an Executive (closed) meeting at 7:00 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. Lloyd Loya and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

- ITEM 19. a. TWDB Palmview Sanitary Sewer Improvements Project. ***Texas Open Meetings Act, Texas Government Code Section 551.071 (Consultation with Attorney).***
- ITEM 19. b. Performance Services, Inc. smart meter program guarantee. ***Texas Open Meetings Act, Texas Government Code Section 551.071 (Consultation with Attorney).***
- ITEM 10. Discussion and possible action regarding approval of government affairs agreement.
- ITEM 13. Discussion and possible action to approve proposed resolution of outstanding matters between Agua SUD and Mor-Wil, LLC, for Agua SUD's Palmview Wastewater Conveyance System, Main Lift Station & Force Main. ***This matter may be taken into Executive Session pursuant to Texas Open Meetings Act, Texas Government Code Sections 551.071 (Consultation with Attorney) and 551.072 (Real Property).***
- ITEM 14. Discussion and possible action on resolution accepting all project infrastructure and officially closing construction project with Mor-Wil, LLC, for Agua SUD's Palmview Wastewater Conveyance System, Main Lift Station & Force Main. ***This matter may be taken into Executive Session pursuant to Texas Open Meetings Act, Texas Government Code Sections 551.071 (Consultation with Attorney) and 551.072 (Real Property).***
- ITEM 15. Discussion and possible action regarding Mor-Wil, LLC's request for Change Order pertaining to the NADBank Palmview Yard Line Project (Hook-Up Project). ***This matter may be taken into Executive Session pursuant to Texas Open Meetings Act, Texas Government Code Sections 551.071 (Consultation with Attorney) and 551.072 (Real Property).***

At 8:46 p.m., The Board moved to reconvene in open session and no action was taken in executive session. The motion was made by Mr. Lloyd Loya and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

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

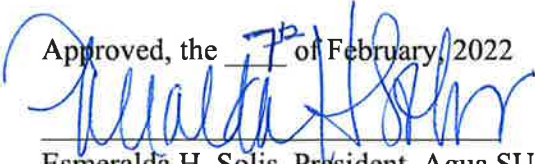
- ITEM 19.a. The Board of Directors took no action on TWDB Palmview Sanitary Sewer Improvements Project.
- ITEM 19.b. The Board of Directors took no action on Performance Services, Inc. smart meter program guarantee.

Director Loya motioned to return to items ten, thirteen, fourteen and fifteen and seconded by Mr. Cesar Rodriguez, Jr. and was unanimously approved by the Board.


- ITEM 10. The Board of Directors took no action on approval of government affairs agreement. The motion was made by Mr. Ricardo Perez and seconded by Mr. Lloyd Loya and was unanimously approved by the Board.
- ITEM 13. The Board of Directors approved the proposed resolution of outstanding matters between Agua SUD and Mor-Wil, LLC, for Agua SUD's Palmview Wastewater Conveyance System, Main Lift Station & Force Main. The motion was made by Mr. Lloyd Loya and seconded by Mr. Cesar Rodriguez, Jr. and was approved 4-1, with a nay by Mr. Homero Tijerina.
- ITEM 14. The Board of Directors approved a resolution accepting all project infrastructure and officially closing construction project with Mor-Wil, LLC, for Agua SUD's Palmview Wastewater Conveyance System, Main Lift Station & Force Main. The motion was made by Mr. Lloyd Loya and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
- ITEM 15. The Board of Directors tabled Mor-Wil, LLC's request for Change Order pertaining to the NADBank Palmview Yard Line Project (Hook-Up Project). The motion was made by Mr. Lloyd Loya and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

At 8:49 p.m., Mr. Homero Tijerina moved for adjournment. Motion was seconded by Mr. Lloyd Loya and was unanimously approved by the Board.

Approved, the 7th of February, 2022


Esmeralda H. Solis, President, Agua SUD

Attested by:


Cesar Rodríguez, Jr., Secretary, Agua SUD