



September 12, 2022
Board Meeting Packet

CALL TO ORDER

A. ROLL CALL

B. INVOCATION

C. PLEDGE OF ALLEGIANCE

D. PUBLIC COMMENT



Agua Special Utility District
P. O. Box 4379 | Mission, Texas | 78573-0075
(956) 585-2459 | FAX (956) 585-1516

Board of Directors
Esmeralda H. Solis, President
Maribel Diaz, Vice-President
Cesar Rodríguez, Jr., Secretary
Ricardo Perez, Treasurer
Lloyd Loya, Director
Homero Tijerina, Director
Ivan Sandoval, Director

Regular Meeting of the Board of Directors

Agua S.U.D. Administration Building
3120 North Abram Road
Palmview, Texas

September 12, 2022
6:00 PM
AGENDA

1. Call to Order
 - a. Roll Call
 - b. Invocation
 - c. Pledge of allegiance
 - d. Public Comments
2. Discussion and possible action on approval of an order amending the Agua SUD's November 8, 2022 General Election to include the approved Hidalgo County polling locations, dates, and times for early voting and Election Day.
3. Discussion and possible action on approval of a resolution amending the Agua SUD Procurement Policy & Procedures.
4. Discussion and possible action on approval to enter into an agreement with Copy Graphics, Inc. for three copier/printer/scanner machines under a State of Texas DIR-COP-4437 contract agreement.
5. Discussion and possible action on engagement of agent of record for Property/Casualty and Worker's Compensation Insurance.
6. General Manager's Report:
 - a. July Financials
 - b. Preliminary Engineering Feasibility Report for new water treatment plant
7. District Engineer's Report:
 - a. NAD Bank Technical Assistance Agreement (Sewer Hook-ups)
 - b. Mile 3 Road Waterline Improvements

- c. TWDB Palmview Sanitary Sewer Improvements Project
- d. Havana Water Treatment Plant Improvements Project (TWDB)
- e. Mendiola Water Storage Tank Project

8. EXECUTIVE SESSION:

As provided by Texas Open Meetings Act, Texas Government 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.

- a. TWDB Palmview Sanitary Sewer Improvements Project. *Texas Open Meetings Act, Texas Government Code Section 551.071 (Consultation with Attorney).*
- b. Performance Services, Inc. litigation. *Texas Open Meetings Act, Texas Government Code Section 551.071 (Consultation with Attorney).*
- c. Jimmy Closner & Sons Liquidated Damages for Palmview Wastewater Collection System Phase 1, Lift Stations A2, F, G, & G7. (Project 3). *Texas Open Meetings Act, Texas Government Code Section 551.071 (Consultation with Attorney).*
- d. Cause No. C-3353-20-I; S&B Infrastructure vs. Agua Special Utility District; In the District Court of Hidalgo County, Texas, 398th Judicial District. *Texas Open Meetings Act, Texas Government Code Section 551.071 (Consultation with Attorney).*

9. Discussion and possible action regarding item(s) discussed in Executive Session.

10. Adjournment.

On this the 9th day of September, 2022 was posted on the Agua SUD official website and in a place convenient to the public in the bulletin board at Agua Special Utility District, 3120 North Abram Rd. Palmview, Texas 78572 at 5:00 p.m. on said date.

/s/
Cynthia Villarreal, Administrative Assistant

ITEM 2.

**ORDER AMENDING ORDER CALLING GENERAL ELECTION FOR
APPROVAL OF EARLY VOTING DATES, TIMES AND LOCATIONS
AND ELECTION DAY POLLING PLACES**

WHEREAS, the Board of Directors (“Board”) of the Agua Special Utility District (“Agua SUD” or “District”) on July 11, 2022, ordered a general election to be held on November 8, 2022 (“Election”), to elect Directors to the Board of the Agua SUD (“Directors”) as follows:

- one (1) Director from the territory of Agua SUD in District 4, and
- one (1) Director from the territory of Agua SUD in District 7.

WHEREAS, the Board is authorized to approve Election Day polling locations; and

WHEREAS, the Board is authorized to approve early voting locations, dates and times.

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF AGUA SPECIAL UTILITY DISTRICT THAT:

Section 1. Approval of Early Voting Locations. Early voting locations and dates and times for early voting by personal appearance for the District shall be set out in Exhibit “A” hereto and incorporated by reference as if fully set out in the body of this Order.

Section 2. Approval of Election Day Polling Places. Election day polling places for the District shall be as set out in Exhibit “B” hereto and incorporated by reference as if fully set out in the body of this Order.

Section 3. Authorization to Execute. The President of the Board is authorized to execute and the Secretary of the Board is authorized to attest this Order on behalf of the Board; and the President of the Board is authorized to do all other things legal and necessary in connection with the holding and consummation of the Election.

Section 4. Effective Date. This Order is effective immediately upon its passage and approval.

PASS AND APPROVED this the ____ day of September, 2022.

By: _____
Esmeralda Solis
President, Board of Directors

ATTEST:

Cesar Rodriguez
Secretary, Board of Directors

EXHIBIT “A”
EARLY VOTING DATES, TIMES, AND LOCATIONS

Dates and Times

Monday, October 24, 2022	7:00 a.m. – 7:00 p.m.
Tuesday, October 25, 2022	7:00 a.m. – 7:00 p.m.
Wednesday, October 26, 2022	7:00 a.m. – 7:00 p.m.
Thursday, October 27, 2022	7:00 a.m. – 7:00 p.m.
Friday, October 28, 2022	7:00 a.m. – 7:00 p.m.
Saturday, October 29, 2022	7:00 a.m. – 7:00 p.m.
Sunday, October 30, 2022	10:00 a.m. – 4:00 p.m.
Monday, October 31, 2022	7:00 a.m. – 7:00 p.m.
Tuesday, November 1, 2022	7:00 a.m. – 7:00 p.m.
Wednesday, November 2, 2022	7:00 a.m. – 7:00 p.m.
Thursday, November 3, 2022	7:00 a.m. – 7:00 p.m.
Friday, November 4, 2022	7:00 a.m. – 7:00 p.m.

Locations

Pct. 3 The Mansion, 2401 W. Moorefield Rd, Palmview, TX

La Joya Youth Center, 604 Salomon Chapa Dr, La Joya, TX

Sullivan City WIC Clinic, 371 W. Expy 83, Sullivan City, TX

EXHIBIT “B”
ELECTION DAY DATE, TIMES, AND LOCATIONS

Date and Time

November 8, 2022 7:00 a.m. – 7:00 p.m.

Locations

Pct. 3 The Mansion, 2401 W. Moorefield Rd, Palmview, TX

Palmview Recreation Center, 406 W. Veterans Blvd, Palmview, TX

La Joya Youth Center, 604 Salomon Chapa Dr, La Joya, TX

Sullivan City WIC Clinic, 371 W. Expy 83, Sullivan City, TX

ITEM 3.

RESOLUTION NO. 2022-09-001

A RESOLUTION OF THE BOARD OF THE AGUA SPECIAL UTILITY DISTRICT ADOPTING REVISIONS AND AMENDMENTS TO THE PROCUREMENT POLICY AND PROCEDURES FOR THE AGUA SPECIAL UTILITY DISTRICT

WHEREAS, the Agua Special Utility District (“District”), pursuant to Section 49.199 of the Texas Water Code and other law, is required to and has adopted policies and procedures relating to travel expenditures, professional services, and other procurement needs of the District (“Procurement Policy and Procedures”); and

WHEREAS, the adopted Procurement Policy and Procedures provides for the amendment of such policy and such policy has been amended in the past by Resolution; and

WHEREAS, the Board of Directors of the District has determined that it is in the best interest of Agua Special Utility District to again update and amend the District’s Procurement Policy and Procedures for the orderly and efficient management of the District; and

WHEREAS, the amendments to the Procurement Policy and Procedures were approved by majority vote of the Board of Directors at a regularly called meeting on September 12, 2022.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AGUA SPECIAL UTILITY DISTRICT:

SECTION 1. The Board hereby amends the District’s Procurement Policy and Procedures by removing and replacing it in its entirety with the new amended Procurement Policy and Procedures, attached hereto as Exhibit A, to be effective September 12, 2022.

SECTION 2. Board hereby directs the District’s General Manager to implement, administer, and enforce the amended Procurement Policy and Procedures of the District.

PASSED, APPROVED and ADOPTED, this 12th day of September 2022.

Ms. Esmeralda Solis
President, Board of Directors

ATTEST:

Mr. Cesar Rodriguez
Secretary, Board of Directors

**AGUA SPECIAL UTILITY DISTRICT
PROCUREMENT POLICY
REVISED/AMENDED 9/12/2022**

I. POLICY STATEMENT

It is the policy of the Agua Special Utility District (“District” or “Agua SUD”) to administer and procure goods and services with transparency, in accordance with all applicable laws and regulations, and in a manner that fosters the public trust.

II. SCOPE

This Procurement Policy applies to all purchases of the District unless superseded by law, the District’s Bylaws or other order of the Board of Directors. The District will exercise its discretion to adjust procurement procedures as necessary to most effectively serve the public and fulfill its legislative directives.

III. PROCUREMENT

Purchases by the District shall be in compliance with the following:

Purchases less than \$500

The purchase of goods or services under this scenario will be made at the discretion, and in the best judgment, of the General Manager (“GM”) or Finance Director. The use of a "Buy Board", "QISV", “TIPS” or "TXMAS" vendor is encouraged where appropriate.

Purchases from \$500 to \$999

The purchase of goods or services under this scenario will be made at the discretion, and in the best judgment, of the GM or Finance Director. Such purchases shall be made using verbal "phone" or written bids/quotes. The Finance Director or other District supervisor will verify quotes with vendor or vendors. The use of a "Buy Board", "QISV", “TIPS” or "TXMAS" vendor shall constitute compliance with this policy.

Purchases from \$1,000 to \$24,999

The purchase of goods and services under this scenario will be made at the discretion, and in the best judgment, of the GM. The District will not require advertised competitive bidding but will require three (3) written quotes/bids. The Finance Director or other District supervisor will verify three (3) quotes with vendor or vendors. The use of a "Buy Board", "QISV", “TIPS” or "TXMAS" vendor shall constitute compliance with this policy.

Purchases from \$25,000 to \$49,999

The purchase of goods and services under this scenario requires approval by the District's Board of Directors ("Board"). Prior to consideration by the Board of Directors, the GM shall seek written competitive bids on uniform written specifications from at least three (3) bidders. The Finance Director or other District supervisor will verify three (3) bids. The use of a "Buy Board", "QISV", "TIPS" or "TXMAS" vendor shall constitute compliance with this policy. The GM will present his or her recommendation to the Board at a meeting held in compliance with the Texas Open Meetings Act.

Purchases greater than or equal to \$50,000

The purchase of goods and services under this scenario requires approval by the Board. Such purchases will require a written contract and must be advertised in a local publication via an RFP, RFQ, RPI or, RFB and comply with all state procurement laws. The use of a "Buy Board", "QISV", "TIPS" or "TXMAS" vendor shall constitute compliance with this policy, except for when the use of such is expressly prohibited under Chapter 791, Texas Government Code. The GM will present his or her recommendation to the Board at a meeting held in compliance with the Texas Open Meetings Act.

Policies Relating to Contracts

It is the policy of the District to procure contracts for goods and services on the most advantageous and fiscally prudent terms possible. With respect to contracts for consultation, services and recurring obligations, it is the policy of the District to avoid contracts with automatic renewal provisions. It shall further be the policy of the District to enter into contracts with the option to terminate on reasonable notice.

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Specific procurement parameters for the procurement of goods and services are provided by Texas Government Code, Chapter 2254, Subchapter A and the Texas Water Code, Sections 49.199, 49.213, 49.214, 49.271, and 49.273. In selecting attorneys, engineers, auditors, financial advisors, or other professional consultants or professional services, the District shall follow the procedures provided in Chapter 2254, Texas Government Code.

V. DELEGATION OF PURCHASING AUTHORITY

The GM, through the delegation of authority provided by statute, the District's Bylaws, these policies, and other Board directives shall diligently, faithfully, and ethically exercise his or her discretion in the procurement of goods and services on behalf of the District.

VI. INTERNAL CONTROLS

The Finance Director shall establish a system of internal controls which will be reviewed annually with the District's independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees of the District.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements. The Finance Director will maintain a cash flow forecasting process designed to monitor and forecast cash positions for procurement purposes. Cash flow will include researching and monitoring of specific cash flow items, payables, and receivables as well as overall cash position and patterns.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The District shall maintain a cash management program which includes timely disbursement of payments within invoice terms and the management of banking services.

Insurance and Bonding

All vendors/contractors must demonstrate the ability to be bonded and/or a surety, construction, or bid bond instrument prior to conducting business with the District. General Liability bonding for construction and other similar services must be maintained at a minimum of \$1,000,000. Vendors of construction services or emergency projects must also carry appropriate Workers' Compensation insurance coverage.

Vendor Information

The District must request, and all vendors and contractors of the District must provide, a copy of IRS Form W-9 of vendors and contractors performing work for the District. Any vendors or contractors proposing to perform work for the District must provide the District a completed Form 1295 prior to execution of any agreement in accordance with Section 2252.908 of the Texas Government Code.

VII. PURCHASING POLICY ADOPTION BY BOARD

The District's Procurement Policy and its incorporated strategies shall be amended as needed by Board resolution. The approval and any changes made to the Policy will be noted in the amended resolution.

VIII. ADOPTION

The above Procurement Policy was adopted by the Board of Directors of the Agua Special Utility District, at a meeting in Palmview, Texas on the ___ day of September, 2022. The foregoing supersedes and replaces all prior Procurement Policies.

Esmeralda Solis
President, Agua Special Utility District

Attest:

Cesar Rodriguez
Secretary, Agua Special Utility District

AGUA SPECIAL UTILITY DISTRICT PROCUREMENT PROCEDURES

I. PURPOSE AND OBJECTIVES:

The purpose of these Procurement Procedures is to establish a method to procure goods and services for the District in accordance with the District’s Procurement Policy and all applicable laws and regulations.

The objectives of these procedures are to administer and procure goods and services with transparency in a manner that fosters the public trust, ensures fair and open competition among vendors, and procures the highest quality goods and services at the best price and in the best interest of the District.

II. DUTIES AND RESPONSIBILITIES OF THE PURCHASING AGENT

The General Manager (“GM”), through the delegation of authority provided by statute, the District’s Bylaws, the District’s Procurement Policy, and other Board directives shall diligently, faithfully, and ethically exercise his or her discretion in the procurement of goods and services on behalf of the District and shall adhere to the following duties and responsibilities:

1. Work with the various supervisors to ensure that their purchasing needs are being met.
2. Work with the Finance Director of the District to ensure that all purchases are consistent with the approved annual budget.
3. Encourage competitive bidding at all times.
 - a. Identify as many qualified bidders in keeping with non-discrimination laws and regulations.
 - b. Approve the opening and tabulations of all bids.
 - c. Encourage the public and interested parties concerned with the bidding process to attend formal bid openings.
 - d. Encourage bidder interest and competition among vendors in keeping with the District’s commitment to fairness in awarding of all contracts.
 - e. Investigate and report any instances of collusion among bidders.
4. Purchase quality merchandise and services at the lowest possible cost.
 - a. Investigate and analyze prices, market conditions, new products, etc., for the benefit of the District.
 - b. Keep abreast of new trends in purchasing including research conducted by public and private enterprises in the water distribution industry.

- c. Take full advantage of discounts and early payment incentives if possible. Consider several factors such as shipping costs, timeliness of delivery, packaging, storage costs, and costs of capital, shipping point, and other considerations when figuring the total cost of individual purchases.
 - d. Join with other governmental and public entities in cooperative purchasing plans when it is advantageous for the District to do so.
 - e. Conduct product testing as seems necessary to determine compliance with engineering plan specifications.
 - f. Ensure that preference is given in purchasing products made of recycled materials when those products meet applicable specifications as to quality and quantity.
5. Review the annual budget of the District to properly plan for special purchases provided therein in accordance with Section 5.05 – Budget of the District’s By-laws.
 6. Advise and assist in the formulation of policies and procedures regarding the procurement function. Recommend to the Agua SUD board of directors changes to such policies as needed.
 7. Dispose of all surplus, salvage, and scrap materials and equipment in accordance with Section 5.08 – Disposal of Property of the District’s Bylaws.
 8. Review all Purchase Orders to insure proper use of the Districts account numbers and available funds in accordance with Section 5.09 – Assets of the District’s By-laws.

III. PURCHASING PROCEDURES:

A. Purchases up to \$999

An electronic PO must be generated for each purchase (unless an open PO has already been created) prior to placing an order under this scenario. Such PO should indicate if a check or a cash disbursements voucher will be generated for payment. If a “Buy Board”, “QISV”, TIPS or ‘TXMAS” vendor is solicited and selected, a Quotes Sheet must be prepared and submitted to the GM or Finance Director for review and approval. Verbal or written quotes/bids may be taken and entered into a Quotes Sheet for approval signature by the GM or Finance Director.

B. Purchases from \$1,000 to \$24,999

An electronic PO must be generated for each purchase (no open PO’s allowed) prior to placing an order under this scenario. Written quotes/bids must be taken (no verbal quotes) and entered into a Quotes Sheet for approval signature by the GM. If a “Buy Board”, “QISV”, TIPS or ‘TXMAS” vendor is solicited and selected a Quotes Sheet must be prepared and submitted to the GM for review and approval.

C. Purchases from \$25,000 to \$49,999

An electronic PO must be generated for each purchase (no open PO’s allowed) prior to placing an order under this scenario. The purchase of goods and services under this scenario requires approval

by the District's Board of Directors ("Board"). Prior to consideration by the Board of Directors, the GM shall seek written competitive bids on uniform written specifications from at least three bidders. The GM will present his or her recommendation to the Board at a meeting held in compliance with the Texas Open Meetings Act. The use of a "Buy Board", "QISV", TIPS or "TXMAS" shall constitute compliance with this policy, except when such use is expressly prohibited under Chapter 791, Texas Government Code. If a "Buy Board", "QISV", TIPS or "TXMAS" vendor is solicited and selected, the District must prepare and submit a Quotes Sheet to the GM for review and approval, or if such goods or services are construction-related, the District must prepare and submit plans and specifications to the GM for review and approval in accordance with Chapter 1001 or 1051, Texas Occupations Code.

D. Purchases greater than or equal to \$50,000

The purchase of goods and services under this scenario requires approval by the District's Board of Directors ("Board"). Prior to consideration by the Board of Directors, the GM shall seek written competitive bids on uniform written specifications, must advertise for competitive bids in a local publication via an RFP, RFQ, RPI or, RFB, and must comply with all state procurement laws. The GM will present his or her recommendation to the Board at a meeting held in compliance with the Texas Open Meetings Act. The use of a "Buy Board", "QISV", TIPS or "TXMAS" vendor shall constitute compliance with this policy, except for when the use of such is expressly prohibited under Chapter 791, Texas Government Code. If a "Buy Board", "QISV", TIPS or "TXMAS" vendor is solicited and selected, the District must prepare and submit a Quotes Sheet to the GM for review and approval, or in the event such goods or services are construction-related, the District must prepare and submit plans and specifications to the GM for review and approval in accordance with Chapter 1001 or 1051, Texas Occupations Code.

An electronic PO must be generated for the approved vendor with the lowest qualified price or best value to the District. If the lowest quoting vendor is not selected, the GM shall provide to the Board of Directors an explanation for why the lowest vendor was not selected as the preferred vendor, and such vendor shall have an opportunity to appear before the Board and present evidence concerning the vendor's responsibility.

E. Federal Acquisition Streamlining Act of 1994

Upon review of the bid tabulation and recommendation to the Agua SUD board for awarding the contract, the GM should obtain written certifications from program participants regarding their debarment or suspension status of awardees or persons with whom they propose to enter into covered transactions. A disqualified vendor list can be viewed online at <http://www.epls.gov>.

F. Emergency Purchases

Occasionally, emergency situations will occur as a result of unforeseen circumstances such as water line breaks, equipment breakdown, etc., which require immediate action. When these situations occur, the following procedures will be followed:

If the emergency occurs during normal working hours, a supervisor or his/her staff must contact the GM and state the reason for the purchase. Justification for all emergency purchases must be documented by the supervisor proposing the emergency purchase. The GM may make or approve expenditures exceeding \$24,999 only after consultation with the Executive Committee of the Agua SUD Board. If approved, the Accounts Payable Clerk (or the State Accountant or Finance Director if the AP Clerk is not available) will issue a PO number (telephone requests will be accepted under these circumstances) and provide it to the supervisor or vendor. All invoices, delivery slips, and the PO must be marked boldly with "EMERGENCY". Emergency PO's will not be issued for items not immediately available. Emergency purchases with no PO will not be paid or reimbursed to employees when paid out of pocket. PO's will be forwarded to the GM for approval or disapproval. All emergency acquisitions or expenditures must be presented to the Board for approval and validation at the next scheduled meeting.

G. Blanket or "Open" Purchase Orders

Some items, which have become highly standardized in the normal course of business and which do not fluctuate appreciably in price may be purchased with an "Open Purchase Order". In such cases, prices are solicited from vendors for an unspecified quantity to be delivered within a specified period of time, usually on a monthly basis. An example of this situation would be: small hardware items for maintenance since the volume of items to be purchased from the vendor is large with small dollar values.

The requesting supervisor should request a PO from the A/P Clerk and take it to the vendor. Every time a purchase or charge is made, the supervisor should sign and date a receipt or invoice from the vendor and give it to the A/P Clerk for processing of payments. The requesting supervisor should keep track of the purchases made to ensure that the amount authorized on the PO (if stated) is not exceeded.

"Open" PO's will not be issued automatically each month and must be requested prior to the end of the month for the following month by the requesting supervisor. In no case shall they exceed \$15,000 per vendor per year.

H. Formal Competitive Sealed Bidding or Competitive Sealed Proposals

The District will follow at minimum the competitive bidding procedures in accordance with the Texas Water Code Title 4, Chapter 49, Subsections 199, 213, 214, and 271-274; Texas Administrative Code (4) (A) and (B) Section 292.11, 30, and the Texas Government Code, Chapter 2254, Subchapter A.

For purchases from \$25,000 to \$49,999, the District must solicit written competitive bids on uniform written specifications from at least three bidders. For purchases greater than or equal to

\$50,000, the District must advertise and solicit competitive sealed bids. Notice of the time and place at which the bids will be publicly opened and read aloud must be published at least once a week for two consecutive weeks in a newspaper covering each county within our CCN area. The bidding documents, plans, specifications, and other data needed to bid will be made available at the time of the first advertisement and the advertisement will state where these documents may be viewed.

Bids placed by vendors or firms who have been declared irresponsible or may create a conflict of interest with the Agua SUD Board may be withdrawn from consideration for a period of up to twelve months or indefinitely.

For construction contracts, the District will advertise the letting of the contract, including the general conditions, and the first publication will be no later than the 21st day before the date of the opening of the sealed bids.

A contract may provide for the payment of a lump-sum or may be based on unit price as the District may determine. A contract may be let and awarded in any other form and to any responsible person or persons that, in the GM's judgment, will be most advantages to the District and result in the best and most economical completion of the District's proposed plants, improvements, facilities, works, equipment, and appliances.

The Agua board may not accept bids that include substitute items unless the substituted items were included in the original bid proposal and all bidders had the opportunity to bid on the substituted items or unless notice is given to all bidders at a mandatory pre-bid conference.

If changes in plans or specifications are necessary after the performance of the contract has begun, or if it is necessary to decrease or increase the quantity of the work to be performed or of the materials, equipment, or supplies to be furnished, the board will approve change orders making the changes. **The aggregate of the change orders may not increase the original contract price by more than 10 percent.** Additional change orders may be issued only as a result of unanticipated conditions encountered during construction, repair, or renovation or changes in regulatory criteria or to facilitate project coordination with other political entities.

I. Cancellation of Purchase Orders

The GM or Finance Director shall be the only authorized persons to change or cancel a PO. However, PO's may be revised for price, changes in quantity or item changes (including additions and deletions) of a minimal nature by staff if the GM has been made aware of such changes.

The A/P Clerk, Staff Accountant, or the Finance Director will ensure that all cancelled PO's are properly recorded in the system database and accounted for.

J. Receiving

It is the responsibility of each supervisor to inspect, count, or receive all items for his/her department and forward any invoice, freight bill, packing slips, and other informative documentation the A/P Clerk within two working days after delivery.

The Warehouse Supervisor will ensure that any item of inventory (and some supplies and materials) is (a) properly recorded in the inventory system database, (b) stored for safe keeping in the warehouse, and (c) properly tag the item with an identifier code whenever possible.

IV. TRAVEL POLICY

The purpose of this policy is to standardize the District's provisions for travel administration. This policy is intended to establish guidelines and to control travel expenditures to ordinary and necessary travel for training, agency meetings, and conducting general business for the District.

The District will provide or reimburse its employees and board members for expenses incurred while conducting official District business as authorized by the GM or the board.

A. Air Travel

When air travel is necessary because of distance and timeliness of the travel, the Purchasing Clerk or Administrative Assistant will purchase the most cost effective airline ticket available for the dates of travel.

The use of a travel agency is permitted if it is in the best interest of the District to do so. Likewise, the use of District credit cards is permitted with permission from the GM.

The booking of air travel should be on "coach class business fares" whenever possible. Any deviations from the class must be approved by the GM in advance.

B. Ground Transportation

Employees and Board members conducting District business are authorized to use District vehicles if available whenever possible.

The use of personal vehicles for travel is permitted but, must be cleared by the GM in advance of the travel. Employees or board members will be reimbursed based on the current Texas Mileage Guide mileage reimbursement rates. See www.window.state.tx.us.

The use of rental vehicles is permitted with the prior approval of the GM. Reimbursement will be made by presentation of the original rental agency receipt. Likewise, the use of taxis or shuttle buses is permitted for in-city travel only.

The most economical method of travel must be used. Air travel as compared to personal or District vehicle usage must be evaluated considering the work time lost and additional overtime compensation costs that may be incurred.

C. Meals, lodging, and other fees

The District will pay employees and board members per diem rates of \$60 per day or \$20 per meal if less than a full day. When travel is not outside of the Valley, per diem is paid if the time away from work for training or conducting official District business exceeds two hours round trip.

The District will pay the cost of lodging for business class hotels when incurred by employees or board members while conducting official District business. If a more expensive hotel is preferred, the employee or board member is responsible to pay the difference.

By Federal law, non-exempt District employees must be compensated for travel time during normal business hours in accordance with 29 CFR 785.35. Travel time in excess of normal business hours will be counted as hours worked for calculating overtime hours.

D. Seminar, training courses, and conference registration fees

Employees and board members will be provided with or reimburse for the actual costs incurred for registering in seminars, training, and conferences. All employees must obtain prior approval from the GM before registering for such events.

To be reimbursable, such training must either (a) improve the employees' general knowledge of their job, (b) benefit the District's operations and management, or (c) gain the employee a license or certification related to their job.

V. PETTY CASH TRANSACTIONS

A petty cash disbursement normally should not exceed fifty dollars (\$50) per purchase. All purchases disbursed from petty cash should be recorded in a petty cash journal and must be supported by an original receipt. The journal must be signed by the department supervisor or his/her designee receiving the cash. Invoiced purchases for \$50 or less must be recorded on a PO and posted on the GL system.

No District employee is authorized to make a purchase of supplies, materials, or equipment through Petty Cash for personal use.

VI. CONTRACTED PURCHASES

Purchases of materials, supplies, or services in support of the operations of the District may be awarded by the Board of Directors for a period not exceeding twenty-four (24) months. The Board may approve the purchase of chemicals and electricity and the purchase or lease of equipment and vehicles for a period not exceeding sixty (60) months. The General Manager, and the District generally, may not enter into any contract or obligation with a duration or term that exceeds twelve (12) calendar months without prior approval by the Board.

Contracts for goods and services should be procured on the most advantageous and fiscally prudent terms possible. Contracts for consultation, services, and recurring obligations should avoid automatic renewal provisions. All procurement contracts should include the option for the District to terminate, with or without cause, on reasonable notice.

These awards will be granted to the lowest responsible bidder after a review of the formal bidding process as per III (A-C) above. However, in all cases, the District will reserve the right to reject the lowest bid in favor of any bid that is in the best interest or best value to the District.

Examples of such contracted service would be fuel, truck repairs and parts, electrical services, custodial services, Information Technology services, mowing, air conditioning and other building maintenance, first aid and safety supplies, plant chemical supplies, pipe and fittings equipment, meters and gauges, etc.

In the event that a bidder is or subsequently becomes delinquent in the payment to the District as a customer of the District, such fact shall constitute grounds for rejection of a bid, or if awarded the bid, for cancellation of the contract.

VII. CAPITAL OUTLAYS

Any purchase relating to capital outlay must be recorded appropriately and charged to the correct budgetary account numbers. Capital purchases over \$5,000 will be recorded in the Fixed Asset Inventory System of our billing software for depreciation and accounting purposes in accordance with the Agua SUD Capitalization Policy – see attached.

It will be the District's Controller's responsibility to ensure the proper accounting and identification with property inventory tags or similar identification methods for all items of the F/A inventory.

VIII. BONDS

A bid bond of 5% of the bid amount on construction contracts over \$50,000 will be required of all bidders in the form of a certified or cashier's check as a good faith deposit.

To the lowest three (3) bidders, the bid bonds will be returned after the successful bidder has been officially awarded the contract. For all non-competing bidders, the bonds will be returned within five (5) working days after the bid opening.

If the successful bidder fails or refuses to enter into a proper contract with the District, or fails or refuses to furnish the payment and performance bonds required by law, the bidder will forfeit the deposit.

All awarded construction contracts will require the contractor to provide the District within ten (10) working days of the awarding of the project, a payment and performance bond for 100% of the contract price on contracts over \$50,000.

IX. INSURANCE

Liability insurance sufficient to insure the contractor (including subcontractors) against any damages to the District will be required within ten (10) working days of the awarding of the contract.

X. VENDOR INFORMATION

The District must request, and all vendors and contractors of the District must provide, a copy of IRS Form W-9 of vendors and contractors performing work for the District. For contracts requiring Board approval, or that have a value of at least \$1 million, or are services that would require a person to register as a lobbyist, the vendor or contractor is required to provide a completed Form 1295 in accordance with Section 2252.908 of the Texas Government Code.