

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., July 11, 2022

MINUTES OF REGULAR MEETING

1. The meeting was called to order by Mrs. Esmeralda H. Solis at 6:01 p.m., July 11, 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
Mr. Ricardo Perez
Mr. Homero Tijerina

Directors Absent:

Mr. Cesar Rodríguez, Jr.
Mr. Lloyd Loya
Mr. Ivan Sandoval

A quorum of the members of the Agua SUD being present, the meeting was duly convened. Mr. Albert Alonzo presented invocation.

Public Comment: None received.

2. The Board of Directors reviewed and adopted minutes of the June 6, 2022 Agua Board Meeting. The motion was made by Mr. Homero Tijerina and seconded by Mr. Ricardo Perez and was unanimously approved by the Board.
3. The Board of Directors approved a Non-Standard Service Agreement for water and wastewater services to be submitted to RS La Homa LLC, for the cost related to water & wastewater service for La Homa Rep Subdivision. The motion was made by Mr. Homero Tijerina and seconded by Mr. Ricardo Perez and was unanimously approved by the Board.
4. The Board of Directors approved a Non-Standard Service Agreement for water services to be submitted to Pena-Chapa Development, for the cost related to water service for Era Monte Phase II Subdivision. The motion was made by Mr. Homero Tijerina and seconded by Mr. Ricardo Perez and was unanimously approved by the Board.

5. The Board of Directors approved a Non-Standard Service Agreement for water services to be submitted to Pena-Chapa Development, for the cost related to water service for Era Monte Phase III Subdivision. The motion was made by Mr. Homero Tijerina and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
6. The Board of Directors approved 911 La Homa and Guzman Tune-Up for auto mechanic services for District vehicles. The motion was made by Mr. Homero Tijerina and seconded by Mr. Ricardo Perez and was unanimously approved by the Board.
7. The Board of Directors approved Pete's Muffler Shop and Scotts Tire Center for tire maintenance and repairs for District vehicles. The motion was made by Mr. Homero Tijerina and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
8. The Board of Directors approved Fiesta Lube Express for oil changes and preventive maintenance for District vehicles. The motion was made by Mr. Mr. Homero Tijerina and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
9. The Board of Directors approved to update signers to current board officers with Wells Fargo. The motion was made by Mr. Homero Tijerina and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
10. The Board of Directors received a presentation by Mr. Thomas Lastrapes, PFM Financial Advisors on the proposed Waterworks and Sewer System Revenue Refunding Bonds, Series 2022. The Board of Directors approved a resolution authorizing the issuance of Agua Special Utility District Waterworks and Sewer System Revenue Refunding Bonds, Series 2022; authorized a pricing officer to approve the amount, the interest rates, price, redemption provisions and terms thereof and certain other procedures and provisions related thereto approving additional agreements; and other matters in connection therewith. The motion was made by Mr. Homero Tijerina and seconded by Mr. Ricardo Perez and was unanimously approved by the Board.
11. The Board of Directors amended resolution by the Agua Board of Directors submitted to North American Development Bank (NADB) to continue certification of the East EDAP Sewer Project and authorize Agua Board President and General Manager to execute any and all documents related to facilitate NADB funding allocation for the Palmview Yardline Connection Project Phase 1 and Phase 2. The motion was made by Mr. Homero Tijerina and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
12. The Board of Directors approved Resolution ordering the General Election for Agua SUD Directors to be held on November 8, 2022. The motion was made by Mr. Homero Tijerina and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
13. The Board of Directors approved Change Order No. 4 with RDH Site and Concrete, LLC, for the Mile 3 Road Waterline Relocation Improvement Project. The motion was made by Mr. Homero Tijerina and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.

14. The Board of Directors approved Change Order No. 4 with Mor-Wil, LLC for the NADBank Palmview Yard Line Project (Hook-Up Project). The motion was made by Mr. Ricardo Perez and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
15. The Board of Directors approved the Assignment and Assumption of Contract relating to the Non-Standard Service Agreement for Coastal King LTD Subdivision. The motion was made by Mr. Homero Tijerina and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.
16. The Board of Directors received a report from the General Manager on operations and finance including:
 - a. May Financials
17. 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, 1,515 service connections, 1,433 connected, 1,313 septic tanks fully pumped out, and 1,305 fully decommissioned. Phase 2 update: completed the survey topographies and initiating the design phase and anticipating to be in the bidding phase by November or sooner. The cost estimate for the work is approximately \$2 million with the 10% contingency, and the cost was updated with today's current market cost. Questions were asked by Mr. Homero Tijerina and a brief discussion was held with Milo Salinas, M2 Engineering regarding who would physically check the actual lengths being installed by the contractor. M2 expressed that M2 Inspectors were physically verifying the actual length being installed by contractor.
 - b. Construction is approximately 95% - 97% complete for Mile 3 Road Waterline Improvements Project. Overall, Mile 3 Road Waterline Improvements Project is pending one crossing and two service connections.
 - c. TWDB Palmview Sanitary Sewer Improvements Project Update – the only project pending from the 4 projects is with Surety Company for Group A& G, the area pending to meet substantial completion is the G1 area.
 - d. Havana Water Treatment Plant Improvements Projects (TWDB) – in the environmental stage, a letter and request from the Army Core of Engineers was received requesting to submit enforceable design plans due to section being in a flood zone. M2 responded to their request last week and the EID is approximately 75% complete and anticipating to complete within the next 45 days.
18. The Board of Directors recessed into an Executive (closed) meeting at 6:44 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 Ms. Maribel Diaz and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

- ITEM 18. a. TWDB Palmview Sanitary Sewer Improvements Project. *Texas Open Meetings Act, Texas Government Code Section 551.071 (Consultation with Attorney).*
- ITEM 18. b. Performance Services, Inc. litigation. *Texas Open Meetings Act, Texas Government Code Section 551.071 (Consultation with Attorney).*
- ITEM 18. 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).*
- ITEM 18.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).*
- ITEM 18. e. Mendiola Water Storage Tank Project *Texas Open Meetings Act, Texas Government Code Section 551.071 (Consultation with Attorney).*
- ITEM 18. f. Santa Cruz Properties Pipeline Road Waterline Easement. *Texas Open Meetings Act, Texas Government Code Section 551.072 (Deliberation Regarding Real Property).*

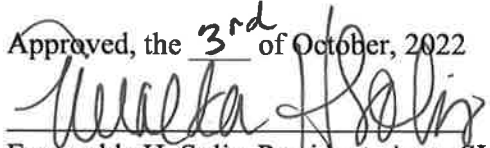
At 8:10 p.m., The Board moved to reconvene in open session and no action was taken in executive session. The motion was made by Mr. Homero Tijerina and seconded by Ms. Maribel Diaz and was unanimously approved by the Board.

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

- ITEM 18.a. The Board of Directors took no action on TWDB Palmview Sanitary Sewer Improvements Project.
- ITEM 18.b. The Board of Directors took no action on Performance Services, Inc. litigation.
- ITEM 18.c. The Board of Directors took no action on the Jimmy Closner & Sons Liquidated Damages for Palmview Wastewater Collection System Phase 1, Lift Stations A2, F, G, & G7. (Project 3).
- ITEM 18 d. The Board of Directors took no action on 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.

- ITEM 18. e. The Board of Directors took no action on the Mendiola Water Storage Tank Project.
- ITEM 18. f. The Board of Directors took no action on Santa Cruz Properties Pipeline Road Waterline Easement.

At 8:11 p.m., Mr. Homero Tijerina moved for adjournment. Motion was seconded by Ms. Maribel Diaz and was unanimously approved by the Board.

Approved, the 3rd of October, 2022

Esmeralda H. Solis, President, Agua SUD

Attested by:

Cesar Rodriguez, Jr., Secretary, Agua SUD