

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., April 3, 2023

MINUTES OF REGULAR MEETING

1. The meeting was called to order by Ms. Maribel Diaz at 6:04 p.m., April 3, 2023, at which time Ms. Diaz acknowledged the presence of the following Elected Members of the Board of the Agua SUD:

Directors Present:

Ms. Maribel Diaz
Dr. Adriana Flores-Villarreal
Mr. Ricardo Perez
Mr. Homero Tijerina
Mrs. Ana María Perez
Mr. Narciso Solis

Directors Absent:

Mr. Jose Luis Ochoa, Jr.

With a quorum of the members of the Agua SUD being present, the meeting was duly convened. Mrs. Pamela Perez presented the invocation.

Public Comment: None received.

2. The Board of Directors reviewed and adopted the February 6, 2023, Agua Board Meeting minutes. The motion was made by Mr. Homero Tijerina, seconded by Mrs. Ana María Perez, and unanimously approved by the Board.
3. The Board of Directors approved the Non-Standard Service Agreement for water to be submitted to Mr. Juan Jose Garcia, for the cost related to the water service for Diamond Subdivision. The motion was made by Mrs. Ana María Perez, seconded by Mr. Narciso Solis, and unanimously approved by the Board.
4. The Board of Directors approved the Non-Standard Service Agreement for water to be submitted to Nordhausen Utility Construction LLC, for the cost related to the water service for Western Meadows Subdivision. The motion was made by Mr. Narciso Solis, seconded by Mr. Ricardo Perez, and unanimously approved by the Board.

5. The Board of Directors approved the Non-Standard Service Agreement for water to be submitted to Chacon Christian & 1960 Investment Company LLC, for the cost related to the water service for Brushline Meadows Subdivision. The motion was made by Mrs. Ana María Perez, seconded by Mr. Narciso Solis, and unanimously approved by the Board.
6. The Board of Directors approved the Non-Standard Service Agreement for water to be submitted to Mr. Leonel & Norma Olivarez, for the cost related to the water service for Rancho Los Suenos Subdivision. The motion was made by Mr. Narciso Solis, seconded by Mr. Ricardo Perez, and unanimously approved by the Board.
7. The Board of Directors approved the Non-Standard Service Agreement for water to be submitted to Mr. Carlos Leal Jr., for the cost related to the water service for Las Comadres No. 10 Subdivision. The motion was made by Mr. Homero Tijerina, seconded by Dr. Adriana Flores-Villarreal, and unanimously approved by the Board.
8. The Board of Directors approved the Non-Standard Service Agreement for water to be submitted to Olmedo Investments LLC, for the cost related to the water service for Olmedo Subdivision. The motion was made by Mr. Homero Tijerina, seconded by Mr. Narciso Solis, and unanimously approved by the Board.
9. The Board of Directors approved the Non-Standard Service Agreement for water to be submitted to Jim-Ace LLC, for the cost related to the water service for S&J Subdivision. The motion was made by Mrs. Ana María Perez, seconded by Mr. Homero Tijerina, and unanimously approved by the Board.
10. The Board of Directors approved the Non-Standard Service Agreement for water to be submitted to Mr. Juan Jose Garcia, for the cost related to the water service for Diamond Ph II Subdivision. The motion was made by Mr. Homero Tijerina, seconded by Mr. Narciso Solis, and unanimously approved by the Board.
11. The Board of Directors approved the Non-Standard Service Agreement for water and wastewater to be submitted to LAC Enterprises LLC, for the cost related to the water and wastewater service for The Crossing at the Bentsen Palm Subdivision. The motion was made by Mrs. Ana María Perez, seconded by Mr. Homero Tijerina, and unanimously approved by the Board.
12. The Board of Directors approved the Non-Standard Service Agreement for water to be submitted to Matermi LLC, for the cost related to the water service for Maluz II Subdivision. The motion was made by Mr. Narciso Solis, seconded by Mrs. Ana María Perez, and unanimously approved by the Board.
13. The Board of Directors approved the Non-Standard Service Agreement for water to be submitted to Ms. Francisca P. Saenz, for the cost related to the water service for Resub Lt 38 Los Cenizos Subdivision. The motion was made by Mr. Homero Tijerina, seconded by Mr. Narciso Solis, and unanimously approved by the Board.
14. The Board of Directors approved the Non-Standard Service Agreement for water and wastewater to be submitted to Mr. Roel Ramirez, for the cost related to the water and

wastewater service for R. Ramirez Subdivision. The motion was made by Mr. Homero Tijerina, seconded by Mr. Narciso Solis, and unanimously approved by the Board.

15. The Board of Directors awarded the Liquid Aluminum Sulfate Blend and the Liquid Ammonium Sulfate to Chemtrade Chemicals US, LLC., for Agua SUD's water treatment chemicals as recommended by the General Manager. The motion was made by Mr. Homero Tijerina, seconded by Mrs. Ana María Perez, and unanimously approved by the Board.
16. The Board of Directors discussed the quotes for the re-establishment of the Mission Interconnect Waterline Distribution Improvement Project. Questions were asked by directors and a brief discussion was held with Agua's General Manager and Engineer on Retainer, M2 Engineers. The Board of Directors approved the selection of SR Construction as the lowest quote in the amount of \$30,760.00 for the re-establishment of the Mission Interconnect Waterline Distribution Improvement Project. The motion was made by Mrs. Ana Maria Perez and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.
17. The Board of Directors discussed the quotes for repairs for the Palmview Main Lift Station railing guides, stainless steel couplings, and 12-inch discharge flange connections for all three pumps. Questions were asked by directors and a brief discussion was held with Agua's General Manager and Engineer on Retainer, M2 Engineers. The Board of Directors approved the selection of JMJ Constructors as the lowest quote in the amount of \$30,575.00 for the Palmview Main Lift Station railing guides, stainless steel couplings, and 12-inch discharge flange connections for all three pumps. The motion was made by Mrs. Ana María Perez, seconded by Mr. Homero Tijerina, and unanimously approved by the Board.
18. The Board of Directors received a report from the General Manager on operations and finance including:
 - a. January Financials
 - b. February Financials
 - c. Senate Bill 1188 & House Bill 5313 regarding the amendment to District enabling legislation.
 - d. Update on alternative funding sources with Municipalities.
19. The Board of Directors received a report from the District Engineer on ongoing projects including:
 - a. NAD Bank Technical Assistance Agreement (Sewer Hook-ups) No Progress from the last board meeting: 1,581 service connections have been installed, 1,509 services connected and eligible to be billed, 1,544 septic tanks fully pumped out, and 1,535 fully decommissioned. A meeting was held with NADB, Agua SUD, and the Contractor to discuss the Project Close Out and the remaining work. Reconciliation of quantities for the Final Change Order was provided to NADB for review/approval, and upon approval it will be presented to Agua SUD Board for review/approval. Upon approval of the Change Order, it is anticipated that the Contractor will restart construction in April 2023 and complete all work by June 2023, which is dependent on approval by NADB

and Agua SUD. The final Geotech report is expected to be provided to M2 Engineering, PLLC no later than April 4, 2023.

- b. Havana Water Treatment Plant Improvements Projects (TWDB) – This project is in the environmental phase and there were no new updates from the previous board meeting.
 - c. Mendiola Water Storage Tank Project Update – The Design Team has now been in communication (CJS and M&H). A letter from the Engineer certifying the items in question pertaining to the Punch List is pending. The engineer is to provide a letter from the tank manufacturer. The letter is still pending. The letter was provided by CSJ to M&H with a credit of \$5,000, so we verified with a 3rd party electrician to verify what it would cost less to replace the conduit with the correct material (aluminum). A letter was provided to M&H from CSJ with a credit of \$5,000, and a meeting is being coordinated for this week with General Manager to evaluate.
 - d. TWDB Palmview Sanitary Sewer Improvements Project Update – The additional televising requested by Agua SUD from E.B. Reyna to Minnesota was initiated on March 21, 2023. Presently, Southern Trenchless has televised from Bentsen Palm Drive to Minnesota where the upstream manhole is located. Due to the rains, it has slowed the process to complete the remainder of televising from Bentsen Palm Drive to La Homa Rd. (E.B. Reyna). Agua SUD is assisting with dewatering in order to continue televising, and it is anticipated that the televising will resume tomorrow. Upon receipt of videos and inclinations reports, M2 Engineering, PLLC will provide a report of the findings similar to the one provided previously within three (3) weeks of receiving.
 - e. Capital Improvement Plan Update – The CIP is approximately 90% complete; Items pending: 1) Pending estimated costs of additional waterlines being included in the CIP as a result of the Hydraulic Modeling. 2) Finalize Report upon discussions for final review.
20. The Board of Directors recessed into an Executive (closed) meeting at 7:21 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 Mrs. Ana María Perez and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

- ITEM 20. a. 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 20. b. Performance Services, Inc. litigation.
- ITEM 20. c. Senate Bill 1188 and House Bill 5313 regarding the amendment to District enabling legislation.
- ITEM 20. d. Mendiola Water Storage Tank Project.
- ITEM 20. e. Service capacity limitations and pending applications.

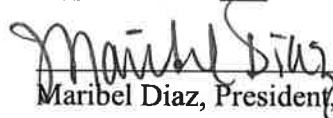
At 8:05 p.m., The Board moved to reconvene in an open session and no action was taken in the executive session. The motion was made by Mr. Homero Tijerina, seconded by Mrs. Ana María Perez, and unanimously approved by the Board.

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


- ITEM 20. a. 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 20. b. The Board of Directors took no action on Performance Services, Inc. litigation.
- ITEM 20. c. The Board of Directors took no action on Senate Bill 1188 regarding the amendment to District enabling legislation.
- ITEM 20. d. The Board of Directors took no action on the Mendiola Water Storage Tank Project.
- ITEM 20. e. The Board of Directors took no action on service capacity limitations and pending applications.

At 8:06 p.m., Mr. Homero Tijerina moved for adjournment. The motion was seconded by Mrs. Ana María Perez and was unanimously approved by the Board.

Approved, the 5th of June 2023


Maribel Diaz, President, Agua SUD

Attested by:


Jose Luis Ochoa, Jr., Secretary, Agua SUD