

# **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., May 8, 2023

## **MINUTES OF SPECIAL MEETING**

1. The meeting was called to order by Ms. Maribel Diaz at 6:04 p.m., May 8, 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. Jose Luis Ochoa, Jr.  
Mr. Ricardo Perez  
Mr. Homero Tijerina  
Mrs. Ana María Perez  
Mr. Narciso Solis

**Directors Absent:**

None

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:** Mr. J.L. Perez, Councilman, City of Palmview, requested a special meeting for the application of the old Gregs Ballroom property upon review and agreement. Mr. Perez also mentioned that they do not want additional delays due to interested businesses, and/or local entities, and want to have them under contract and be able to have a timeline for the contractors to start on the project.

2. The Board of Directors reviewed and adopted the March 6, 2023, Agua Board Meeting minutes. The motion was made by Mr. Homero Tijerina, seconded by Mr. Ricardo Perez, and unanimously approved by the Board.
3. The Board of Directors received a presentation regarding the completion and results of the Agua SUD 2022 Annual Comprehensive Financial Report and audit presented by Ms. Esmeralda Yniguez, with Carr, Riggs & Ingram, LLC. Questions were asked by the Board of Directors and a brief discussion was held with Ms. Esmeralda Yniguez and Ms. Carla Gomez.

Ms. Esmeralda Yniguez also went over the single audit report and the required communications for the Board of Directors and Management.

4. The Board of Directors accepted and approved the Agua SUD 2022 Annual Comprehensive Financial Report and audit as presented by Ms. Esmeralda Yniguez, Carr, Riggs & Ingram, LLC. The motion was made by Mr. Homero Tijerina, seconded by Mr. Narciso Solis, and unanimously approved by the Board.
5. The Board of Directors approved an amendment to the Non-Standard Service Agreement for water to be submitted to 1960 Investment Company, L.L.C. for the cost related to the water service for Western Meadows Subdivision. The motion was made by Mrs. Ana María Perez, seconded by Mr. Homero Tijerina, and unanimously approved by the Board.
6. The Board of Directors amended and updated the interlocal agreement to include a fire fee along with wastewater, solid waste (trash), and brush collection fees as requested by the City of La Joya subject to legal review. The motion was made by Mrs. Ana María Perez, seconded by Mr. Narciso Solis, and unanimously approved by the Board.
7. The Board of Directors approved an Order by the Agua SUD Board of Directors amending Article 9 Sec 9-2 Service Investigation Fee and Preliminary Evaluation of Service Fee adding a fee for Water Model Review. The motion was made by Mrs. Ana María Perez, seconded by Mr. Narciso Solis, and unanimously approved by the Board.
8. The Board of Directors received a report from the General Manager on operations and finance including:
  - a. March Financials
  - b. 1st Quarter Investment Report
  - c. Senate Bill 1188 & House Bill 5313 regarding the amendment to District enabling legislation.
  - d. City of Palmview Workshop Request
  - e. Mile 2 Road Interconnect Project
  - f. April 28, 2023, Storm Damage Updates
9. 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, 1,516 services connected and eligible to be billed, 1,544 septic tanks fully pumped out, and 1,535 fully decommissioned. NADB has responded by not approving a portion of the Change order that included additional costs to adjust service connections, and additional work necessary to make connections and replace yards to existing conditions. Change Order No. 5 will include a credit of over \$400k and an increase of approximately \$29,350.00. Whereas, in M2 opinion, NADB should fund \$6,750.00 due to those costs being associated with septic tanks under concrete pads, and \$22,600.00 to be paid by Agua

SUD and/or the homeowner (s) in order to achieve the pending final connections. The change order is being finalized and anticipated to be discussed with NADB within a week and finalized within the following two (2) weeks. The final design of the additional areas are completed and submitted to NADB for final review and approval to proceed with an advertisement of bids.

- b. Mendiola Water Storage Tank Project Update – The Design Team has now been in communication (CJS and M&H). CSJ is working on submitting As-Built Drawings, One Year Warranty Letter, and Substantial Completion Letter this week. Upon visiting with a 3rd Party Electrician, a credit of \$12,000 was verbally quoted to replace the conduit. The Project Engineer is working on a red-lined set of plans to provide the 3rd Party Electrician to provide the quote in writing. Therefore, the proposed credit would be requested from CSJ. CSJ is pending to finalize any other project close-out documents to proceed with the project close-out including the affidavit of bills paid, engineer’s certification of completion, etc.
  - c. TWDB Palmview Sanitary Sewer Improvements Project Update – Televising requested by Agua SUD from E.B. Reyna to Minnesota is still being performed and was delayed due to the weather. It is anticipated that the televising team will continue and will provide the televised videos upon completion. It is estimated to be approximately 2-3 weeks weather permitting. Upon receiving the televised video reports, M2 Engineering, PLLC will provide a report of the findings similar to the one provided previously within three (3) weeks. M2 Engineering, PLLC is also collecting survey topography of the top and flowlines of manholes where the televising is being performed to include the actual elevations in the televised reports to make a better comparison between the construction plans and the actual installation.
  - d. Capital Improvement Plan Update – The CIP is approximately 90% complete; Items pending: 1) Verify if other recommendations by Modeling Engineers 2) Agua SUD & Capex discussion and review of CIP and/or Impact Fees 3) Finalize Report upon discussions for final review.
10. 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 Dr. Adriana Flores-Villarreal and seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

- ITEM 10. 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 10. b. Performance Services, Inc. litigation.
- ITEM 10. c. Senate Bill 1188 and House Bill 5313 regarding the amendment to District enabling legislation.
- ITEM 10. d. Mendiola Water Storage Tank Project.

- ITEM 10. e. Service capacity limitations and pending applications.
- ITEM 10. f. Havan Water Treatment Plant Improvements Project (TWDB)

At 8:33 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 Mr. Jose Luis Ochoa, and unanimously approved by the Board.

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


- ITEM 10. 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 10. b. The Board of Directors took no action on Performance Services, Inc. litigation.
- ITEM 10. c. The Board of Directors took no action on Senate Bill 1188 and House Bill 5313 regarding the amendment to District enabling legislation.
- ITEM 10. d. The Board of Directors took no action on the Mendiola Water Storage Tank Project.
- ITEM 10. e. The Board of Directors took no action on service capacity limitations and pending applications.
- ITEM 10. f. The Board of Directors took no action on the Havana Water Treatment Plant Improvements Project (TWDB).

At 8:34 p.m., Mrs. Ana María Perez moved for adjournment. The motion was seconded by Mr. Homero Tijerina and was unanimously approved by the Board.

Approved, the 7<sup>th</sup> of August 2023

  
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Maribel Diaz, President, Agua SUD

Attested by

  
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Jose Luis Ochoa, Jr., Secretary, Agua SUD