

MINUTES

REGULAR MEETING – MAY 10, 2017

LAGUNA MADRE WATER DISTRICT

BOARD OF DIRECTORS

The **REGULAR MEETING** of the **LAGUNA MADRE WATER DISTRICT** was held at the Administration Office of the District at 105 Port Road, Port Isabel, Texas on the **10TH day of MAY 2017** at the hour of **5:30 P.M.**, pursuant to written notice as prescribed by law.

ITEM #1 QUORUM

The **CHAIRMAN** called the meeting to order and he determined the Notice of the Meeting had been duly posted in accordance with the law and the following present constituted a quorum:

BOARD OF DIRECTORS

Scott D. Friedman - Chairman

William Thomas – Vice Chairman **ABSENT**

Doyle Wells – Secretary

Jeff Keplinger – Director

Rick Wells – Director

ADMINISTRATIVE STAFF

Carlos J. Galvan, Jr. – General Manager

Charles Ortiz – District Engineer

Sanjuana Garcia – Director of Finance

Gustavo Ruiz – Attorney

ITEM #2 INVOCATION AND PLEDGE OF ALLEGIANCE

The **CHAIRMAN** invited everyone in the audience to stand for the Invocation and Pledge of Allegiance.

ITEM #3 INVITATION TO AUDIENCE FOR DISCUSSION

Public comments and announcements are given at this time.

The **CHAIRMAN** asked if anyone in the audience would like to address the **BOARD**. No one responded.

ITEM #4 CONSIDER AND APPROVE MINUTES OF REGULAR MEETING ON APRIL 26, 2017, AND MINUTES OF WORKSHOP MEETING ON APRIL 29, 2017. (C. GALVAN)

The Minutes of Regular Meeting and Minutes for Workshop Meeting were approved separately.

MR. D. WELLS made a motion to approve Minutes of Regular Meeting on April 26, 2017, seconded by **MR. R. WELLS**. **MR. J. KEPLINGER** abstained. **MOTION CARRIED.**

MR. J. KEPLINGER made a motion to approve Minutes of Workshop Meeting on April 29, 2017, seconded by **MR. D. WELLS**. **MR. R. WELLS** abstained. **MOTION CARRIED.**

ITEM #5 GENERAL MANAGER'S REPORT

- **EVALUATION**
- **CERTIFICATION**
- **AUDIT UPDATE**

Mr. Galvan reported on the following: **EVALUATION** - Mr. Galvan noted his evaluation was this month in May, and the Board agreed to have an agenda item at the next Regular Meeting, on May 24th, in Executive Session.

CERTIFICATION - Phillip Medrano, Wastewater Operator at the Port Isabel Wastewater Plant, was acknowledged for his accomplishment in receiving his "B" License in Wastewater.

AUDIT UPDATE – A Request made to Mr. Carlos Barrera, CPA for an update on the completion status of the District's Audit for 2016. Mr. Carlos Barrera, CPA reported the Auditors were in training all week and will return on Monday and continue working on completing their work.

ITEM #6 DISTRICT ENGINEER'S REPORT

- **PROGRESS OF CONSTRUCTION AT PORT ISABEL WASTEWATER TREATMENT PLANT (WWTP), ISLA BLANCA WWTP, AND ANDY BOWIE WWTP**
- **WATER INFRASTRUCTURE IMPROVEMENTS FOR THE NATION (WIIN) ACT**

Mr. Ortiz reported on the following:

PROGRESS OF CONSTRUCTION AT PORT ISABEL WASTEWATER TREATMENT PLANT (WWTP), ISLA BLANCA WWTP, AND ANDY BOWIE WWTP –

- Port Isabel Wastewater Treatment Plant construction, there was the installation of the headworks, and changes were made to the original depth from 68 feet to 80 feet depth; anticipating a change order on the changes.
- Isla Blanca Wastewater Treatment Plant- Contract with Ferguson, almost completed the air supply lines. Next week on Tuesday, the electrical is going into place.
- Andy Bowie Wastewater Treatment Plant – rebuilding the clarifier and received a quote for drive unit. An item will be presented at the next Regular Meeting on May 24, 2017, for emergency repairs on a replacement part.

WATER INFRASTRUCTURE IMPROVEMENTS FOR THE NATION (WIIN) ACT-

Letter that was submitted to the Bureau of Reclamation up in Denver, received confirmation on the amendment that was approved in December adding title 16. It's still the same cost for title 16 of 75% local cost and 25% grant.

ITEM #7 DIRECTOR OF FINANCE REPORT

• **INVESTING REPORT FOR SECOND QUARTER OF FISCAL YEAR 2017**

Mrs. Garcia reported on the following: **INVESTING REPORT FOR SECOND QUARTER OF FISCAL YEAR OF 2017 –** The Investment Report displayed: 31 Bank Accounts, with a total of 21 million – balance disbursed into 17 accounts with 12 CDs and one money market. A total amount of \$8,830.00 received for interest pay for the Second Quarter. Printed copies of the Quarterly Investment Report for the Quarter ended March 31, 2017, were handed out at the meeting.

ITEM #8 CONSIDER AND APPROVE GENERAL MANAGER TO HIRE A PURCHASING MANAGER FOR THE DISTRICT

Mr. Galvan noted a change in the job title, instead of Purchasing Manager, it's Purchasing Agent. The Purchasing Agent will be managing all the purchasing procedures for the District. There was a discussion, and it was agreed for General Manager, to

begin with hiring a Purchasing Agent subject to board reviewing job description and job qualifications requirements for advertisement.

It was noted, a job description presented at the next Regular Meeting on May 24, 2017.

A motion was made by **MR. D. WELLS** to approve General Manager to hire a Purchasing Agent for the District based on the General Manager's expressed intent, seconded by **MR. R. WELLS** with **MR. J. KEPLINGER** against. **MOTION CARRIED.**

ITEM #9 CONSIDER AND APPROVE A REVISED WATER CONSERVATION PLAN (RESOLUTION NO. 147-05-17). (C. ORTIZ)

Mr. Ortiz reported it was required to update the Conservation Plan every five years through a Board Resolution to comply with the Texas Water Development Board and TCEQ. The Board briefly discussed, and it was agreed to approve.

A motion was made by **MR. D. WELLS** to approve a Revised Water Conservation Plan (Resolution No. 147-05-17), seconded by **MR. J. KEPLINGER. MOTION CARRIED UNANIMOUSLY.**

ITEM #10 CONSIDER AND APPROVE REPAIRS OF SUBMERSIBLE PUMP AT LIFT STATION 20 (121 DOLPHIN, SOUTH PADE ISLAND). (C. ORTIZ)

Discussion and questions ensued regarding what caused the submersible pumps to burn out at Lift Station 20. The Board agreed to approve the repairs of the submersible pump.

A motion was made by **MR. J. KEPLINGER** to approve repairs of Submersible Pump at Lift Station 20 (121 Dolphin, South Padre Island), seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #11 CONSIDER AND APPROVE AGREED ORDER DOCKET NO. 2017-0266-MWD-E WITH TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR ENFORCEMENT CASE AT ISLA BLANCA WASTEWATER TREATMENT PLANT (C. ORTIZ)

Mr. Ortiz reported this is the official action item for written practice certification of compliance and our District's Counsel has reviewed the documents. Discussion ensued, and the Board agreed to approve.

A motion was made by **MR. R. WELLS** to approve Agreed Order Docket No. 2017-0266-MWD-E with Texas Commission on Environmental Quality for enforcement case at Isla Blanca Wastewater Treatment Plant, seconded by **MR. J. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #12 PRESENTATION BY GARVER REGARDING PROFESSIONAL ENGINEERING SERVICES AND LMWD UNFUNDED CAPITAL IMPROVEMENT PROJECTS (C. ORTZ)

This item was for discussion only.

A power point Presentation by Garver, regarding Professional Engineering Services and LMWD Unfunded Capital Improvement Projects. Mr. Richard Correa, PE, Mr. Jeff Sober, PE, and Mr. Steve Jones, PE, Ph.D.gave the presentation On LMWD's unfunded Capital Improvement Projects for Water Reuse/Reclamation, Any Bowie Wastewater Treatment Plant, Isla Blanca Wastewater Treatment Plant, and Port Isabel Wastewater Treatment Plant Sludge Holding Tank. Following the presentation, there was discussion and questions. Printed copies of the power point presentation were handed out during the meeting.

ITEM #13 CONSIDER AND APPROVE MASTER AGREEMENT FOR PROFESSIONAL SERVICES WITH GARVER (C. ORTIZ)

There was a discussion, and following points were discussed: page 2 of 8 of the Agreement, under Section 4-Owner's Responsibilities, number 9 (on page 3 of 8); and page 5 of 8 on the Agreement, 5.8 Limitation of Liability.

The document was tabled for further review by Staff and District Counsel. This document will be deferred until the next Regular Meeting on May 24, 2017, and will bring back recommendations.

A motion was made by **MR. D. WELLS** to table the Master Agreement for Professional Services with Garver and Staff and Legal to review further the agreement, seconded by **MR. J. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY. ITEM TABLED.**

ITEM #14 CONSIDER AND APPROVE WORK ORDER NO. 1 WITH GARVER FOR COMPLETION OF BOND APPLICATION REPORT (C. ORTZ)

There was no discussion, no motion or action taken. **MOTION FAILED.**

**ITEM #15 CONSIDER AND APPROVE CHANGE ORDER NO. 1 FOR CONSTRUCTION OF PORT ISABEL
WWTP OUTFALL EXTENSION (C. ORTZ)**

There was a discussion on the changes from the original contract, and it was agreed to approve the change order for the Port Isabel WWTP Outfall Extension.

A motion was made by **MR. J. KEPLINGER** to approve Change Order No. 1 for the construction of Port Isabel WWTP Outfall Extension, seconded by **MR. R. WELLS**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #16 CONSIDER AND APPROVE DISBURSEMENTS.

There was a discussion on certain items on the disbursement list.

MR. D. WELLS made a motion to approve Disbursements as presented, seconded by **MR. J. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM #14 EXECUTIVE SESSION PERMITTED BY THE OPEN MEETING ACT, V.T.C.A., GOVERNMENT
CODE SECTION 551.001 ET. SEQ., UNDER SECTION 551.071, CONSULTATION WITH
ATTORNEY; SECTION 551.072, DELIBERATION ABOUT REAL PROPERTY, SECTION 551.074
(A) (1), AUTHORIZING CERTAIN DELIBERATIONS ABOUT OFFICERS AND EMPLOYEES OF
THE DISTRICT TO BE HELD IN EXECUTIVE SESSION**

**CONSIDER AND APPROVE AGREEMENT AMENDING AND SUPPLEMENTING THE 1985
AGREEMENT FOR THE RESOLUTION OF POTENTIAL LITIGATION AND CONVEYANCE OF
INTERESTS IN REAL PROPERTY**

A motion was made by **MR. R. WELLS** for the **BOARD** to go into executive session at **5:37 PM**, seconded by **MR. J. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

The Board took a short recess before going into Executive Session.

A motion was made by **MR. J. KEPLINGER** for the **BOARD** to come out of executive session at **6:52 PM**, seconded by **MR. R. WELLS**. **MOTION CARRIED UNANIMOUSLY.**

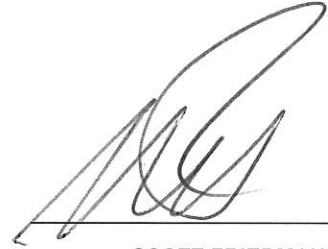
ITEM # 15 CONSIDERATION AND ACTION ON EXECUTIVE SESSION ITEMS, IF NECESSARY.

CONSIDER AND APPROVE AGREEMENT AMENDING AND SUPPLEMENTING THE 1985
AGREEMENT FOR THE RESOLUTION OF POTENTIAL LITIGATION AND CONVEYANCE OF
INTERESTS IN REAL PROPERTY

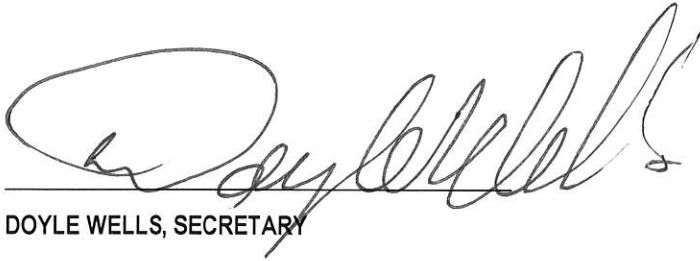
The Chairman noted no action at this time.

ITEM #16 ADJOURNMENT

The **CHAIRMAN** adjourned the meeting at **6:54 PM**.



SCOTT FRIEDMAN, CHAIRMAN



DOYLE WELLS, SECRETARY

MINUTES APPROVED THIS 24TH DAY OF MAY 2017.