

**MINUTES**  
**WORKSHOP MEETING – SEPTEMBER 7, 2016**  
**LAGUNA MADRE WATER DISTRICT**  
**BOARD OF DIRECTORS**

The **WORKSHOP MEETING** of the **LAGUNA MADRE WATER DISTRICT** was held at the Administration Office of the District, 105 Port Road, Port Isabel, Texas on 7<sup>th</sup> day of **SEPTEMBER** at the hour of **5:00 p.m.** pursuant to written notice as presented by law.

**ITEM #1            QUORUM**

The **CHAIRMAN** called the **WORKSHOP MEETING** to order at **5:00 p.m.** 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***

Jeff Keplinger – Chairman  
William “Whitey” J. Thomas – Vice Chairman  
Scott Friedman – Secretary            **ABSENT**  
Rick Wells – Director  
Doyle Wells, III – Director

***ADMINISTRATIVE STAFF***

Carlos J. Galvan, Jr. – General Manager  
Victor Valdez – Director of Operations  
Charles Ortiz – District Engineer  
Sanjuana Garcia – Director of Finance

LMWD Staff: Minnie Mata, Customer Service Manager; Noe Cantu, Water Plant Manager; Mark Garza, Wastewater / Lift Stations Manager; Jose Salinas, Wastewater Collections Manager; Joel Lopez, Water Distribution Manager; Bart Perez, Mechanical/Maintenance Manager; Tavo Ochoa, Construction Maintenance Manager; and Jarrod Martinez, Laboratory / Safety Manager

**ITEM #2            INVOCATION AND PLEDGE OF ALLEGIANCE**

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

**ITEM #3            DISCUSS CONSTRUCTION MANAGEMENT FOR PORT ISABEL WASTEWATER TREATMENT PLANT IMPROVEMENTS**

A PowerPoint presentation was made by Mr. Hani Michel and Mr. Leon Allen, Engineers with Carollo Engineers, Inc. regarding Engineering Services by Carollo Engineers, Inc. for the Construction Management of the Port Isabel Wastewater Treatment Plant Facility Upgrade Projects. Discussion and questions ensued concerning the Project Goals timetable, Construction Services, and Construction Fees for the Outfall Extension, Port Isabel Wastewater Treatment Facility Modifications, and Sludge Holding Tanks. The following points were made:

- Port Isabel Plant Construction – 15 months project, starts January 2017, completion Spring 2018; cost \$279,000.00
- Sludge Holding Tank – 6 months Project, starts September 2017, completion Spring 2018; cost \$107,100.00
- Outfall Extension Project- 4 months project, Cost \$27,200.00
- Engineering Services Total Cost is \$413,300; plus Operations Start-up Assistance will be added to total

- Raba Kistner Consultants, Inc. will do the Construction Observation and Testing Services; Total Cost \$55,748.80, to be paid directly by LMWD and will be presented to the Board for approval at the next Regular Meeting on September 14, 2016

It was noted, a third amendment will be added to the original contract to add Professional Construction Phase Services for the Port Isabel Wastewater Treatment Facilities Improvements. An Amended Contract Agreement for Engineering Services between Laguna Madre Water District and Carollo Engineers, Inc. for Port Isabel Wastewater Treatment Facility Upgrade Project will be presented for approval at the next Board of Directors Regular Meeting on September 14, 2016.

**ITEM #4            DISCUSS FY 2016-2017 PROPOSED BUDGET**

The Director of Finance provided the Board and Staff with a spreadsheet of the Budget Proposal FY2016-17, printed copies were handed out. The District’s proposed budget was reviewed and there was open discussion for questions and answers. The following points were made:

- Water revenues 60%; Sewer revenues 40%; Total Revenues 8.5
- Water Plant Department – A 5% decrease overall from last year. Highest expenses are salaries, electricity, and chemicals; greatest changes from last budget were in Capital Outlay. Total of 12 employees.
- Distribution Department – A 8% increase overall from last year. Highest expenses are salaries, materials, and major repairs; and \$4,500 in Capital Outlay for 18” Excavating Bucket. Total of 11 employees.
- Collections Department – A 2% increase overall from last year. Highest expenses are salaries, chemicals, and heavy equipment maintenance; and \$19,000 in Capital Outlay for Jetter and Hydraulic Saw. Total of 6 employees.
- Mechanical Maintenance Department – A 5% decrease overall from last year. Highest expenses are salaries, vehicle maintenance, and maintenance contract; and \$5,000 in Capital Outlay for Diagnostics Computer. Miscellaneous expenses were moved to Maintenance Supplies.
- Lab Department – A 4% increase overall from last year. Highest expenses are salaries, and permits & testing; and Capital Outlay amount is for an R O System (TCEQ Compliance).
- Administration Department – A 13% increase overall from last year. Highest increase is Debt Service and Capital Outlay Projects. Total of 5 employees.
- Wastewater Plant Department – A 27% decrease in salaries caused by changes, combined Wastewater and Lift Stations Departments and removed 6 employees to create a new Construction & Maintenance Department. Highest expenses are salaries, electricity, chemicals, and sludge disposal. Total of 13 employees.
- Finance Department – A 4% decrease overall from last year. Highest expenses are in salaries, postage, and leases. Total of 11 employees.
- Electrical Department – A 2% increase on expenditures with highest expenses only in salaries. Total of 3 employees.
- Construction & Maintenance Department – New Department with total expenditures anticipated \$306,000; showing \$7,000 in Capital Outlay for a Plasma Cutter. Total of employees 5.
- Capital Outlay’s Total - \$101,500

A final draft will be prepared and presented for approval at the next Board of Directors Regular Meeting on September 14, 2016, alongside supported by a Resolution to adopt the Budget for Fiscal Year 2016-2017 of the District.

**ITEM #5            ADJOURNMENT**

The Chairman adjourned the Workshop Meeting at **6:30 P.M.**

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**JEFF KEPLINGER, CHAIRMAN**

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**WILLIAM J. THOMAS, VICE CHAIRMAN**

**MINUTES APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2016.**