

**MINUTES**  
**LAGUNA MADRE WATER DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**

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 **24th day of AUGUST 2016** at the hour of **6:00 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***

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

***ADMINISTRATIVE STAFF***

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

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

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

**ITEM #3**            **INVITATION TO AUDIENCE FOR DISCUSSION**

The **CHAIRMAN** asked if anyone in the audience would like to address the **BOARD**.

**MR. R. WELLS** congratulated his fellow Board Members (Mr. Keplinger, Mr. Thomas, and Mr. Friedman) who are running unopposed on November 8, 2016 for Laguna Madre Water District Board of Directors Election.

**ITEM #4**            **CONSIDER AND APPROVE MINUTES FOR REGULAR MEETING OF AUGUST 10, 2016**

It was noted for minutes of August 10, 2016 to reflect the following: Item #10 (on page 2) will be reviewed on August 24, 2016 Regular Meeting on Item #13, given that Item #10 was tabled and deferred to the next meeting.

A motion was made by **MR. S. FRIEDMAN** to approve Minutes for Regular Meeting of August 10, 2016 with changes, seconded by **MR. R. WELLS**. **MOTION CARRIED UNANIMOUSLY.**

After Item #4 was discussed, some items were taken out of order. Items were called and discussed in the following order: 1, 2, 3, 4, 8, 10, 11, 5, 6, 7, 9, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21.

**ITEM #5            GENERAL MANAGER'S REPORT**

- **BUDGET WORKSHOP**
- **BUDGET POLICY**
- **ELECTRICITY REPORT**

**MR. GALVAN** reported on the following:

- **BUDGET WORKSHOP** – A Workshop Meeting was scheduled for Wednesday, September 7, 2016 @ 5 pm.
- **BUDGET POLICY** – There was discussion and it was determined for an in-house timeline protocol to be produced and followed for preparing the District's Budget Proposal.
- **ELECTRICITY REPORT** – A report is being established to show electricity cost to help all departments focus on usage and will be presented to the Board at a Regular Board meeting.

**ITEM #6            DISTRICT ENGINEER'S REPORT**

- **PORT ISABEL WWTP MONOFILL**

**MR. ORTIZ** reported on the following:

- **PORT ISABEL WWTP MONOFILL** – There was discussion on possibilities for PIWWTP Monofill - to permanently close or to reactivate. Options: Engineers estimate to reactivate, cost is \$246,000.00; and estimate to close Monofill is 1 to 1 ½ million. If reactivated it will save on the hauling cost.

**ITEM #7            DIRECTOR OF FINANCE REPORT**

- **ELECTIONS STATUS**
- **REVENUES**
- **INVESTMENTS**

**MRS. GARCIA** reported on the following;

- **ELECTIONS STATUS** – Election Deadline for write-in candidates to file is Friday.
- **REVENUES** – Report for July's Financial Statements is being finalized and appears to meet revenues, hopefully with a 10% increase -numbers are revised based on the 2015 numbers.
- **INVESTMENTS** – On August 22, 2 (two) CD's expired with IBC @ .44. Competition Bids were done and selected to have 2 CD's @ \$500,000.00 each with Green Bank @ .79. It will formally be presented at the next Regular meeting.

**ITEM #8            CONSIDER AND DISCUSS ELECTION NOVEMBER 8, 2016, PRESENTED BY REMI GARZA, ELECTIONS ADMINISTRATOR WITH CAMERON COUNTY**

Item #8 was for discussion only. This item was taken out of order for detail information on order of items, please see Item #4.

Mr. Remi Garza, Elections Administrator for Cameron County gave a presentation on Elections November 8, 2016 involving the Laguna Madre Water District Board of Directors Election. Printed copies were handed out to the Board during the presentation. There was discussion and the following points were made:

- Procedures to follow in the event for canceling an Election due to lack of opposition for the members

- Deadline for write-in candidates is August 26, 2016 @ 5 pm
- Statutory responsibilities of the District: Notices and Advertising LMWD Elections and its polling locations
- County responsibilities: Opening of the polling locations, preparation of the Ballots, Poll workers, Early Voting, Election Day, Certify Results for Board to review.
- If no write-in Candidates, canceling Election is the next step with a letter to Chairman certifying no opposed candidates in the race. At next Regular Meeting an order to approve canceling Election due to unopposed candidates for the race. Until after November 8<sup>th</sup> Election, unopposed Election members can be sworn in and start their next term in office.
- Early Voting starts October 24<sup>th</sup> through November 4<sup>th</sup>. Election Day is November 8<sup>th</sup>.
- No fees owed to the County if Election is canceled.

**ITEM #9                    CONSIDER AND APPROVE AD VALOREM TAXES FOR THE YEAR 2016 AT \$0.045016/100 (RESOLUTION NO. 137-08-16)**

A motion was made by **MR. R. WELLS** to approve Ad Valorem Taxes for the Year 2016 at \$0.045016/100 (Resolution No. 137-08-16), seconded by **MR. W. THOMAS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #10                DISCUSS AND APPROVE A RESOLUTION AUTHORIZING THE ISSUANCE OF LAGUNA MADRE WATER DISTRICT WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2016 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$5,815,000; AWARDED SALE OF THE BONDS TO THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE (RESOLUTION NO. 138-08-16)**

This item was taken out of order for detail information on order of items, please see Item #4.

A presentation was made by Mr. Rudy Mejia, Financial Advisor with Estrada Hinojosa and Noel Valdez, Bond Counsel with McCall, Parkhurst and Horton. Printed copies of a Summary of Financing for the \$5,815,000 Waterworks and Sewer System Revenue Bonds, Series 2016 issued through Texas Water Development Board were handed out during the presentation.

The following points were made:

- On 8/16/2016, TWBD officially locked in rates for LMWD's \$5,815,000 WW & SS Revenue Bonds, Series 2016
- TWDB locked in Series 2016 at a true Interest Cost Rate of 1.19% with a 20 year payout
- District saves \$1,095,128 in debt service over the 20 year life of Series 2016
- Annual payment will increase over the next 20 years about \$300,000
- Closing transaction and delivery of funds will be on October 6, 2016. Funds will also be released.
- First payment will be 3/1/2017 in the amount of \$296,882.63 for principal and interest payment. On 9/1/2017 Interest payment in the amount \$20,957.75

A motion was made by **MR. S. FRIEDMAN** to approve Resolution Authorizing the Issuance of Laguna Madre Water District Waterworks and Sewer System Revenue Bonds, Series 2016 in the Aggregate Principal Amount of \$5,815,000; Awarding Sale of the Bonds to the Texas Water Development Board; Authorizing other matters related to the Issuance of the Bonds; and providing for an Immediate Effective Date (Resolution No. 138-08-16), seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #11                CONSIDER AND APPROVE CHANGING LAGUNA MADRE WATER DISTRICT BOARD OF DIRECTORS REGULAR MEETING TIME**

This item was taken out of order for detail information on order of items, please see Item #4.

There was discussion to changing Board of Director's Regular Meeting times. It was agreed to change time from 6 PM to 5 PM.

A motion was made by **MR. D. WELLS** to approve changing Laguna Madre Water District Board of Directors Regular Meeting time to 5 P.M., seconded by **MR. R. WELLS** with **MR. W THOMAS** opposing. **MOTION CARRIED.**

**ITEM #12**      **CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM Tabled ON THE BOARD MEETING OF AUGUST 10, 2016:**

**CONSIDER AND APPROVE PROFESSIONAL SURVEYING SERVICES WITH AMBIOTEC FOR PORT ISABEL WWTP BUFFER ZONE**

A motion was made by **MR. S. FRIEDMAN** to remove the following item from the table for discussion, seconded by **MR. R. WELLS**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM #13**      **CONSIDER AND APPROVE PROFESSIONAL SURVEYING SERVICES WITH AMBIOTEC FOR PORT ISABEL WWTP BUFFER ZONE**

There was discussion and the following item was tabled for further review and for modifications to Ambiotec's proposal, item was deferred to the next Regular Meeting on September 14, 2015.

A motion was made by **MR. W. THOMAS** to table item for Professional Surveying Services with Ambiotec for Port Isabel WWTP buffer zone, seconded by **MR. S. FRIEDMAN**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM #14**      **CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM Tabled ON THE BOARD MEETING OF AUGUST 10, 2016:**

**CONSIDER AND APPROVE CAPITAL IMPROVEMENT PLAN FOR FY2017 (FUND 03)**

This item was not discussed.

**ITEM #15**      **CONSIDER AND APPROVE CAPITAL IMPROVEMENT PLAN FOR FY2017 (FUND 03)**

This item was not discussed.

**ITEM #16**      **CONSIDER AND APPROVE EMERGENCY RATIFICATION FOR HIDALGO COUNTY WATER IMPROVEMENT DISTRICT NO. 3 TO PROVIDE EXCAVATOR AND OPERATOR TO REMOVE SLUDGE FROM WATER PLANT 2 SLUDGE LAGOON**

There was discussion and questions' regarding the emergency maintenance of the sludge removal and it was determined for it to be added to the budget for annual maintenance until new sludge drying basins are in place.

A motion was made by **MR. W. THOMAS** to approve Hidalgo County Water Improvement District No. 3 to Provide Excavator and Operator to Remove Sludge from Water Plant 2 Sludge Lagoon, seconded by **MR. S. FRIEDMAN**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM #17**      **CONSIDER AND AWARD CONSTRUCTION OF PORT ISABEL WATERLINE REHABILITATION (BID # LNV-16-08-01)**

A presentation was made by Mr. Richard Correa, Engineer/Associate Vice President for LNV regarding Port Isabel Waterline Rehabilitation Project recommendation award, followed by discussion and questions. It was recommended that the District award the Base Bid portion of the project to G & T Paving in the amount of \$646,385.00.

A motion was made by **MR. R. WELLS** to approve recommendation from Engineer to award G & T Paving contract in the amount of \$646,385.00 for Construction of Port Isabel Waterline Rehabilitation (Bid # LNV-16-08-01), seconded by **MR. S. FRIEDMAN. MOTION CARRIED UNANIMOUSLY.**

**ITEM #18      CONSIDER AND APPROVE TEXAS MUTUAL INSURANCE FOR OUR WORKER'S COMP PROVIDER FOR PERIOD OCTOBER 1, 2016 TO OCTOBER 1, 2017**

There was discussion and questions regarding LMWD's Worker's Comp provider. **MRS. GARCIA** recommended continuing with current provider Texas Mutual Insurance for LMWD's Worker's Comp for Period October 1, 2016 to October 1, 2017 and selecting Payment in Full Option 2 - In-Network estimated annual premium amount of \$37,587.00.

A motion was made by **MR. R. WELLS** to approve Texas Mutual Insurance for our Worker's Comp Provider for Period October 1, 2016 to October 1, 2017, seconded by **MR. D. WELLS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #19      CONSIDER AND APPROVE UNAUDITED REVENUE AND EXPENSES REPORT FOR THE PERIOD OF JUNE 2016**

A motion was made by **MR. R. WELLS** to approve Unaudited Revenue and Expenses Report for the Period of June 2016 as presented, seconded by **MR. W. THOMAS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #20      CONSIDER AND APPROVE DISBURSEMENTS**

There was discussion and questions on certain items on the Disbursement list.

A motion was made by **MR. D. WELLS** to approve Disbursements as presented, seconded by **MR. W. THOMAS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #21      ADJOURNMENT**

There being no further business the **CHAIRMAN** adjourned the meeting at **7:15 p.m.**

---

JEFF KEPLINGER, CHAIRMAN

---

SCOTT D. FRIEDMAN, SECRETARY

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