



MINUTES
 Regular Meeting
 Laguna Madre Water District
 Board of Directors
 Wednesday, May 27th, 2020
 5:30 PM – 6:26 PM
 Board Room

1	<p><u>QUORUM</u></p> <p>PRESENT: Chairman, Scott Friedman Vice-Chairman, Herb Houston Secretary, Alex Avalos Director, Jason Starkey Director, Adam Lalonde</p> <p style="text-align: center;">  ABSENT ABSENT Virtual Meeting with Zoom Virtual Meeting with Zoom </p> <p>ADMINISTRATIVE STAFF: General Manager, Carlos J. Galvan, Jr. Director of Operations, Robert Gomez District Engineer, Charles Ortiz Purchasing Agent, Enrique Samaniego Director of Finance, Eddie Salazar Attorney, Brian Hansen</p>	
2	<p><u>INVOCATION AND PLEDGE OF ALLEGIANCE</u></p> <p>The meeting began with the Pledge of Allegiance, and R. Gomez said the Invocation.</p>	
3	<p><u>INVITATION TO THE AUDIENCE FOR PUBLIC COMMENTS</u></p> <p>COMMENTS:</p> <ul style="list-style-type: none"> • Media Consultant, Victor Baldovinos with Grant Access noted: <ul style="list-style-type: none"> ○ Social Media postings going well ○ Met with C. Glavan to go over July 4th preparations, and working on Increasing security lighting outside the Administration Building ✓ Discussion: Contacting Walmart about possibly removing a product placement advertisement posted inside the store. The display is from Primo Water & Dispensers promoting to buy bottled water vs. using tap water; the Ad states that tap water can hang out in some pretty seedy joints. The Primo display is falsely incorrect for the reason that the District's water has superior water ratings. 	
4	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL THE MINUTES OF THE REGULAR MEETING FROM MAY 13TH, 2020. (C. GALVAN) 💧</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • The Board approved the Regular Meeting Minutes as presented <p>Moved by A. LALONDE, seconded by J. STARKEY.</p> <p>Move to approve.</p>	<p>MOTION CARRIED</p>

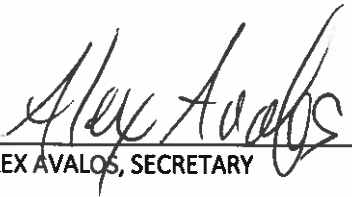
5	<p><u>GENERAL MANAGER'S</u> 💧</p> <p>REPORT:</p> <ul style="list-style-type: none"> • <u>COVID-19 UPDATES –</u> <ul style="list-style-type: none"> ○ The District is still utilizing all the protocols for COVID-19 ○ Only the drive-through is open. The doors continue to remain closed to the public, waiting on an order for plastic shields to arrive and get installed before opening the doors again ○ Employees are safe, so far no positive cases reported • <u>AWBD ANNUAL CONFERENCE UPDATE –</u> <ul style="list-style-type: none"> ○ The Conference got rescheduled from June to August ○ Conference dates: Thursday, August 6th - Saturday, August 8th 	<p style="text-align: center;">GENERAL MANAGER'S REPORT</p>
6	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF ANNUAL UPDATES TO THE HURRICANE OPERATIONS MANUAL. (C. GALVAN)</u> 💧</p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • Met with staff and management for updates • Draft copy for review • The Board agreed and approved the Hurricane Operations Manual as presented <p>Moved by J. STARKEY, seconded by A. LALONDE.</p> <p>Move to approve.</p>	<p style="text-align: center;">MOTION CARRIED</p>
7	<p><u>DIRECTOR OF OPERATION'S REPORT</u> 💧</p> <p>REPORT:</p> <ul style="list-style-type: none"> • <u>MAINTENANCE ON LAGUNA VISTA WASTEWATER PLANT'S DIGESTOR, USE OF DREDGER, AND MANHOLE REPAIR -</u> <ul style="list-style-type: none"> ○ The digester gets cleaned around every eight years. Pictures displayed for review. ○ The newly purchased dredger got used at Water Plant 1 reservoir. Pictures displayed for review. ○ Discovered that the manhole on Sheepshead and Laguna is in bad shape and will be repaired with a manhole insert. Pictures displayed for review. 	<p style="text-align: center;">DIRECTOR OF OPERATION'S REPORT</p>
8	<p><u>DISTRICT ENGINEER'S REPORT</u> 💧</p> <p>REPORT:</p> <ul style="list-style-type: none"> • <u>SH 100 GRAVITY SEWER EXTENSION, PORT ISABEL, LANDOWNER COORDINATION</u> <ul style="list-style-type: none"> ○ Approached each business whose connection is affected by the proposed SH 100 gravity sewer extension in Port Isabel from 2nd St. to SH48 • <u>LIFT STATION REHABILITATION 90% DESIGN WORKSHOP FOR JUNE 5TH</u> 	<p style="text-align: center;">DISTRICT ENGINEER'S REPORT</p>

	<ul style="list-style-type: none"> ▪ <u>CONDITION OF LIFT STATION #1 (804 MESQUITE, LAGUNA VISTA)</u> ▪ <u>CONDITION OF LIFT STATION #17 FORCE MAIN & DOWNSTAIRS GRAVITY SEWER (ALONG YTURRIA FROM HICKMAN TO THE ALLEY BETWEEN MONROE & MADISON, PORT ISABEL)</u> <p>○ The Workshop if for the Operations Department and its rescheduled for July 17th</p>	
9	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF CHANGE ORDER NO. 1 WITH MPC, INC. FOR ALTITUDE VALVE ADDITIONS FOR SCADA UPGRADE AT ELEVATED STORAGE TANKS (C. ORTIZ).</u> 💧</p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • Total price for altitude valve, change order increase of \$14,930.00 • Board agreed to approve <p>Moved by A. LALONDE, seconded by J. STARKEY.</p> <p>Move to approve.</p>	MOTION CARRIED
10	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF PROFESSIONAL SERVICES WITH FREESE AND NICHOLS FOR ANDY BOWIE WASTEWATER TREATMENT PLANT POTENTIAL COPPER LIMIT. (C. ORTIZ)</u> 💧</p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • The Task authorization amount not to exceed \$21,302.00 • The Board agreed to approve <p>Moved by A. LALONDE, seconded by J. STARKEY.</p> <p>Move to approve.</p>	MOTION CARRIED
11	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF AGREEMENT WITH SWG ENGINEERING FOR ENGINEERING DESIGN, BID, AND CONSTRUCTION PHASE SERVICES FOR WASTER PLANT #1 CLARIFIER REHABILITATION PROJECT. (C. ORTIZ)</u> 💧</p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • Total requested amount not to exceed \$210,873.75 • The Board agreed to approve <p>Moved by A. LALONDE, seconded by J. STARKEY.</p> <p>Move to approve.</p>	MOTION CARRIED
12	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF BUDGET AMENDMENT FOR ENGINEERING COSTS RELATED TO IMPROVING, RENOVATING, AND EQUIPPING WATER TREATMENT PLANT #1 INTENDED TO BE REIMBURSED BY FUTURE TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY THE LAGUNA MADRE WATER DISTRICT. (C. ORTIZ)</u> 💧</p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • Requested Budget amount increase of \$146,905.32 for preliminary design and final design phase for Water Plant 1 improvement – Clarifier replacement 	MOTION CARRIED

	<ul style="list-style-type: none"> The Board agreed to approve <p>Moved by A. LALONDE, seconded by J. STARKEY.</p> <p>Move to approve.</p>	
13	<p><u>DIRECTOR OF FINANCE REPORT</u> </p> <p>REPORT:</p> <ul style="list-style-type: none"> <u>CONSUMPTION REPORT –</u> <ul style="list-style-type: none"> Reviewed Revenue numbers and consumption report Only a partial month for May available at this time on consumption <u>UPDATE ON FINANCIAL NUMBERS FOR APRIL 2020</u> <ul style="list-style-type: none"> Future Projection – Revenues will gradually increase over the next few months through September Current projections are that fiscal year-end revenues will miss the budget by \$282,935 or 2.5% Expenditures expected to be below the budget by \$2.2 million, or 20% The net effect of the two figures are projected to be revenues over expenditures by \$1.95 million Collections have not been a problem The biggest cause of the reduction in expenditures is from transfers to the debt service. An error discovered where we had budgeted for bond payments that not yet issued when the budget was adopted (there were bonds still in the works that were not finalized and not issued and changed the payment date when finalized). The effect ended up having extra money in that debt service fund because too much money was being transferred. With that extra money, it can be used to make the bond payments. Discussion ensued. <ul style="list-style-type: none"> Questions: When did it start, the transferring of too much money? Response: Years Question: How did you find the money? Response: While in the process to postpone projects and looked at every dollar <u>POTENTIAL CUSTOMER ASSISTANCE PROGRAM</u> <ul style="list-style-type: none"> No disconnections for Customer nonpayment's No penalties Payment arrangements available to Customers who are unable to pay their bill on time Surveyed areas here in the valley, and the majority is doing the same. Some waive credit card fees, and some have billing assistance by creating a fund No customers have asked for assistance. Everything seems ok at the moment and don't need it. Plan to revisiting, waiting on May 2020's full report <u>INVESTMENT UPDATE</u> <ul style="list-style-type: none"> Three CD's matured this month The Fed Reserve Bank took action in April by reducing interest to near zero 	<p style="text-align: center;">DIRECTOR OF FINANCE REPORT</p>

	<ul style="list-style-type: none"> ○ Invested an additional \$500K of the General Fund in a CD. The movement of these funds help to increase the return and lower the daily balance in IBC to about \$1.4M ○ General Fund \$500K, in the Emergency Fund \$2.063M, and in the Universal Tax Bond Reserve \$478K were invested for an approximate total of \$3,050,000 ○ CD's expiring, rates between 1.5% and 2.6%, with terms ranging from 1 year to 14 months. ○ The solicitation went to 25 banks, and of the five offers returned, the best was for one year at 0.6% interest. 	
14	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL THE PURCHASE OF A TRAILER FOR THE DISTRIBUTION DEPARTMENT. (E. SAMANIEGO) 💧</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> ● Returned a purchased trailer, the purchase was in February 2020, the trailer did not work out due to not having an actual flat deck and causing safety issues when loading the CAT 308 excavator ● The lower bid is from Elliff Motors, with a price difference of \$2,120. It still within the budget amount ● Recommendation to award the purchase of HD Transportation Trailer from Elliff Motors for \$12,700 <p>Moved by A. LALONDE, seconded by J. STARKEY.</p> <p>Move to approve</p>	MOTION CARRIED
15	<p><u>CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM TABLED AT THE REGULAR MEETING ON MAY 13TH, 2020</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> ● No Discussion ● The CHAIRMAN noted no action 	NO ACTION
16	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL BACKUP GENERATOR FOR THE MAIN OFFICE. (E. SAMANIEGO) 💧</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> ● No Discussion ● The CHAIRMAN noted no action 	NO ACTION
17	<p><u>CONSIDER AND REVIEW EXPENDITURES FROM MAY 1ST, 2020 – MAY 15TH, 2020. (C. GALVAN) 💧</u></p> <p>DISCUSSION:</p>	ACKNOWLEDGMENT OF EXPENDITURES

	<ul style="list-style-type: none"> No questions or comments <p>Expenditures acknowledged by A. LALONDE and J. STARKEY.</p>	
18	<p><u>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; UNDER SECTION 551.074 PERSONNEL MATTER:</u></p> <p>A. <u>DELIBERATION THE EVALUATION OF DISTRICT EMPLOYEE TO WIT: GENERAL MANAGER</u></p> <p>B. <u>UPDATE ON LAND SWAP BETWEEN THE CITY OF PORT ISABEL AND LAGUNA MADRE WATER DISTRICT AT LITTLE LEAGUE/MAINTENANCE YARD.</u></p> <p>C. <u>UPDATE ON FEMA RELATED TO HURRICANE DOLLY K2008-PAYMENT PLAN FOR RECOUPMENT OF FUNDS REQUEST</u></p> <p>J. STARKEY made a motion for the BOARD to go into the Executive Session at 6: 15 PM, seconded by A. LALONDE.</p> <p>J. STARKEY made a motion for the BOARD to get out of the executive Session at 6:18 PM, seconded by A. LALONDE.</p>	<p>MOTION CARRIED IN SESSION @ 6:15 PM</p> <p>MOTION CARRIED OUT OF SESSION @ 6:18 PM</p>
19	<p><u>CONSIDERATION AND ACTION ON EXECUTIVE SESSION ITEMS, IF NECESSARY.</u></p> <p>A. <u>DELIBERATION REGARDING THE EVALUATION OF DISTRICT EMPLOYEE TO WIT: GENERAL MANAGER</u></p> <p>RESULTS: NO ACTION</p> <p>B. <u>UPDATE ON LAND SWAP BETWEEN THE CITY OF PORT ISABEL AND LAGUNA MADRE WATER DISTRICT AT LITTLE LEAGUE/MAINTENANCE YARD.</u></p> <p>RESULTS: PROCEED AS DIRECTED.</p> <p>C. <u>UPDATE ON FEMA RELATED TO HURRICANE DOLLY 2008 – PAYMENT FOR RECOUPMENT OF FUNDS REQUEST</u></p> <p>RESULTS: PROCEED AS DIRECTED.</p>	<p>EXECUTIVE SESSION RESULTS:</p> <p>ITEM A: NO ACTION</p> <p>ITEM B: PROCEED AS DIRECTED</p> <p>ITEM C: PROCEED AS DIRECTED</p>
20	<p><u>ADJOURNMENT</u></p> <p>There being no further business, the CHAIRMAN adjourned the meeting 6:19 PM.</p> <p>Moved by J. STARKEY seconded by A. LALONDE.</p>	<p>MEETING ADJOURNED @ 6:19 PM</p>


ALEX AVALOS, SECRETARY


SCOTT FRIEDMAN, CHAIRMAN




MINUTES APPROVED THIS 10TH DAY OF JUNE 2020.