

MINUTES

REGULAR MEETING – JANUARY 25, 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 **25th day of JANUARY, 2017** at the hour of **5:00 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

Scott D. Friedman - Chairman
William Thomas – Vice Chairman
Doyle Wells – Secretary
Jeff Keplinger – Director
Rick Wells – Director

ADMINISTRATIVE STAFF

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

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

ITEM #4 CONSIDER AND APPROVE MINUTES FOR REGULAR MEETING OF JANUARY 11, 2017.
(C. GALVAN)

A motion was made by **MR. R. WELLS** to approve Minutes of Regular Meeting of December 14, 2016, seconded by **MR. D. WELLS**. **MR. J. KEPLINGER** abstained. **MOTION CARRIED.**

ITEM #5 CONSIDER AND APPROVE PROFESSIONAL SERVICES WITH GOMEZ, FRAGOSO &
ASSOCIATES, P.C. TO ASSIST AND RESOLVE PENDING ITEMS IDENTIFIED DURING THE
AUDIT OF THE DISTRICT'S FINANCIAL STATEMENTS AUDIT FOR THE FISCAL YEAR
ENDING SEPTEMBER 30, 2016. (C. GALVAN)

Discussion ensued regarding the Audit's Committee recommendation to consider Gomez, Fragoso & Associates, P.C. to assist in resolving the issues in the accounting department noted by Auditors Long Chilton during the audit of the District's Financial Statements for the Fiscal Year Ending September 30, 2016. Mr. Moises Gomez, Jr. with Gomez, Fragoso & Associates, P.C. attended the meeting and gave a brief presentation followed by questions and answers.

A motion was made by **MR. D. WELLS** to approve Professional Services with Gomez, Fragoso & Associates, P.C. to assist and resolve pending items identified during the audit of the District's Financial Statements Audit for the Fiscal Year ending September 30, 2016, seconded by **MR. J. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #6 GENERAL MANAGER'S REPORT
• **LONG ISLAND VILLAGE REPORT**

Mr. Galvan noted it would cost Long Island Village more money if they opted for other meter sizes. Mr. Ken Waller, President for Long Island Village Association was present and the Board recommended for Long Island Village to do an assessment with Staff and analyze the best options.

ITEM #7 DISTRICT ENGINEER'S REPORT

• **WATER RIGHTS**

Mr. Ortiz reported on the following:

- Report was received on December 31
- Reviewed summary
- 63% full
- Now, no longer in drought
- Total for the year – 5,374.7190 acre feet, with no charge water of 399.7195

ITEM #8 CONSIDER AND DISCUSS EMPLOYEE PAYROLL DEDUCTIONS. (C. GALVAN)

This item was for discussion only. Discussion ensued regarding the optional Payroll deductions that are available to the District employees as an elective. It was determined that some of the deductions were not necessary and considering eliminating the elective deductions from the District's Payroll. Staff will also work on amending the Personnel Policy to include safety boots to be part of the District's employees uniform rather than a purchase by the employee that gets deducted from their pay through payroll. Items will be presented at a Regular Meeting for consideration and approval.

ITEM #9 CONSIDER AND APPROVE A RESOLUTION AMENDING THE BUY BOARD PURCHASES AND PROCEDURES IN THE PURCHASES / PROCUREMENT POLICIES AND PROCEDURES OF THE LAGUNA MADRE WATER DISTRICT (RESOLUTION NO. 143-01-17) (C. GALVAN)

Mr. Galvan noted steps were added to improve the District's procurement process for Buy board purchases and procedures in the Purchases / Procurement Policies and Procedures. The Board agreed to amend the District's Purchases / Procurement Policies and Procedures supported through a resolution.

A motion was made by **MR. D. WELLS** to approve a Resolution Amending the Buy Board Purchases and Procedures in the Purchases / Procurement Policies and Procedures of the Laguna Madre Water District (Resolution No. 143-01-17), seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #10 CONSIDER AND APPROVE AMENDMENT TO SERVICE CONTRACT FOR SLUDGE MANAGEMENT SERVICES (BID # SMS-15-08-135). (C. ORTIZ)

Mr. Ortiz noted an amendment is a 5-year contract with Denali Water Solutions in the amount of \$695.00 per container. Discussion ensued and it was determined to table the document for further review. The item was tabled and deferred to the next Regular Meeting on February 8, 2017.

A motion was made by **MR. D. WELLS** to table item to Amend Service Contract for Sludge Management Services (Bid # SMS-15-08-135), seconded by **MR. R. WELLS. MR. KEPLINGER** and **MR. THOMAS** opposed. **MOTION CARRIED TO TABLE.**

ITEM #11 CONSIDER AND AWARD CONSTRUCTION OF PORT ISABEL WASTEWATER TREATMENT FACILITY MODIFICATIONS (BID NO. WW-16-10-02). (C. ORTIZ)

Mr. Ortiz noted this recommendation is a change order request for AirDrop Supports at IBSTP and Failed Clarifier at ABSTP from Ferguson Systems, Inc. in the amount of \$232,205.00.

A motion was made by **MR. W. THOMAS** to approve and award Construction of Port Isabel Wastewater Treatment Facility Modifications (Bid No. WW-16-10-01), seconded by **MR. J. KEPLINGER. MR. D. WELLS** opposed. **MOTION CARRIED.**

ITEM #12 CONSIDER AND AWARD CONSTRUCTION OF WATER PLANT NO. 2 TRANSFER PUMP ENCLOSURE PROJECT (BID # WW-17-01-01). (C. ORTIZ)

Mr. Ortiz noted 5 Bids were received and recommended to award the lowest bid from Ferguson Services in the amount of \$21,550.00.

A motion was made by **MR. D. WELLS** to approve and award Construction of Water Plant No. 2 Transfer Pump Enclosure Project (Bid # WW-17-01-01), seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #13 CONSIDER AND AWARD PROFESSIONAL SERVICES WITH BROWN, LEAL & ASSOCIATES FOR WATER PLANT 2 SLUDGE MANAGEMENT IMPROVEMENTS. (C. ORTIZ)

Mr. Ortiz noted this was a new project to kick off Engineering Phase for Water Plant 2 Sludge Management Improvements. A presentation was made by Richard Correa, Engineer with Brown, Leal & Associates Consulting Engineers followed by questions and answers.

There was a discussion on the land acquisition still pending and it was determined by the Board to take no action.

The Chairman noted motion died for lack of a second. **MOTION FAILED.**

ITEM #14 CONSIDER AND AWARD PROFESSIONAL SERVICES WITH BROWN, LEAL & ASSOCIATES FOR WATER PLANT 1 FILTER AND HYDRAULIC CAPACITY ANALYSIS. (C. ORTIZ)

A presentation was made by Richard Correa, Engineer with Brown, Leal & Associates Consulting Engineers followed by questions and answers.

The document was approved and awarded to Brown, Leal & Associates in the amount of \$8,000.00.

A motion was made by **MR. W. THOMAS** to approve Professional Services with Brown, Leal & Associates for Water Plant 1 Filter and Hydraulic Capacity Analysis, seconded by **MR. D. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #15 CONSIDER AND AWARD SCADA PANEL UPGRADE AT ANDY BOWIE ELEVATED STORAGE TANK. (C. ORTIZ)

Mr. Ortiz noted the proposal was from Municipal Pump & Control, Inc. with a total price of \$13,760.00. Discussion ensued. The document was not approved by the Board by taking any action.

The Chairman noted motion died for lack of a motion and a second. **MOTION FAILED.**

ITEM #16 CONSIDER AND APPROVE BEACON ENGAGEMENT FEE FOR COMPLETE METER SYSTEM TO UPDATE THE ABILITY FOR METER READING FOR \$14,020. (S. GARCIA)

A presentation was made by Mr. Chip Woods with Badger Meter followed by questions and answers.

A motion was made by **MR. D. WELLS** to approve Beacon Engagement Fee for complete Meter System to update the ability for meter reading for \$14,020, seconded by **MR. J. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #17 CONSIDER AND APPROVE RENEWAL OF IBC DEPOSITORY AGREEMENT FOR The fiscal year 2017-2018 ON T-BILL. (S. GARCIA)

Ms. Garcia recommended to renew the Agreement with IBC Bank, discussion ensued on the renewal of IBC Depository Agreement for Fiscal Year 2017-2018 on T-Bill and it was agreed to approve the renewal.

A motion was made by **MR. J. KEPLINGER** to approve Renewal of IBC Depository Agreement for Fiscal Year 2017-2018 on T-Bill, seconded by **MR. D. WELLS**. **MR. R. WELLS** abstained. **MOTION CARRIED.**

ITEM #18 CONSIDER AND APPROVE OPENING A NEW CHECKING IBC BANK ACCOUNT ON THE TWDB LOAN, UNDER CAPITAL IMPROVEMENTS FUND. (S. GARCIA)

There was discussion regarding TWDB Loan, under capital Improvements Fund and it was agreed to open a checking account.

A motion was made by **MR. D. WELLS** to approve opening a new checking IBC Bank Account on the TWDB Loan, under Capital Improvements Fund, seconded by **MR. W. THOMAS**. **MR. R. WELLS** and **MR. J. KEPLINGER** abstained. **FINAL VOTE 3 FOR / 2 ABSTAINED. MOTION CARRIED.**

ITEM #19 CONSIDER AND APPROVE DISBURSEMENTS. (C. GALVAN)

There were discussion and questions on certain items on the Disbursements list.

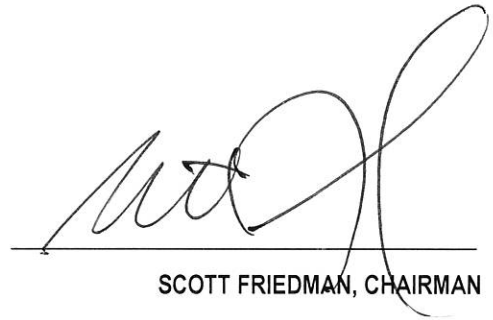
A motion was made by *MR. W. THOMAS* to approve Disbursements as presented, seconded by *MR. R. WELLS*. **MOTION CARRIED UNANIMOUSLY.**

ITEM #20 ADJOURNMENT

There being no further business the *CHAIRMAN* adjourned the meeting at **6:10 PM**.



DOYLE WELLS, SECRETARY



SCOTT FRIEDMAN, CHAIRMAN

MINUTES APPROVED THIS 8th DAY OF February 2017.