

MINUTES
Regular Meeting
Laguna Madre Water District
Board of Directors
Wednesday, September 12, 2018
5:30 PM – 6:38 PM
Board Room

ITEM #1 QUORUM

PRESENT: Vice Chairman, Rick Wells
Secretary, Doyle Wells
Director, Herb Houston
Director, Alex Avalos

ADMINISTRATIVE STAFF: General Manager, Carlos J. Galvan, Jr.
Director of Operations, Robert Gomez
Purchasing Agent, Enrique Samaniego
Director of Finance, Eddie Salazar

ABSENT: Chairman, Scott D. Friedman
Attorney, Eddie Lucio, III
District Engineer, Charles Ortiz

ITEM #2 INVOCATION AND PLEDGE OF ALLEGIANCE

The meeting began with the Pledge Allegiance and an Opening Prayer.

ITEM #3 PUBLIC HEARING ON THE PROPOSED THE FISCAL YEAR 2018-2019 AD VALOREM TAX RATE

No comments from the Board and Staff. No one in the audience responded.

ITEM #4 PUBLIC HEARING ON THE WATER, WASTEWATER, RAW WATER RATES, AND FINANCIAL PLAN

No comments from the Board and Staff. No one in the audience responded.

ITEM #5 INVITATION TO THE AUDIENCE FOR PUBLIC COMMENT

No comments from the Board and Staff. No one in the audience responded.

ITEM #6 CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL THE MINUTES OF THE WORKSHOP MEETING AND REGULAR MEETING ON AUGUST 22, 2018. (C. GALVAN) 

Moved by **D. WELLS**, seconded by **A. AVALOS**:

Move to approve.

MOTION CARRIED

ITEM #7 CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL THE MINUTES OF THE SPECIAL MEETING ON AUGUST 28, 2018. (C. GALVAN) 💧

Moved by **H. HOUSTON**, seconded by **A. AVALOS**:

Move to approve.

MOTION CARRIED

ITEM #8 GENERAL MANAGER'S REPORT

- TCDRS
- WATER QUALITY REPORT 💧

REPORT:

TCDRS:

- Presentation by Texas Counties & Districts Retirement System at the next Regular Meeting on, September 26, 2018
- Subject matters for discussion: Retirement System and Unfunded Liability for District Employees

WATER QUALITY REPORT:

- At the Regular Meeting on August 22, 2018, under Public Comments, a concerned citizen asked questions on the water quality
- Sending a response letter for public notice in the local paper with informative information about the water quality being safe to drink
- Water regulation through TCEQ and EPA
- There were violations in 2014 that are past notices and are no longer valid
- Microfiltration System was Installed in 2014, improving the water quality, its safe and enhanced taste
- 2018-2019 water quality is better and safer
- Recommendation to start notice with the phrasing from the second to the last paragraph of the supporting document for this item.

GENERAL MANAGER'S REPORT

ACTIONS:

- **Send a letter to Local Paper (Letter to the Editor)**
- **Mail to Customers, Include as an insert with water bills**
- **Post on the Website, add a link to be able to go into TCEQ's Website**

ITEM #9 DIRECTOR OF FINANCE REPORT

- COMPARISON OF FINANCING METER PROJECT WITH FUND BALANCE VERSUS BORROWING 💧

REPORT:

- Savings of \$206,000 if paid in full by cash vs. borrowing
- Interest \$569,000
- Interest earnings from investment \$615,000

ITEM #9 **CONTINUED**

- Discussion ensued on financing vs. borrowing
- Cash Option:
 - Pros:
 - Save \$206,000
 - Cons:
 - Brings down liquidity from 5 million in the bank to 2 ½ million
- Borrowing Option:
 - Pros:
 - Preserve that liquidity for an emergency
 - Cons:
 - \$206,000

DIRECTOR OF FINANCE REPORT

ACTIONS:

- **To proceed need Financial Counsel, Bond Counsel, and Auditor to come in and report**

ITEM #10 **CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF BOARD TRAVEL TO AUSTIN, TEXAS, FOR TEXAS WATER DEVELOPMENT BOARD MEETING HELD ON SEPTEMBER 20, 2018. (C. GALVAN)**

REPORT:

- Board Member, Scott Friedman and District Engineer, Charles Ortiz travel to Austin
- Need approval for Board to travel
- Board recommendation on Travel for the Board should have a set Budget

Moved by **H. HOUSTON**, seconded by **A. AVALOS**:

Move to approve.

MOTION CARRIED

ACTIONS:

- **Budget Committee to meet and look into the Travel Policy**

ITEM #11 **CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF 2018-2019 INSURANCE FOR HEALTH, VISION, DENTAL, AND LIFE FOR DISTRICT EMPLOYEES. (E. SAMANIEGO) 💧**

DISCUSSION:

- Insurance Committee met twice with staff
- Committee and Staff Recommendation: (Current Provider) United Health Care Option 2, Texas Insurance from the Bid Tabulation. Health Insurance for only In-Network, and the Life, Dental, and Vision remains the same.
- Discussion ensued, and Representatives from Texas Insurance were present and available for Questions and Answers
- What's the difference between copay vs. Coinsurance? Copay is a visit with a primary doctor or specialist only pay a copay amount. Coinsurance is all inpatient, outpatient surgical, and lab work sent outside of the doctor's office all goes towards your deductible, once deductible is paid then it starts going into coinsurance.
- Distribution Manager was present at the meeting and addressed concerns and comments

ITEM #11 CONTINUED

Moved by **H. HOUSTON**, seconded by **A. AVALOS**:

Motion to approve staff's recommendation to keep United Health Care through Texas Insurance including the Vision, Dental and Life.

MOTION CARRIED

ITEM #12 CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF THE FINANCIAL REPORTS FOR JULY 2018 (E. SALAZAR)



DISCUSSION:

- Financial Reports approved as presented

Moved by **D. WELLS**, seconded by **A. AVALOS**:

Move to approve.

MOTION CARRIED

ITEM #13 CONSIDER AND DISCUSS FOR POSSIBLE ADOPTION A OF THE BUDGET FOR THE FISCAL YEAR 2018-2019 (RESOLUTION NO. 163-09-18) (E. SALAZAR)



DISCUSSION:

- The revenue projected is following the recommendation based on the on the water and sewer rate study

Moved by **D. WELLS**, seconded by **H. HOUSTON**:

Move to approve.

MOTION CARRIED

ITEM #14 CONSIDER AND DISCUSS FOR POSSIBLE ADOPTION A RESOLUTION LEVYING LAGUNA MADRE WATER DISTRICT AD VALOREM RATE FOR THE FISCAL YEAR 2018-2019 (RESOLUTION NO. 164-09-18) (E. SALAZAR)



Moved by **A. AVALOS**, seconded by **D. WELLS**:

Motion moved to approve.

MOTION CARRIED

ITEM #15 CONSIDER AND REVIEW EXPENDITURES FOR AUGUST 1-15, 2018. (C. GALVAN)



DISCUSSION:

- Discussion on invoices for:
 - Page 4 of 11 Beatty Navarre Strama PC

A motion made by **H. HOUSTON**, seconded by **D. WELLS**:

Motion to accept as presented.

EXPENDITURES ACKNOWLEDGED

ITEM #17

ADJOURNMENT

The **VICE CHAIRMAN** adjourned the meeting at **6:38 PM**.

RICK WELLS, VICE CHAIRMAN

DOYLE WELLS, SECRETARY

MINUTES APPROVED THIS 26th DAY OF SEPTEMBER, 2018.