

MINUTES
REGULAR MEETING – MARCH 08, 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 **08th day of MARCH, 2017** at the hour of **5:30 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 **ABSENT**
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 at this time.

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

Mr. Gustavo Ruiz, Attorney for the District noted, Mr. Eddie Lucio, III, sends his regards to the Board and Staff.

ITEM #4 CONSIDER AND APPROVE MINUTES FOR REGULAR MEETING OF FEBRUARY 22, 2017.
(C. GALVAN)

MR. R. WELLS made a motion to approve Minutes of Regular Meeting on February 22, 2017, seconded by **MR. D. WELLS**.
MOTION CARRIED UNANIMOUSLY.

ITEM #5 GENERAL MANAGER'S REPORT

- **VERIZON WIRELESS UPDATE**

Mr. Galvan reported on the following:

- Verizon Wireless is installing an antenna on Andie Bowie Water Tower
- Board will be more active in these negotiations with Verizon
- Agreement will be given to the District's Attorney and presented to the Board for consideration and approval

ITEM #6 DISTRICT ENGINEER'S REPORT

- **WASTEWATER TREATMENT PLANTS REHABILITATION CONSTRUCTION STATUS**
- **PORT ISABEL WASTEWATER TREATMENT PLANT AND OUTFALL EXTENSION CONSTRUCTION STATUS**

Mr. Ortiz reported on the following:

- Wastewater Treatment Plants Rehabilitation Construction Status -
 - Update on Construction at Isla Blanca – work on all the new aeration piping is complete
 - Unable to get Basin 2 working before spring break due to rain. Will continue work after March 21st
 - Work was done on belt filter press; the control panel is in place. Working on taking care of mechanical details
- Port Isabel Wastewater Treatment Plant and Outfall Extension Construction -
 - The corps of engineers have fully executed an official construction permit
 - Work progress- working on pipelines and manholes
 - Completion date is May 16th

- Documentation with Texas Water Development Board has been completed, notice to proceed on March 6th

ITEM #7 DIRECTOR OF OPERATIONS REPORT

- **MONTHLY REPORT**

Mr. Valdez reported on the following:

- Job in Laguna Vista on Mesquite and Taylor completed
- Completed first two months with the GPS System. The mechanic shop gets weekly updates on emissions of the trucks for maintenance. The GPS System is working well.
- Completed water use survey for the Texas Water Development Board and the Tier two chemical report for TCEQ. Still working on Water loss audit, Water conservation plan and Water Utility profile for the Texas Water Development Board- Deadline is May 1st.
- For February: There was a total of 379 Service Orders generated; included are: 2 water taps; 4 sewer taps. Total service orders completed, 340.
- Preparing for spring break next week, extra equipment on the island has been setup

ITEM #8 DIRECTOR OF FINANCE REPORT

- **AUDIT STATUS**
- **REVENUE UPDATE**
- **BUDGET AMENDMENT PROPOSE DATE**
- **TWDB ESCROW RELEASE**

Mr. Garcia reported on the following:

- Audit Status – Moises with Gomez & Fragoso and staff will be coming in on Thursday and Friday to finalize the actual detail on the reports. After Gomez & Fragoso finish, the Auditors are returning to re-evaluate, and hopefully, by this month the audit will be complete. It was noted, Audit Company, Long, and Chilton merged with a bigger company, and the District's attorney will be reviewing the contract.
- Revenue Update – So far, received 5,135,000 million. It's 350,000 more than the prior year (at this time). Expecting for it to pick up after March and April. Revenues are looking good, received 697,000 for the current year in revenue for this month and 587,000 of expenditures. It's about 109,000 - available in revenues. Discussion ensued.

- Budget Amendment Propose Date – Budget Committee needs to schedule a date to review the first budget amendment for FY 2017. Budget Committee agreed to meet in April 2017.
- TWDB Escrow Release – Money is in the bank and available
- Late penalties issue - Finance Department contacted Incode Software providers on the late penalties issue. Incode Software providers were unable to figure out what it was or from where in which it happened. Incode thought it might have likely had to do with an internet crash. The billing department will now be taking extra measures to make sure it will not happen again. Discussion ensued.

ITEM #9 CONSIDER AND DISCUSS UNFUNDED CAPITAL IMPROVEMENT PROJECTS

This item was for discussion only.

There was a discussion, and it was determined to schedule a workshop to discuss the funding for the capital improvement projects. A workshop will be scheduled sometime in April (either on Saturday, April 22 or Saturday, April 29).

ITEM #10 CONSIDER AND APPROVE AMENDMENT TO LEASE AGREEMENT WITH AT&T FOR A NEW INITIAL TERM EXTENSION OF 5 YEARS (C. GALVAN)

Mr. Ruiz noted the current agreement expires April 30, 2021, and proposal is to extend the life of the lease with up to 5 renewal terms (1 term is equal to 5 years), through April 30, 2051. It was determined to take no action. It was noted, copies of the current agreement to be provided for review.

The Chairman noted no action taken. **MOTION FAILED.**

ITEM #11 CONSIDER AND APPROVE MODIFICATIONS TO THE DISTRICT'S EMPLOYEE ORGANIZATIONAL CHART (C. GALVAN)

Mr. Galvan noted the organizational chart was modified to add a staff accountant for the Finance Department and in the process of hiring. Discussion and questions ensued.

A motion was made by **MR. D. WELLS** to approve modifications to the District's employee organizational chart, seconded by **MR. R. WELLS**. **MR. J. KEPLINGER** opposed. **VOTE: 3 FOR and 1 OPPOSED. MOTION CARRIED.**

ITEM #12 CONSIDER AND APPROVE TRAVEL FOR THE BOARD OF DIRECTORS TO ATTEND THE ASSOCIATION OF WATER BOARD DIRECTORS ANNUAL CONFERENCE, IN CORPUS CHRISTI, TEXAS, ON JUNE 22-25, 2017 (C. GALVAN)

Mr. Friedman and Mr. Keplinger agreed to attend the conference.

MR J. KEPLINGER made a motion to approve travel for the Board of Directors to attend the Association of Water Board

Directors Annual Conference in June, seconded by **MR. D. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #13 CONSIDER AND APPROVE TRAVEL FOR THE BOARD OF DIRECTORS TO ATTEND THE TEXAS COUNTY DISTRICT RETIREMENT SYSTEM ANNUAL CONFERENCE, IN AUSTIN, TEXAS, ON JULY 26-28, 2017(C. GALVAN)

Mr. Friedman agreed to attend the conference.

A motion was made by **MR. D. WELLS** to approve travel for the Board of Directors to attend the Texas County District Retirement System Annual Conference in July, seconded by **MR. J. KEPLINGER. MOTION CARRIED UNANIMOUSLY.**

ITEM #14 CONSIDER AND APPROVE 4TH QUARTERLY INVESTMENT REPORT FOR SEPTEMBER 30, 2016 (FY2016) AND 1ST QUARTERLY INVESTMENT REPORT FOR DECEMBER (FY2017) (S. GARCIA)

Mrs. Garcia reported on the Quarterly Investment Reports, and the Board agreed to approve.

MR. J. KEPLINGER made a motion to approve the 4th Quarterly Investment Report for September 30, 2016 (FY2016) and 1st Quarterly Investment Report for December 2016 (FY2017), seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**


ITEM #15 CONSIDER AND APPROVE DISBURSEMENTS. (C. GALVAN)

There was a discussion on certain items on the disbursement list.


MR. J. KEPLINGER made a motion to approve Disbursements as presented, seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #16 ADJOURNMENT

The **CHAIRMAN** adjourned the meeting at **6:21 PM.**



DOYLE WELLS, SECRETARY



SCOTT FRIEDMAN, CHAIRMAN

MINUTES APPROVED THIS 22nd DAY OF March 2017.