

## MINUTES

REGULAR MEETING – AUGUST 9, 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 **9<sup>TH</sup> day of AUGUST 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

Rick Wells – Vice Chairman

Doyle Wells – Secretary

Jeff Keplinger – Director

William Thomas – Director

### ***ADMINISTRATIVE STAFF***

Carlos J. Galvan, Jr., General Manager

Charles Ortiz – District Engineer

Sanjuana Garcia – Director of Finance

Eddie Lucio, III – Attorney

**ABSENT**

The agenda items were discussed in the following order: 1,2,3,4,5,6,7,8,9,10,11,12,13,14,18,15,16,17,19,20, and 21.

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

The **CHAIRMAN** noted Invocation and Pledge of Allegiance were done earlier during the Workshop Meeting at 3:00 P.M.

### **ITEM #3**      PUBLIC HEARING ON PROPOSED FISCAL YEAR 2017 – 2018 PROPERTY TAX RATE

This was a Public hearing for the proposed AD Valorem Tax Rate \$.04386/\$100 FY2017. Public Notice advertised for two consecutive Sundays to adopt the proposed Tax Rate. No one in the audience responded.

**ITEM #4**            **CONSIDER AND APPROVE A RESOLUTION FOR AD VALOREM TAX RATE .04386 FOR FISCAL YEAR 2017-2018 FOR CAMERON APPRAISAL DISTRICT SUBMITTAL (RESOLUTION NO. 152-08-17)**

The Board approved the AD Valorem Tax Rate \$.04386/\$100 FY2017 through a Resolution (Resolution No. 152-08-17).

*MR. R. WELLS* made a motion and seconded by *MR. J. KEPLINGER*. **MOTION CARRIED UNANIMOUSLY.**

**ITEM #5**            **INVITATION TO AUDIENCE FOR PUBLIC COMMENTS**

No one in the audience responded.

**ITEM #6**            **CONSIDER AND APPROVE MINUTES OF WORKSHOP MEETING AND REGULAR MEETING ON JULY 26, 2017(C. ORIZ)**

The Minutes of the Workshop Meeting and Regular Meeting of June 26, 2017, was approved as presented.

*MR. J. KEPLINGER* made a motion and seconded by *MR. D. WELLS*. *MR. R. WELLS* and *MR. W. THOMAS* abstained. **MOTION CARRIED.**

**ITEM #7**            **GENERAL MANAGERS REPORT**

- **U. S. FISH AND WILDLIFE**
- **REPORT ON SEWER INCIDENT**
- **ANNUAL BIDS**

Mr. Galvan reported on the following:

- U. S. Fishing and Wildlife- Scheduling a meeting regarding probable water rights reservoir storage with the U. S. Fishing and Wildlife, and Mr. Thomas and Mr. Keplinger will attend the meeting. Discussion ensued.
- Sewer Incident – Report of incident and cost was included in the Board packets and reviewed by the Board. Discussion ensued.
- Annual Bid – The District's annual bids (for petroleum, instrumentation, chemicals) are coming up next month. Agenda Item 16 and Item 17 if not approved will bid. Discussion ensued.

**ITEM #8**            **DISTRICT ENGINEER'S REPORT**

- **WATER RIGHTS**

- SPECIAL MEETING FOR BOND ELECTION TO BE HELD ON THURSDAY, AUGUST 17, 2017

Mr. Ortiz reported on the following:

- Water Rights - Copies of the District's current certificate of water rights included in the Boards packets for review. Discussion ensued.
- Special Meeting – The Board agreed to a Special Meeting on Thursday, August 17, 2017, @ 5:30 PM for the 2017 Bond Election Order. Deadline to file is August 21, 2017.

**ITEM #9      DIRECTOR OF FINANCE REPORT**

- METERS RFP UPDATE

Mrs. Garcia reported on the following:

- Follow up on Meters RFP and possibly place a presentation by the vendor on the agenda for the next regularly scheduled meeting on August 9<sup>th</sup>. Discussion ensued.

**ITEM #10      CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM TABLED AT REGULAR MEETING ON JULY 26, 2017:**

**CONSIDER AND APPROVE AN INTERLOCAL AGREEMENT WITH THE CITY OF SOUTH PADRE ISLAND FOR LAGUNA MADRE WATER DISTRICT TO PERFORM CLEANING OF ITS STORM DRAINS.**

The Board agreed to remove this item from the table for discussion.

**MR. W. THOMAS** made a motion, seconded by **MR. J. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM #11      CONSIDER AND APPROVE AN INTERLOCAL AGREEMENT WITH THE CITY OF SOUTH PADRE ISLAND FOR LAGUNA MADRE WATER DISTRICT TO PERFORM CLEANING OF ITS STORM DRAINS.**

There was a discussion and several motions made. It was agreed to not approve the Interlocal Agreement with the City of South Padre Island for Laguna Madre Water District to perform cleaning of its storm drains. It was determined and noted, the General Manager and District Counsel to address the District's policy, and a renegotiation of the interlocal agreement (a new agreement) with the City of South Padre Island for the District to perform cleaning of its storm drains.

MR. W. THOMAS made a motion to approve the General Manager's recommendation to reject the Interlocal Agreement with the City of South Padre Island for the District to perform cleaning of its storm drains., seconded by MR. J. KEPLINGER. MR. R. WELLS abstained. MOTION CARRIED.

**ITEM #12      CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM Tabled AT REGULAR MEETING ON JULY 26, 2017:**

**CONSIDER AND APPROVE ADOPTING A REVISED INVESTMENT POLICY FOR THE LAGUNA MADRE WATER DISTRICT (RESOLUTION NO. 151-07-17)**

The Board agreed to remove this item from the table for discussion.

MR. J. KEPLINGER made a motion, seconded by MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.

**ITEM #13      CONSIDER AND APPROVE ADOPTING A REVISED INVESTMENT POLICY FOR THE LAGUNA MADRE WATER DISTRICT (RESOLUTION NO. 151-07-17) (S. GARCIA)**

The Board agreed to approve as presented, adopting a revised Investment Policy for the District through a Resolution (Resolution No. 151-07-17).

MR. J KEPLINGER made a motion to approve and seconded by MR. D. WELLS. MOTION CARRIED UNANIMOUSLY.

**ITEM #14      CONSIDER AND APPROVE 5-YEAR CAPITAL IMPROVEMENT PLAN (C. ORTIZ)**

There was a discussion and several motions made, and it was agreed to approve the 5-Year Capital Improvement Plan subject to the following change: eliminating item 11, Advanced Water Treatment Facility (Direct Potable Reuse) with a total of \$8,413,400 from the 5-year Capital Improvement Plan List.

MR. R. WELLS made a motion and seconded by MR. J. KEPLINGER. MOTION CARRIED UNANIMOUSLY.

**ITEM #15      CONSIDERATION AND DISCUSSION FOR POSSIBLE APPROVAL OF ADOPTING THE BUDGET FOR THE FISCAL YEAR 2017-2018. (S. GARCIA)**

This agenda item was taken out of order and discussed after Item #18.

Mrs. Garcia reported the following for the proposed budget for 2017-2018:

Current Revenues	\$9,035,458
WSDC Prior Balance	<u>\$ 230,383</u>
Total	<u>\$9,265,841</u>

There was a discussion and questions regarding the vacuum truck, and the Board agreed to approve adopting the Budget for the Fiscal Year 2017-2018 based on the Boards recommendation on going out for Bids on the District's Employees Group Insurance. The Budget was approved for the fiscal year 2017-2018 through a resolution (Resolution No. 153-0817).

**MR. J. KEPLINGER** made a motion to approve and seconded by **MR. D. WELLS**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM #16        CONSIDER AND APPROVE A ONE-YEAR EXTENSION TO THE EXISTING G & T PAVING LLC CONTRACT WITH THE DISTRICT (C. ORTIZ)**

There was a discussion regarding extending one-year to the existing 2-year contract with G & T Paving. It was determined not to approve the one-year extension and go out for bids with a 3-year agreement (instead of a 2-year agreement).

**MR. D. WELLS** made a motion not to approve, seconded by **MR. R. WELLS**. **MR. THOMAS** abstained. **MOTION CARRIED.**  
**ITEM REJECTED.**

**ITEM #17        CONSIDER AND APPROVE A ONE-YEAR EXTENSION TO THE EXISTING M. H. MOWING SERVICES GROUND MAINTENANCE CONTRACT WITH THE DISTRICT. (C. GALVAN)**

There was a discussion regarding extending one-year to the existing 2-year contract with M. H. Mowing Services. It was determined not to approve the one-year extension and go out for bids with a 3-year term agreement (instead of a 2-year term agreement). It was noted, recommending Staff and Counsel adding a strong clause in the agreement that provides for compliance (performance requirements).

**MR. D. WELLS** made a motion not to approve, seconded by **MR. J. KEPLINGER**. **MOTION CARRIED. ITEM REJECTED.**

**ITEM #18        CONSIDER AND APPROVE EMPLOYEE GROUP HEALTH INSURANCE AND DENTAL COVERAGE RATE FOR FISCAL YEAR 2017-2018. (S. GARCIA)**

This agenda item was taken out of order and discussed after item #14 and before item #15.

Mrs. Garcia reported the current rate the District is paying for the employees is \$526.36 per employee. The newly proposed recommendation quotes with United Healthcare Provider for the next coming year were as follows:

Option No. 1, \$550.05 per Employee, up to a 4.5% increase, no shop rate; or

Option No. 2, \$527.54 per employee, No out of Network Benefits, no shop rate, 1.18 increase.

There was a discussion, and it was agreed to not approve the (no shop rate) Employee Group Health Insurance and Dental Coverage Rate for the fiscal year 2017-2018. The Board agreed to recommend for the District's Employee Group Insurance be bid out.

MR. D. WELLS made a motion not to approve and seconded by MR. J. KEPLINGER. MOTION CARRIED UNANIMOUSLY.  
ITEM REJECTED.

ITEM #19      CONSIDER AND APPROVE PROPOSAL FOR ELECTRICITY RATE. (S. GARCIA)

Mrs. Garcia reported the current rate the District is paying is .03821, and the new proposed rate options are as follows: a rate of .03727 up to 12 months, or a rate of .03646 for up to 16 months. It was agreed to approve the .03646 rate for 16 months with Cavallo Energy / Texas General Land Office from the Texas State Power Program.

MR. D. WELLS made a motion to approve, seconded by MR. J. KEPLINGER. MOTION CARRIED UNANIMOUSLY.

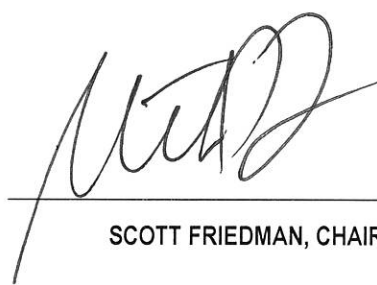
ITEM #20      CONSIDER AND APPROVE DISBURSEMENTS. (C. GAVAN)

The Disbursements were approved as presented.

MR. W. THOMAS made a motion to approve Disbursements, seconded by MR. J. KEPLINGER. MOTION CARRIED UNANIMOUSLY.

ITEM #21      ADJOURNMENT

The CHAIRMAN adjourned the meeting at 6:27 PM.



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SCOTT FRIEDMAN, CHAIRMAN



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DOYLE WELLS, SECRETARY

MINUTES APPROVED THIS 5TH DAY OF SEPTEMBER 2017.