

**MINUTES**  
**REGULAR MEETING – JULY 26, 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 **26<sup>TH</sup> day of JULY 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            **ABSENT**  
Doyle Wells – Secretary  
Jeff Keplinger – Director  
William Thomas – Director            **ABSENT**

***ADMINISTRATIVE STAFF***

Charles Ortiz – District Engineer  
Sanjuana Garcia – Director of Finance  
Eddie Lucio III – Attorney

The agenda items were discussed in the following order: 1,2,4,5,3,6,7,8,9,10,11,12,13,14,15,16,17, 19, 20,18, 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 4:30 P.M.

**ITEM #3**            **INVITATION TO AUDIENCE FOR DISCUSSION**

Public comments and announcements were overlooked and taken out of order. The Board discussed this item after item #5.

Mr. Clayton Brashear and Mr. Raj Patel addressed the Board concerning Item #5 (Proposed Padre Blvd Water and Sewer Crossing at SPI Birding Center) on the agenda. It was noted, asking the District for help to resolve the sewer issues on Padre Blvd. that's been affecting the businesses in that area, Mr. Brashear noted, he's given an easement from his property for the sewer crossing.

**ITEM #4            CONSIDER AND APPROVE MINUTES OF WORKSHOP MEETING AND REGULAR MEETING ON JULY 12, 2017(C. ORIZ)**

The Minutes of the Workshop Meeting and Regular Meeting of June 12, 2017, was approved as presented.

**MR. D. WELLS** made a motion and seconded by **MR. S. FRIEDMAN. MR. J. KEPLINGER** abstained. **MOTION CARRIED.**

**ITEM #5            DISTRICT ENGINEER'S REPORT**

- BUREAU OF RECLAMATION FUNDING OPPORTUNITY FOR TITLE XVI WATER RECYCLING PROJECTS
- PROPOSED PADRE BLVD WATER AND SEWER CROSSING AT SPI BIRDING CENTER

Mr. Ortiz reported on the following:

- Press released on July 17, 2017, for Title XVI Funding Opportunity for 25% funding assistance (planning, design, and construction), the opportunity will not present itself again. Application Deadline, August 17, 2017. A Resolution needs approval.
- Discussion on changing the November 2017 Bond Election date, Mr. Lucio will contact Secretary State Office regarding which election dates to call upon for a Bond Election
- Mr. Ortiz is proposing a 12-inch sewer crossing and 8-inch water line on Padre Blvd. @ SPI Birding Center. Discussion ensued. There were Public comments from the audience (see Item #3 concerning this item).

Item #3 discussed after Item #5.

**ITEM #6            DIRECTOR OF FINANCE REPORT**

- METERS RFP
- MEDICAL INSURANCE
- BUDGET UPDATE FY 2017-2018

Mrs. Garcia reported on the following:

- Follow up on Meters RFP and possibly place on the agenda for the next regularly scheduled meeting on August 9<sup>th</sup>.
- Medical Insurance will be on the agenda for the next regularly scheduled meeting on August 9<sup>th</sup>.
- The budget for Fiscal Year 2017-2018 update, discussion of a possible workshop scheduled (separate from the Bond Election Workshop).

**ITEM #7**            **CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM TABLED AT  
REGULAR MEETING ON JULY 12, 2017:**

**CONSIDER AND APPROVE FINANCIAL REPORTS FOR OCTOBER – DECEMBER 2016 AND  
JANUARY – MAY 2017 FY 2017 (S. GARCIA)**

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

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

**ITEM #8**            **CONSIDER AND APPROVE FINANCIAL REPORTS FOR OCTOBER – DECEMBER 2016 AND  
JANUARY – MAY 2017 FY 2017. (C. GALVAN)**

*MR. J. KEPLINGER* made a motion to approve the Financial Reports for October – December 2016 and January – May 2017 FY 2017, seconded by *MR. D. WELLS. MOTION CARRIED UNANIMOUSLY.*

**ITEM #9**            **CONSIDER AND APPROVE UNAUDITED REVENUE AND EXPENSE REPORTS FOR THE  
PERIODS OF OCTOBER 2016 – JUNE 2017. (S. GARCIA)**

The Unaudited Revenue and Expense Reports for the Periods of October 2016 – June 2017 were approved as presented.

*MR. J. KEPLINGER* made a motion to approve the Unaudited Revenue and Expense Reports for the Periods of October 2016- June 2017, seconded by *MR. D. WELLS. MOTION CARRIED UNANIMOUSLY.*

**ITEM #10**          **CONSIDER AND APPROVE BUDGET AMENDMENT FOR FISCAL YEAR 2016-2017  
(RESOLUTION 149-07-17) (S. GARCIA)**

There was a brief discussion and Board agreed to approve.

*MR. J KEPLINGER* made a motion to approve Budget Amendment for Fiscal Year 2016-2017 (Resolution No. 149-07-17), seconded by *MR. D. WELLS. MOTION CARRIED UNANIMOUSLY.*

**ITEM #11**          **CONSIDER AND APPROVE PURCHASE OF MATERIALS TO RESTORE SLUDGE TUBES  
(DRAW OFF PIPES & TIE RODS WITH TURNBUCKLES) FOR CLARIFIER #3 AT ISLA  
BLANCA WASTEWATER TREATMENT PLANT. (C. ORTIZ)**

There was a discussion and Board agreed to approve the single sole source purchase of materials from the direct manufacturer, Ovivo USA, LLC for a total amount of \$16,241.20.

**MR. J. KEPLINGER** made a motion to approve the purchase of materials to Restore Sludge Tubes (Draw off Pipes & Tie Rods with Turnbuckles) for Clarifier #3 at Isla Blanca Wastewater Treatment Plant, seconded by, **MR. D. WELLS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #12      CONSIDER AND APPROVE GARVER WORK ORDER NO. 3 REGARDING WATER REUSE/RECLAMATION EVALUATION. (C. ORTIZ)**

Mr. Richard Correa with Garver presented this item to the Board and discussion ensued. Mr. Correa noted this would be for a second opinion on the numbers of how much it will cost before going forward on the Bond Application. The Board agreed to approve Work Order No. 3, for a total fee of \$18,832.00, which consists of:

Task 1: Water Reuse Value Engineering and Applicability Evaluation

- a. Review of Title XVI feasibility Report
- b. NF Applicability evaluation.

**MR. D. WELLS** made a motion to approve Garver Work Order No. 3 regarding Water Reuse / Reclamation Evaluation, seconded by **MR. J. KEPLINGER. MOTION CARRIED UNANIMOUSLY.**

**ITEM #13      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. (C. ORTIZ)**

There was a discussion regarding the use of the District's equipment and providing outsourcing and questions on the hourly charge recovering the District's cost. It was noted, requesting Mr. Lucio to review the agreement portion under Terms and Conditions, No. 3. It was determined to table and deferred to the next regularly scheduled meeting on August 9, 2017.

**MR. D. WELLS** made a motion to table, seconded by **MR. J. KEPLINGER. MOTION CARRIED. ITEM TABLED.**

**ITEM #14      CONSIDER AND DISCUSS PUBLIC NOTICE ON AD VALOREM TAXES FOR THE YEAR 2017 AT \$.04386. (S. GARCIA)**

This item was for discussion only.

Mrs. Garcia noted, AD Valorem Tax Rate \$.04386/\$100 FY2017 and Public Notice has been scheduled for advertising for two consecutive Sundays before the Tax Rate is Adopted, discussion ensued. Last Year's Total tax rate was \$.045020/\$100, a decrease of \$ .00116. Mr. J. Keplinger and Mr. D. Wells agreed on the Public Notice on the Ad Valorem Taxes.

**ITEM #15      CONSIDER AND APPROVE ADOPTING A REVISED INVESTMENT POLICY FOR THE LAGUNA MADRE WATER DISTRICT (RESOLUTION NO. 151-07-17) (S. GARCIA)**

CONSIDER AND DISCUSS POTENTIAL LITIGATION AT PORT ISABEL WASTEWATER  
TREATMENT FACILITY.

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

*MR. J. KEPLINGER* made a motion for the *BOARD* to go into executive session at 6:19 PM, seconded by *MR. D. WELLS*.  
*MOTION CARRIED UNANIMOUSLY.*

The Board took a short recess before going into Executive Session.


*MR. J. KEPLINGER* made a motion for the *BOARD* to come out of executive session at 6:50 PM, seconded by *MR. D. WELLS*.  
*MOTION CARRIED UNANIMOUSLY.*

ITEM #20 CONSIDERATION AND ACTION ON EXECUTIVE SESSION ITEM, IF NECESSARY


*MR. J. KEPLINGER* made a motion for the Attorney to proceed as directed, seconded by *MR. D. WELLS*. *MOTION CARRIED UNANIMOUSLY.*

ITEM #21 ADJOURNMENT

The *CHAIRMAN* adjourned the meeting at 6:54 PM.



SCOTT FRIEDMAN, CHAIRMAN



DOYLE WELLS, SECRETARY

MINUTES APPROVED THIS 9TH DAY OF AUGUST 2017.