

**MINUTES**  
 Regular Meeting  
 Laguna Madre Water District  
 Board of Directors  
 Wednesday, March 11, 2020  
 5:30 PM – 6:42 PM  
 Board Room

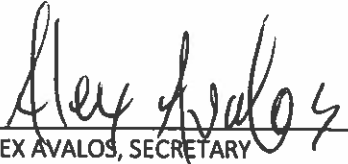
<b>1</b>	<p><b><u>QUORUM</u></b></p> <p><b>PRESENT:</b>          Chairman, Scott Friedman          Secretary, Alex Avalos          Director, Jason Starkey arrived @ 5:33 PM          Director, Adam Lalonde</p> <p><b>ADMINISTRATIVE STAFF:</b>          General Manager, Carlos J. Galvan, Jr.          Director of Operations, Robert Gomez          District Engineer, Charles Ortiz          Purchasing Agent, Enrique Samaniego          Director of Finance, Eddie Salazar          Attorney, Brian Hansen</p> <p><b>ABSENT:</b>          Vice-Chairman, Herb Houston</p>	
<b>2</b>	<p><b><u>INVOCATION AND PLEDGE OF ALLEGIANCE</u></b></p> <p>The meeting began with the Pledge of Allegiance, and R. Gomez said the Invocation.</p>	
<b>3</b>	<p><b><u>INVITATION TO THE AUDIENCE FOR PUBLIC COMMENTS</u></b></p> <p><b>COMMENTS:</b></p> <ul style="list-style-type: none"> <li>• No one in the audience responded</li> <li>• No comments from the Board or Staff</li> </ul>	
<b>4</b>	<p><b><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL THE MINUTES OF THE WORKSHOP MEETING AND THE REGULAR MEETING FROM FEBRUARY 26, 2020. (C. GALVAN) ♣</u></b></p> <p><b>DISCUSSION:</b></p> <ul style="list-style-type: none"> <li>• The Board approved the Workshop Meeting Minutes as presented</li> <li>• The Board approved the Regular Meeting Minutes as presented</li> </ul> <p>Moved by A. AVALOS, seconded by A. LALONDE.</p> <p>Move to approve.</p>	<p><b>MOTION CARRIED</b></p>
<b>5</b>	<p><b><u>GENERAL MANAGER'S</u></b></p> <ul style="list-style-type: none"> <li>• <b><u>CORONAVIRUS DISEASE PREVENTION MEASURES –</u></b></li> </ul>	

	<ul style="list-style-type: none"> <li>○ Mr. Galvan reported that on March 3, 2020, they started passing information out on the coronavirus, just to be ahead and proactive. Safety supplies were purchased and asking employees to practice safety measures. Mr. Galvan noted it's best to get prepared and follow safety procedures and precautions.</li> <li>○ Comment: Do you think we should put a public statement out that the water isn't affected by this, that the water is safe and that (the virus) it is not transmittable by water? It's something we should look into. Discussion ensued. <ul style="list-style-type: none"> <li>▪ Mr. Galvan noted that the water is safe because, with the microfiltration system that we have now, it is safe, protects from viruses</li> </ul> </li> <li>○ Comment: Do the employees understand that if they are sick, they won't be punished? If they are having symptoms, they have to stay home. <ul style="list-style-type: none"> <li>▪ Mr. Galvan noted informing staff and managers if they see an employee with flu-like symptoms, its best to send them home, see a doctor, and get a release form from the doctor before returning to work.</li> </ul> </li> <li>○ Gathering information from Texas Water for helpful information and updates for the District</li> <li>● <b><u>BOND MEETING COMMITTEE UPDATE -</u></b> <ul style="list-style-type: none"> <li>○ The Bond Committee Chair and Vice-Chair met last week on scheduling presentations and possibly an open house at the Water Treatment Facility on the Microfiltration System for the schools and public.</li> <li>○ Coordinating with the Bond Committee that is going to be active in the future presentations and continuing to look into more areas to give the presentations</li> <li>○ Alicia and Victor Baldovinos, with Grant Access, gave a PowerPoint presentation on the social media insights on how Laguna Madre Water District is performing on Facebook to reach the community, followed by questions and answers. A printed copy of the presentation is attached to the minutes. <ul style="list-style-type: none"> <li>▪ Upcoming: <ul style="list-style-type: none"> <li>➢ Increase presence on Twitter &amp; Instagram</li> <li>➢ World Water Day Celebration (March 22)</li> <li>➢ Participate in Community Events</li> <li>➢ LMWD Open House</li> <li>➢ Visit Businesses &amp; Distribute Bond Flyer</li> <li>➢ Spotlight on Employees/ Departments</li> </ul> </li> </ul> </li> </ul> </li> </ul>	<p><b>GENERAL MANAGER'S REPORT</b></p>
6	<p><b><u>DIRECTOR OF OPERATION'S REPORT</u></b> 📌</p> <p>REPORT:</p> <ul style="list-style-type: none"> <li>● <b><u>MONTHLY REPORT FOR FEBRUARY -</u></b> <ul style="list-style-type: none"> <li>○ Mr. Gomez reported the 2019 comparison to 2020 for February shows an overall decrease in Service Orders/Callouts</li> </ul> </li> </ul>	<p><b>DIRECTOR OF OPERATION'S REPORT</b></p>
7	<p><b><u>DISTRICT ENGINEER'S REPORT</u></b></p> <p>REPORT:</p> <ul style="list-style-type: none"> <li>● <b><u>CAPITAL PROJECT UPDATE -</u></b> <ul style="list-style-type: none"> <li>○ Water Plant 1 the use of chlorine dioxide is in the process of getting the plans review team approved for construction. The project for the 24-inch raw water line at water plant 1 will be an inhouse project</li> <li>○ Water Plant 2 – the high service pump stations, looking at replacing the motor control</li> </ul> </li> </ul>	

	<ul style="list-style-type: none"> <li>○ Tarpon Avenue and Island Avenue Project – the sewer line is already in place. Overall, about 30% done with construction. There’s an asbestos cement pipe, trying to add 820 feet of water line through a change order (\$24,000 request) and will present at the next meeting.</li> <li>○ Andy Bowie Sewer Treatment Plant-Pilot that’s needing permanent installation</li> <li>○ Question: When is the Water Tank at Any Bowie up for rehabilitation? Response: Both tanks in So. Padre Island can be placed for repair for the next project year.</li> </ul>	<p><b>DISTRICT ENGINEER’S REPORT</b></p>
<p><b>8</b></p>	<p><b><u>DIRECTOR OF FINANCE REPORT</u></b></p> <ul style="list-style-type: none"> <li>● <b><u>FINANCING THE 2020 TAX BOND WITH TEXAS WATER DEVELOPMENT BOARD OR OPEN MARKET</u></b> <ul style="list-style-type: none"> <li>○ Mr. Salazar gave a PowerPoint Presentation on the financing of the 2020 Tax Bond with Texas Water Development Board or open market, and a revised copy was handed out at the meeting and is attached to the minutes.</li> <li>○ An example of 20-year financing on an open market for \$27.62 Million will be 1.36%, with total payments of \$31,097,994 over 20 years. The average payment is \$1,554,900</li> <li>○ An example of the financing with the Texas Water Development Board the cost is 0.0% the annual payment will be \$1,381,000, savings of \$3,477,994</li> <li>○ 30-year financing on an open market – Intreat rate 1.52%, total payments \$33,908,126, the annual average payment is lower \$1,130,271</li> <li>○ 30-year financing with the Texas Water Development Board with 0% interest and the average annual is \$920,667. A savings of \$6,288,126</li> <li>○ Program Requirements: <ul style="list-style-type: none"> <li>▪ Follow the Disadvantaged Business Enterprise (DBE) Procurement</li> <li>▪ NEPA- Environmental Review</li> <li>▪ David-Bacon Prevailing Wage Rates</li> <li>▪ American Iron &amp; Steel</li> <li>▪ Outlay Reporting and Funds Disbursements</li> <li>▪ Appropriate Financial Managerial Technical Capability</li> <li>▪ Up to date Water Conservation Plan</li> <li>▪ Consistency with State Water Plan</li> <li>▪ Annual Financial and Single Audits</li> <li>▪ State Revolving Fund Year-Round – total time 9 to 14 months</li> <li>▪ Timeline: TCEQ Review 12 to 13 months vs. TWDB Review up to 20 months</li> </ul> </li> </ul> </li> </ul>	<p><b>DIRECTOR OF FINANCE REPORT</b></p>
<p><b>9</b></p>	<p><b><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF THE FINANCIAL REPORTS FOR JANUARY 2020. (E. SALAZAR) ♣</u></b></p> <p><b>REPORT:</b></p> <ul style="list-style-type: none"> <li>● The Board agreed to approve the Financial Reports as presented</li> </ul> <p>Moved by A. LALONDE, seconded by J. STARKEY.</p> <p>Move to approve.</p>	<p><b>MOTION CARRIED</b></p>

10	<p><b><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL ROOF REPAIR AT PORT ISABEL WASTEWATER TREATMENT PLANT. (E. SAMANIEGO) ♦</u></b></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> <li>• Staff recommendation: Texas Platinum Roofing &amp; Restoration for a total cost of \$11,146.00 with a 10-year warranty</li> <li>• The Board agreed to approve roof repair at Port Isabel Wastewater Treatment Plant</li> </ul> <p>Moved by J. STARKEY, seconded by A. AVALOS.</p> <p>Move to approve.</p>	MOTION CARRIED
11	<p><b><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF A SLUDGE PUMP FOR WATER PLANT 2. (E. SAMANIEGO) ♦</u></b></p> <p>REPORT:</p> <ul style="list-style-type: none"> <li>• Staff recommendation: Pumps of Houston for a total cost of \$19,996.00</li> <li>• The Board agreed to approve the purchase of sludge pump</li> </ul> <p>Moved by A. LALONDE, seconded by J. STARKEY.</p> <p>Move to approve.</p>	MOTION CARRIED
12	<p><b><u>CONSIDER AND REVIEW EXPENDITURES FROM JANUARY 15, 2020 – FEBRUARY 15, 2020. (C. GALVAN) ♦</u></b></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> <li>• The expenditures were acknowledged as presented</li> </ul> <p>Expenditures acknowledged by J. STARKEY and A. AVALOS.</p>	ACKNOWLEDGMENT OF EXPENDITURES
13	<p><b><u>EXECUTIVE SESSION PERMITTED BY THE OPEN MEETING ACT, V. T. C. A., GOVERNMENT CODE SECTION 551.001 ET. SEQ., UNDER SECTION 551.071, CONSULTATION WITH ATTORNEY:</u></b></p> <p>A. <b><u>UPDATE ON LEGAL MATTERS CONCERNING RATEPAYER’S APPEAL OF THE RAW WATER RATE</u></b></p> <p>B. <b><u>DISCUSS LEGAL MATTER CONCERNING A MEMORANDUM OF UNDERSTANDING (MOU) WITH DRUG ENFORCEMENT AND LAW ENFORCEMENT AGENCIES REGARDING CUSTOMERS ACCOUNT</u></b></p> <p>Executive Session items discussed in the following order: B., A.,</p> <p>J. STARKEY made a motion for the BOARD to go into the executive session at 6:30 PM, seconded by A. LALONDE.</p>	<p>MOTION CARRIED IN SESSION @ 6:30 PM</p> <p>MOTION CARRIED OUT OF SESSION @ 6:41 PM</p>

	<p>A. LALONDE withdrew himself before the Board entered into Executive Session for Item A, he departed the meeting, a quorum maintained.</p> <p>J. STARKEY made a motion for the BOARD to get out of the executive session at 6:41 PM, seconded by A. AVALOS.</p>	
14	<p><u>CONSIDERATION AND ACTION ON EXECUTIVE SESSION ITEMS, IF NECESSARY.</u></p> <p>A. <u>UPDATE ON LEGAL MATTERS CONCERNING RATEPAYERS APPEAL OF THE RAW WATER RATE</u></p> <p>MOTION: To Accept the Contract as Proposed.</p> <p>Moved by A. AVALOS, seconded by J. STARKEY.</p> <p>B. <u>DISCUSS LEGAL MATTER CONCERNING A MEMORANDUM OF UNDERSTANDING (MOU) WITH DRUG ENFORCEMENT AND LAW ENFORCEMENT AGENCIES REGARDING CUSTOMERS ACCOUNT</u></p> <p>The Chairman noted to proceed as directed</p>	<p>EXECUTIVE SESSION RESULTS:</p> <p>ITEM A: ACCEPT CONTRACT AS PROPOSED</p> <p>ITEM B: PROCEED AS DIRECTED</p>
15	<p><u>ADJOURNMENT</u></p> <p>There being no further business the CHAIRMAN adjourned the meeting at 6:42 PM</p>	<p>MEETING ADJOURNED @ 6:42 PM</p>

  
 ALEX AVALOS, SECRETARY

  
 HERB HOUSTON, VICE-CHAIRMAN

MINUTES APPROVED THIS 25<sup>TH</sup> DAY OF MARCH 2020.