

MINUTES
 Regular Meeting
 Laguna Madre Water District
 Board of Directors
 Wednesday, March 13, 2019
 5:30 PM – 7:01 PM
 Board Room

1	<p><u>QUORUM</u></p> <p>PRESENT: Chairman, Scott Friedman Vice Chairman, Herb Houston Secretary, Alex Avalos Director, Jason Starkey Director, Adam Lalonde</p> <p>ADMINISTRATIVE STAFF: General Manager, Carlos J. Galvan, Jr. Director of Operations, Robert Gomez District Engineer, Charles Ortiz Purchasing Agent, Enrique Samaniego Director of Finance, Eddie Salazar Interim Attorney, Brian Hansen</p> <p>Items discussed in the following order: 1,2,3,4,<u>12,18</u>,5,6,7,8,9,10,11,13,14,15,16,17,19,20</p>	
2	<p><u>INVOCATION AND PLEDGE OF ALLEGIANCE</u></p> <p>The meeting began with the Pledge of Allegiance and an Opening Prayer</p>	
3	<p><u>INVITATION TO THE AUDIENCE FOR PUBLIC COMMENTS</u></p> <p>COMMENTS:</p> <ul style="list-style-type: none"> • Condolences on the passing of Mr. Friedman’s father 	
4	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL THE MINUTES OF THE REGULAR MEETING ON FEBRUARY 26, 2019. (C. GALVAN) 💧</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • No questions or comments • Minutes approved <p>Moved by A. AVALOS, seconded by J. STARKEY.</p> <p style="text-align: center;">Move to approve.</p>	MOTION CARRIED
5	<p><u>GENERAL MANAGER’S REPORT</u></p> <ul style="list-style-type: none"> • <u>TIMEKEEPING SYSTEM UPDATE</u> • <u>PROFESSIONAL SERVICE COMMITTEE UPDATE</u> <p>REPORT:</p>	

	<p><u>TIMEKEEPING SYSTEM UPDATE</u></p> <ul style="list-style-type: none"> • Mary Gamboa, Human Resources Administrator, gave an update • Testing phase • Successful integration • Able to view, run reports, see absences • Testing for two pay periods <p><u>PROFESSIONAL SERVICES COMMITTEE</u></p> <ul style="list-style-type: none"> • Legal Services Firm information and Engineering information was given to the Committee for review • Schedule a Professional Services Committee Meeting • Professional Services Committee agreed to meet on Tuesday, March 19, 2019, @ 8:30 AM 	<p>GENERAL MANAGER'S REPORT</p>
6	<p><u>CONSIDER AND DISCUSS POSSIBLE BOND ELECTION FOR NOVEMBER 2019. (C. GALVAN)</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • Possibly schedule a Capital Improvements Workshop sometime in April • Before the next meeting, Charles prepare Election Schedule Timeline with 2019 dates 	<p>DISCUSSION ITEM ONLY</p>
7	<p><u>CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM TABLED AT THE REGULAR MEETING ON FEBRUARY 26, 2019:</u></p> <p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL A RESOLUTION ADOPTING A REVISED WATER CONSERVATION & DROUGHT CONTINGENCY PLAN FOR THE DISTRICT (RESOLUTION NO. 171-02-19).</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • Board agreed to remove this item from the table for discussion • See Item #8 for more information <p>Moved by J. STARKEY, seconded by A. AVALOS.</p> <p>Motion to remove from the table.</p>	<p>MOTION CARRIED</p>
8	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL A RESOLUTION ADOPTING A REVISED WATER CONSERVATION & DROUGHT CONTINGENCY PLAN FOR THE DISTRICT (RESOLUTION NO. 171-02-19). (C. GALVAN) 💧</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • The Board agreed to adopt the revised policy presented through a resolution. • Policy reviewed by Interim Attorney <p>Moved by A. AVALOS, seconded by H. HOUSTON.</p> <p>Move to approve.</p>	<p>MOTION CARRIED</p>

9

DIRECTOR OF OPERATION'S REPORT

- FEBRUARY'S REPORT
- UPDATE OF AMI METER INSTALLATION
- UPDATE ON MANHOLES

REPORT:

FEBRUARY'S REPORT:

- Report reviewed. No comments or questions

UPDATE OF AMI METER INSTALLATION:

- For South Padre, meter project 80% complete. Need to install a little over 500 meters
- Project completion by the end of April
- Spring break and holy week slows the project down
- Commercial meters (2", 4" and 6" meters) installed by AMI
- For Laguna Vista, 44% complete
- For Port Isabel, Installed about 99 meters
- 5/8" and 1" meters are getting installed by District Personnel

UPDATE ON MANHOLES

- Recently found other utility sewer manholes that are damaged and need repairs
- A total of 3 utility sewer manholes needing replacement, Manhole locations: Constellation; Retama and Gulf; and Red Snapper & Gulf
- Will begin work as soon as Spring Break is over and before Holy week
- There is a total of 414 utility sewer manholes on the Island, 47 of them are on Gulf Blvd.
- Six utility sewer manholes repaired in the last year
- **Question: How many are on Laguna Blvd?**
- Possibly doing our street repairs in house, discussion ensued
- **Interim Attorney to look into liability issues. Attorney agreed to do research**
- Working on adding additional parking spaces behind the Administration Building
- Will help save money, and help to buy new equipment possibly. The district has a lot of old equipment some up to 14 years old and needs repairs
- **Get more information**
- Two-year warranty on all street repairs done by the District Contractor
- Comment: It's best to let the paving company do the work for the right price
- Question: When does Paving Contract Expire? In a couple of months
- Distribution Side update: since October till now around a total of 15 leaks that require employees working on meter get pulled away from to repair leaks

DIRECTOR
OF
OPERATION'S
REPORT

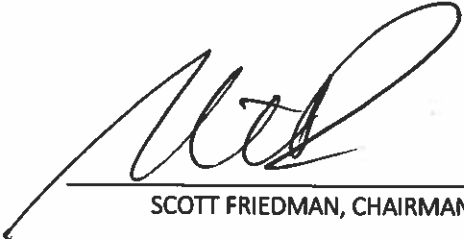
10	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE RATIFICATION OF CHANGE ORDER 1 AND CHANGE ORDER 2 ON MULLER CONTRACT FOR AMI METER PROJECT. (R. GOMEZ) 💧</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • Change Order 1: Contract sum \$0.00 <ul style="list-style-type: none"> ▪ Extend the contract time to July 26, 2019 • Change Order 2: Decrease to contract sum \$-79,855.00 • Question: When will App be available? Sometime in July <p>Moved by A. AVALOS, seconded by J. STARKEY.</p> <p>Move to approve.</p>	MOTION CARRIED
11	<p><u>DISTRICT ENGINEER'S REPORT</u></p> <ul style="list-style-type: none"> • <u>ODOR CONTROL UPDATE</u> 💧 • <u>SLUDGE LAGOON AT WATER PLANT 2</u> <p>REPORT: <u>ODOR CONTROL UPDATE</u></p> <ul style="list-style-type: none"> • Installing Podz Horizon Covers tomorrow in Laguna Vista • Evoqua will do some analysis at the Lift Station in Laguna Heights • Add an article in the press (newspaper) about what's being done for the odor control at South Padre Island. <p><u>SLUDGE LAGOON AT WATER PLANT 2</u></p> <ul style="list-style-type: none"> • Using excavator for a month, extend use for one more month to continue working • Received land application • Discussion ensued regarding dredging the sludge 	DISTRICT ENGINEER'S REPORT
12	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE OF A RESOLUTION SUPPORTING A WATERSMART FUNDING OPPORTUNITY FOR LONG ISLAND VILLAGE UNDER THE WATERSMART GRANTS: WATER ENERGY EFFICIENCY GRANTS FOR THE FISCAL YEAR 2019 (RESOLUTION NO. 174-03-19). (E. SAMANIEGO) 💧</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • This agenda item was taken out of order and discussed after item #4 • Long Island Village applied for a watersmart grant through the Bureau of Reclamation to rebuild a water distribution system. Meters installed in every individual slot • Requesting Letters of support • The District's letter of support is through a Resolution, approved by the Board <p>Moved by A. AVALOS, seconded by H. HOUSTON.</p> <p>Move to approve.</p>	MOTION CARRIED

13	<p><u>DIRECTOR OF FINANCE REPORT</u></p> <ul style="list-style-type: none"> • <u>UPDATE ON CD'S MATURING AND PLAN FOR REINVESTMENT</u> <p>REPORT:</p> <ul style="list-style-type: none"> • Currently, have two dates for CD maturities • Wanting to add additional dates to avoid penalties • Wanting a total of 4 dates for CD maturities • Helps lower risk by increasing options to work with the money • Recently moved \$500,000.00 from the General Fund to a money market account. Going to make a 3.7-million-dollar investment with four different maturity dates 	DIRECTOR OF FINANCE REPORT
14	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF THE FINANCIAL REPORTS FOR JANUARY 2019. (E. SALAZAR) 💧</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • The Board approved Financial Reports as presented • No comments or questions from the Board or Staff <p>Moved by J. STARKEY, seconded by H. HOUSTON.</p> <p>Move to approve.</p>	MOTION CARRIED
15	<p><u>CONSIDER AND DISCUSS POSSIBLE CHANGES TO THE LAGUNA MADRE WATER DISTRICT PURCHASING POLICY. (E. SALAZAR) 💧</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • Request to make changes on the current approval requirement for purchases • Problem with the current bid process on purchase amounts over \$5,000.00 needing a formal bid process. A formal bid process requires two weeks bid advertisement that costs from \$500.00 - \$1,500.00. Discussion ensued • Requesting to increase formal bidding process from \$5,000.00 to \$10,000.00 • Full compliance with state guidelines 	DISCUSSION ITEM ONLY
16	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF A RESOLUTION ADOPTING A REVISED PURCHASING POLICY FOR LAGUNA MADRE WATER DISTRICT (RESOLUTION NO. 175-03-19). (E. SALAZAR) 💧</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> • The Board approved and adopted the revised Purchasing Policy through a Resolution • See above (item #15) for details <p>Moved by A. AVALOS, seconded by J. STARKEY.</p> <p>Motion moved.</p>	MOTION CARRIED

17	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE RATIFICATION OF RESCINDING VACUUM TRUCK BID AWARDED TO RUSH TRUCK CENTER OF HOUSTON AND INSTEAD AWARD THE BID TO FREIGHTLINER OF AUSTIN. (E. SAMANIEGO) ♠</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> Item was reviewed by Interim Attorney prior and acceptable The Board approved changes <p>Moved by H. HOUSTON, seconded by J. STARKEY.</p> <p>Motion moved.</p>	MOTION CARRIED
18	<p><u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF THE REQUEST TO MAINTAIN AND OPERATE THE WATER AND SEWER INFRASTRUCTURE FOR THE EDA APPLICATION. (C. GALVAN) ♠</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> This agenda item was taken out of order and discussed after item #12. (See Item #12 for an order of items) Presentation by City Manager, Rolando Vela and County Commissioner, David Garza, followed by questions and answers Request for the District to become co-applicant on EDA Application The district will be in charge of the water and sewer services for the next 20 years Interim Attorney to review application The Board approved the request <p>Motion by H. HOUSTON, seconded by A. AVALOS.</p> <p>Move to approve.</p>	MOTION CARRIED
19	<p><u>CONSIDER AND REVIEW EXPENDITURES FOR FEBRUARY 16 - 28, 2019. (C. GALVAN) ♠</u></p> <p>DISCUSSION:</p> <ul style="list-style-type: none"> No comments or questions <p>Expenditures acknowledged by A. AVALOS and seconded by J. STARKEY.</p>	EXPENDITURES ACKNOWLEDGEMENT
20	<p><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; 551.072, DELIBERATIONS ABOUT REAL PROPERTY.</u></p> <p>A. <u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF LAND SWAP BETWEEN CITY OF PORT ISABEL AND LAGUNA MADRE WATER DISTRICT AT LITTLE LEAGUE/MAINTENANCE YARD. ♠</u></p>	EXECUTIVE SESSION:

	<p>B. <u>DISCUSSION ON LEGAL MATTERS WITH COUNSEL CONCERNING RATEPAYERS APPEAL OF THE RAW WATER RATE.</u></p> <p>H. HOUSTON made a motion for the BOARD to go into executive session at 6:44 PM, seconded by J. STARKEY.</p> <p>The Board took a five-minute recess before entering into Executive Session.</p> <p>A. LALONDE withdrew himself from the Executive Session meeting (after Item "A"), a quorum maintained.</p> <p>A. AVALOS made a motion for the BOARD to come out of executive session at 7:00 PM, seconded by J. STARKEY.</p> <p>A. LALONDE joined the meeting after the Board came out of Executive Session</p>	<p>MOTION CARRIED IN SESSION @ 6:44 PM</p> <p>MOTION CARRIED OUT OF SESSION @ 7:00 PM</p>
21	<p><u>CONSIDERATION AND ACTION ON EXECUTIVE SESSION ITEMS, IF NECESSARY.</u></p> <p>A. <u>CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF LAND SWAP BETWEEN CITY OF PORT ISABEL AND LAGUNA MADRE WATER DISTRICT AT LITTLE LEAGUE/MAINTENANCE YARD.</u> ♦</p> <p>Motion: to proceed as directed Moved by A. LALONDE, seconded by J. STARKEY.</p> <p>B. <u>DISCUSSION ON LEGAL MATTERS WITH COUNSEL CONCERNING RATEPAYERS APPEAL OF THE RAW WATER RATE.</u></p> <p>The CHAIRMAN noted No Action taken.</p>	<p>EXECUTIVE SESSION RESULTS:</p> <p>ITEM A MOTION CARRIED</p> <p>ITEM B NO ACTION</p>
22	<p><u>ADJOURNMENT</u></p> <p>The CHAIRMAN adjourned the meeting at 7:01 PM</p>	


 ALEX AVALOS, SECRETARY


 SCOTT FRIEDMAN, CHAIRMAN

MINUTES APPROVED THIS 27TH DAY OF MARCH 2019.