

MINUTES
REGULAR MEETING – SEPTEMBER 28, 2016
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 **28th day of SEPTEMBER, 2016** at the hour of **5:00 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

Jeff Keplinger – Chairman
William "Whitey" J. Thomas – Vice Chairman
Scott D. Friedman – Secretary **ABSENT**
Rick A. Wells – Director
Doyle Wells, III - Director

ADMINISTRATIVE STAFF

Carlos J. Galvan, Jr. – General Manager
Charles Ortiz – District Engineer
Victor Valdez - Director of Operations
Sanjuana Garcia – Director of Finance
Eddie Lucio, III – Attorney

ITEM #2 INVOCATION AND PLEDGE OF ALLEGIANCE

The **CHAIRMAN** invited everyone in the audience to stand for Invocation and Pledge of Allegiance.

ITEM #3 INVITATION TO AUDIENCE FOR DISCUSSION

Public comments and announcements were given at this time.

Mr. Galvan handed out printed copies to the Board of dinner menu for LMWD's Christmas Banquet on December 10, 2016.

Mr. D. Wells noted, at the last meeting he requested backup material of the credit card expenditures and expressed thanks for receiving it the next day, and all documentation and receipts were in order.

ITEM #4 CONSIDER AND APPROVE MINUTES FOR WORKSHOP MEETING OF SEPTEMBER 7, 2016;
AND MINUTES FOR REGULAR MEETING OF SEPTEMBER 14, 2016

A motion was made by **MR. R. WELLS** to approve Minutes for Workshop Meeting of September 7, 2016 and Minutes for Regular Meeting of September 14, 2016 as presented, seconded by **MR. D. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #5 GENERAL MANAGER'S REPORT

- **PETROLEUM PRODUCTS (BID # PP-16-08-01)**
- **GPS FOR UNITS**
- **VERIZON'S ANTENNA AGREEMENT AT ANDIE BOWIE WATER TOWER**

MR. GALVAN reported on the following:

- **PETROLEUM PRODUCTS (BID # PP-16-08-01)**– An update from last meeting on contract, reported contract was not a binding contract; purchases will be as needed; and markup price is set at .07 cents. The District can also purchase petroleum elsewhere.
- **GPS FOR UNITS** - Discussion occurred regarding GPS for all the District units. The Board agreed for staff to go out for Bids for GPS Services.
- **VERIZON'S ANTENNA AGREEMENT AT ANDIE BOWIE WATER TOWER**- A request by Verizon to place their antenna on LMWD's Water Tower located at Andie Bowie. A Proposal will be submitted and brought before the Board at a Regular Meeting for consideration and approval. The Board indicated to be kept informed.

ITEM #6 DISTRICT ENGINEER'S REPORT

- **PORT ISABEL WWTP IMPROVEMENTS STATUS**

MR. ORTIZ reported on the following:

- Amendment to relocate the discharge- Update on discharge permit for moving the outfall, the second advertisement was completed and publication was sent to TCEQ. Permit should be issued in the next 30 days.
- Buffer Zones - Exhibits are complete for illuminating all the residential structures on the Buffer zones and a request to be placed on the agenda was sent to the City of Port Isabel, waiting on a response.
- Corps of Engineers - the out grant is moving along. Report was completed by Real Estate and was sent to Operations, the Operations Department have 60 days to complete their report. They are aware of our schedule for outline to being installed by March 31st.

ITEM #7 DIRECTOR OF FINANCE REPORT

- **AUDIT COMMITTEE**

MRS. GARCIA reported the following:

- **AUDIT COMMITTEE** - – Preparation on starting new audit for this fiscal year. A meeting with Long Chilton and Audit Committee needs to be scheduled.

ITEM #8 DISCUSSION ON EMPLOYEE BENEFITS

This item was taken out of order and discussed after Item #9.

Discussion and questions ensued concerning the District's Health, Vision, and Dental Benefits for its employees. A Comparison Sheet was presented reflecting the District's Health, Vision, and Dental Benefits in comparison to the local entities (City of Port Isabel, City of Laguna Vista, and City of South Padre Island). It was noted the District will be looking into other groups for employee benefits and requesting proposals; and further inquiries of similar entities related to the District for comparison.

ITEM #9 WELLS FARGO PRESENTATION ON BANKING SERVICES AND PC CARD USE BY ANDY BRAVO, CUSTOMER RELATIONS OFFICER

This item was taken out of order and discussed before Item #8.

There was a presentation by Wells Fargo Bank offering the District a commercial card for purchases. The card will provide an electronic payables solution for paperless managing of transactions, purchase orders, and petty cash. Discussion and questions ensued.

**ITEM #10 CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM TABLED AT REGULAR MEETING ON SEPTEMBER 14, 2016:
CONSIDER AND APPROVE ADOPTING THE BUDGET FOR FISCAL YEAR 2016-2017 OF THE LAGUNA MADRE WATER DISTRICT (RESOLUTION NO. 139-09-16)**

A motion was made by **MR. W. THOMAS** to remove item from the table for discussion, seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #11 CONSIDER AND APPROVE ADOPTING THE BUDGET FOR FISCAL YEAR 2016-2017 OF THE LAGUNA MADRE WATER DISTRICT. (RESOLUTION NO. 139-09-16)

A motion was made by **MR. R. WELLS** to approve Adopting the Budget for fiscal year 2016-2017 of the Laguna Madre Water District (Resolution No. 139-09-16) as presented, seconded by **MR. W. THOMAS. MOTION CARRIED UNANIMOUSLY.**

ITEM #12 CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM TABLED AT REGULAR MEETING ON SEPTEMBER 14, 2016:

CONSIDER AND APPROVE VERIZON WIRELESS CONTRACT FOR GPS/FLEET TELEMATICS SOLUTION THROUGH GSA CONTRACT HOLDERS. THIS ITEM WAS NOT DISCUSSED AND DEFERRED TO THE NEXT REGULAR MEETING ON SEPTEMBER 28, 2016.

A motion was made by **MR. R. WELLS** to remove item from the table for discussion, seconded by **MR. D. WELLS**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #13 **CONSIDER AND APPROVE VERIZON WIRELESS CONTRACT FOR GPS/FLEET TELEMATICS SOLUTION THROUGH GSA CONTRACT HOLDERS.**

A motion was made by **MR. D. WELLS** to deny Verizon Wireless Contract for GPS/Fleet Telematics Solution through GSA Contract Holders and go out for bids, seconded by **MR. W. THOMAS**. **MOTION CARRIED UNANIMOUSLY. DENIED**

ITEM #14 **CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM TABLED AT REGULAR MEETING ON SEPTEMBER 14, 2016:**

CONSIDER AND APPROVE AMENDMENT NO. 3 FOR CONSTRUCTION PHASE SERVICES WITH CAROLLO ENGINEERS FOR PORT ISABEL WASTEWATER TREATMENT PLANT IMPROVEMENTS

Motion failed to remove item from the table for lack of a second motion. The Item will remain tabled and deferred to the next Regular Meeting on October 12, 2016. **MOTION FAILED.**

ITEM #15 **CONSIDER AND APPROVE AMENDMENT NO. 3 FOR CONSTRUCTION PHASE SERVICES WITH CAROLLO ENGINEERS FOR PORT ISABEL WASTEWATER TREATMENT PLANT IMPROVEMENTS**

This item was not discussed on account of item not removed from the table, see above (item #14) for details. Item will remain tabled and deferred to the next Regular Meeting on October 12, 2014.

ITEM #16 **CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM TABLED AT REGULAR MEETING ON SEPTEMBER 14, 2016:**

CONSIDER AND AWARD BID FOR CONSTRUCTION MATERIALS TESTING SERVICES FOR PORT ISABEL WASTEWATER TREATMENT PLANT IMPROVEMENTS

A motion was made by **MR. W. THOMAS** to remove item from the table for discussion, seconded by **MR. R. WELLS**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #17 **CONSIDER AND AWARD BID FOR CONSTRUCTION MATERIALS TESTING SERVICES FOR PORT ISABEL WASTEWATER TREATMENT PLANT IMPROVEMENTS**

MR. ORTIZ recommended construction materials testing services for the outfall extension and phase 1A at the Wastewater Treatment Plant, and recommended approval for both proposals from PSI with a requested amount not to exceed \$31,104.00. Discussion and questions ensued.

A motion was made by **MR. R. WELLS** to approve recommendation for the Construction Materials Testing Services for Port Isabel Wastewater Treatment Plant Improvements, seconded by **MR. W. THOMAS. MOTION CARRIED UNANIMOUSLY.**

ITEM #18 CONSIDER AND AWARD CONSTRUCTION OF PORT ISABEL WWTP OUTFALL EXTENSION
(BID # WW-16-09-02)

Discussion and questions ensued regarding recommendation to accept the alternate bid for \$1,059,268.00 or the base bid for \$1,064,968.00.

The Board agreed to use fiberglass manholes and to award the base bid amount of \$1,064,968.00 to GO Underground, LLC.

A motion was made by **MR. W. THOMAS** to approve the base bid amount of \$1,064,968.00 for Construction of Port Isabel WWTP Outfall Extension (Bid # WW-16-09-02), seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #19 CONSIDER AND APPROVE ANNUAL MAINTENANCE CONTRACT FOR CHLORINE DIOXIDE
GENERATOR AT WATER PLANT 2

MR. ORTIZ recommended having the Annual Maintenance Contract for Chlorine Dioxide Generator at Water Plant 2 for scheduled maintenance. Discussion and questions ensued.

A motion was made by **MR. W. THOMAS** to approve Annual Maintenance Contract for Chlorine Dioxide Generator at Water Plant 2, seconded by **MR. D. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #20 CONSIDER AND APPROVE ADOPTING BUDGET AMENDMENT FOR FY 2015-2016
(RESOLUTION NO. 140-09-16)

This item was taken out of order and discussed after Item #22.

It was noted Item #22 will be reflected with this item (Item #20).

A motion was made by **MR. R. WELLS** to approve Adopting Budget Amendment for FY 2015-2016 (Resolution No. 140-09-16), seconded by **MR. W. THOMAS. MOTION CARRIED UNANIMOUSLY.**

ITEM #21 CONSIDER AND APPROVE UNAUDITED FINANCIAL STATEMENTS FOR THE MONTH OF
AUGUST 2016

A motion was made by **MR. R. WELLS** to Approve Unaudited Financial Statements for the Month of August 2016 as presented, seconded by **MR. D. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #22 CONSIDER AND APPROVE THE ALLOCATION OF REMAINING REVENUE FUNDS FOR CAPITAL IMPROVEMENTS (BLOWERS AND METERS) AND/OR ASSET REPLACEMENT FUNDING FOR BUDGET AMENDMENT FY 2015-2016

This item was taken out of order and discussed before Item #20.

There was discussion and questions regarding where the remaining revenues funds will be allocated. It was determined for revenue funds to be allocated for capital improvements only. It was also noted this item (Item #22) will be reflected with Item #20.

A motion was made by **MR. W. THOMAS** to approve the allocation of remaining revenue funds for capital improvements only for Budget Amendment FY 2015-2016, seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #23 CONSIDER AND APPROVE ACCOUNTS RECEIVABLES BAD DEBT/ WRITE-OFF IN THE AMOUNT OF \$12,209.56 FOR THE FY 2013-2016

There was discussion regarding the 2 highest amounts on the accounts receivables list for bad debt/write-off. The Board agreed to remove the 2 accounts (with the highest amounts) from the list and file a small claims court lawsuit.

A motion was made by **MR. D. WELLS** to approve Account Receivables Bad Debt/ Write-off for FY 2013-2016 with exception of the 2 accounts over \$1,000.00, seconded by **MR. W. THOMAS. MOTION CARRIED UNANIMOUSLY.**

ITEM #24 CONSIDER AND APPROVE DISBURSEMENTS

There was discussion and questions on certain items on the Disbursements list.

A motion was made by **MR. W. THOMAS** to Disbursements as presented, seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #25 CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM TABLED AT REGULAR MEETING ON SEPTEMBER 14, 2016:

**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; SECTION 551.072, DELIBERATION ABOUT
REAL PROPERTY**

**CONSIDER AND DISCUSS LAND PURCHASE WITH IBC BANK FOR PROPOSED
SLUDGE BASIN AT WATER PLANT 2.**

A motion was made by **MR. W. THOMAS** to remove item from the table for discussion, seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #26 **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; SECTION 551.072, DELIBERATION ABOUT REAL PROPERTY**

CONSIDER AND DISCUSS LAND PURCHASE WITH IBC BANK FOR PROPOSED SLUDGE BASIN AT WATER PLANT 2

A motion was made by **MR. W. THOMAS** for the **BOARD** to go into executive session at **6:12 pm**, seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

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

A motion was made by **MR. W. THOMAS** for the **BOARD** to come out of executive session at **6:32 pm**, seconded by **MR. R. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #27 **CONSIDERATION AND ACTION ON EXECUTIVE SESSION ITEM, IF NECESSARY**

The **CHAIRMAN** noted no action taken on Executive Session Item. **MOTION CARRIED UNANIMOUSLY.**

ITEM #28 **ADJOURNMENT**

There being no further business the **CHAIRMAN** adjourned the meeting at **6:32.**

JEFF KEPLINGER, CHAIRMAN

RICK WELLS, DIRECTOR

MINUTES APPROVED THIS _____ DAY OF _____ 2016.