

MINUTES
Regular Meeting
Laguna Madre Water District
Board of Directors
Wednesday, February 13, 2019
5:30 PM – 7:25 PM
Board Room

ITEM #1 QUORUM

PRESENT: Chairman, Scott Friedman
 Vice Chairman, Herb Houston
 Secretary, Alex Avalos
 Director, Jason Starkey
 Director, Adam Lalonde

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
 Attorney, Brian Hansen

ABSENT: Purchasing Agent, Enrique Samaniego

The items presented as follows: **1,3,4,6,14,15,7,8, 9,10,11,12,13,16,17,18,19,20**

ITEM #2 INVOCATION AND PLEDGE OF ALLEGIANCE.

The Pledge Allegiance and Opening Prayer were done earlier at the 4:30 PM Workshop.

ITEM #3 INVITATION TO THE AUDIENCE FOR PUBLIC COMMENTS

COMMENTS:

- William Carr, President of South Padre Island Golf Course Joint Ventures, addressed the Board concerning the Districts Raw Water Rate compared to other entities in the Valley and previous Golf Course Contract rates with the District from 1994 and 1996.

ITEM #4 CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL THE MINUTES OF THE WORKSHOP MEETING AND THE REGULAR MEETING ON JANUARY 23, 2019. (C. GALVAN) 💧

DISCUSSION:

- Both Workshop Meeting and Regular Meeting Minutes for January 23, 2019, approved

Moved by **A. AVALOS**, seconded by **J. STARKEY**.

Move to approve.

MOTION CARRIED

ITEM #5 GENERAL MANAGER'S REPORT

- REQUEST FOR PROPOSALS FOR LEGAL COUNSEL
- AUDIO AND VIDEO UPDATE

REPORT:

- REQUEST FOR PROPOSALS FOR LEGAL COUNSEL - Request for Proposals advertised, due date March 3rd. Will set a date with the Professional Services Committee for review
- AUDIO AND VIDEO UPDATE – Sanchez Photography will do videos, gather all information, production, and editing. Board invited to the editing portion.
 - Educational Video
 - Create an Outline of what we want to accomplish first
 - Did you go out for RFP's? No, trying this out to see how it works
 - Cover all topics

GENERAL MANAGER'S REPORT

ITEM #6 INTRODUCTION OF THE INTERIM LEGAL COUNSEL, FRYER & HANSEN LAW FIRM FOR LAGUNA MADRE WATER DISTRICT. 💧

REPORT:

- Presentation by Interim Attorney, Brian Hansen
- Fryer & Hansen Law Firm based in McAllen
- Firm Practice Areas: Water Law, Civil Litigation, Construction Law, Estate Planning

FRYER & HANSEN LAW FIRM PRESENTATION

ITEM #7 CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL A RESOLUTION ADOPTING A REVISED SERVICE POLICY FOR THE DISTRICT (RESOLUTION NO. 169-02-19). (C. GALVAN) 💧

DISCUSSION:

- This item got taken out of order, Item 14 & Item 15 was moved up and discussed before
- Requesting approval of Resolution with regards to the discussion and review done at today's 4:30 PM Workshop
- Requesting approval of the Service Policy as presented subject to the outcome of the Fireline's
- Discussion on Billing Rate for Fire protection services (Fireline's) and regulations
- **Look into the Fireline's with the Fire Marshall**
- **Resolution to adopt revisions got approved subject to information pending on the Fireline's regulations**
- Resolution approved

Moved by H. HOUSTON, seconded by A. AVALOS.

Move to approve with pending information that might change from the findings on Firelines.

MOTION CARRIED

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ITEM #8 CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL A RESOLUTION ADOPTING A REVISED PERSONNEL POLICY FOR THE DISTRICT (RESOLUTION NO. 170-02-19). (C. GALVAN) ♠

DISCUSSION:

- Requesting approval of Resolution with regards to the discussion and review done at today's 4:30 PM Workshop
- Resolution approved

Moved by **A. AVALOS**, seconded by **J. STARKEY**.

Move to approve.

MOTION CARRIED

ITEM #9 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) ♠

DISCUSSION:

- Interim Attorney to review Plan
- This item got tabled
- Item deferred to the next regularly scheduled meeting on February 26, 2019

Moved by **H. HOUSTON**, seconded by **J. STARKEY**.

Move to table.

MOTION CARRIED TO TABLE

ITEM #10 CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF BOARD TRAVEL TO ATTEND THE TEXAS WATER 2019 CONFERENCE, IN HOUSTON, TEXAS, ON APRIL 2-5, 2019. (C. GALVAN)

DISCUSSION:

- Item approved
- **Look into the Association of Water Board Conference in June**

Moved by **H. HOUSTON**, seconded by **A. LALONDE**.

Move to approve.

MOTION CARRIED

ITEM #11 DIRECTOR OF OPERATION'S REPORT

- MONTHLY REPORT 💧
- EXCAVATOR AND MANHOLE UPDATE 💧
- AMI METER PROJECT UPDATE 💧
- VACUUM TRUCK

REPORT:

- MONTHLY REPORT:
 - Questions from the last meeting on year to year comparison on the water loss discussed
- EXCAVATOR AND MANHOLE UPDATE:
 - Cost for an excavator, low boy, and semi \$305,000.00
 - Rental \$11,243.64
 - Cheaper to rent than purchase
 - Printed copies on photos handed and discussed regarding a manhole repair
 - Savings of \$28,000.00
- AMI METER PROJECT UPDATE:
 - Ferguson and Muller's personnel met with District personnel throughout two days to provide training and review the status if the timeline on the installation process.
 - Provided training to the Business Office personnel on the customer service portal
 - 2,061 meters installed: 687 in Laguna Vista, 96 in Port Isabel, and 1,278 in South Padre Island
 - Projected time to complete was in April. Will happen for South Padre and Laguna Vista. Port Isabel behind still needs to install 1,508 meters
 - **Keep it in-house for installing the meters**
- VACUUM TRUCK:
 - Bids were done in September, awarded the 3rd lowest bid, to Rush Truck Center because delivery time was less. Last week was the deadline, and Rush Truck never delivered or called.
 - Considering to cancel and go with another bidder
 - Kinloch Equipment & Supply
 - Offering to match the offer and borrow a loaner in the meantime
 - Interim Attorney reviewing the contract and looking into it

DIRECTOR OF OPERATION'S REPORT

ITEM #12 CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF ACCEPTING THE PORT ISABEL WASTEWATER TREATMENT FACILITY MODIFICATIONS PROJECT PARTIALLY FUNDED THROUGH TEXAS WATER DEVELOPMENT BOARD CLEAN WATER STATE REVOLVING FUND LOAN #L1000539 (RESOLUTION NO. 172-02-19). (C. ORTIZ) 💧

DISCUSSION:

- Resolution approved

ITEM #12 **CONTINUED**

Moved by **A. AVALOS**, seconded by **A. LALONDE**.

Move to approve.

MOTION CARRIED

ITEM #13 **CONSIDER AND DISCUSS FOR POSSIBLE RATIFICATION OF EMERGENCY REPAIRS TO ISLA BLANCA WASTEWATER TREATMENT PLANT BLOWERS FOR THE MASTER CONTROL PANEL. (C. ORTIZ)** 💧

DISCUSSION:

- On January 26, 2019, rained entire day and water got into the control panel for blowers
- Filed claim with the insurance adjuster
- Water drops caused the master control panel to fail
- Proposal is \$14,500.00
- Where did the water come from? Discussion ensued.
- How old is the Panel? Installed in 2017
- Due to water damage does not fall into warranty
- F. Guzman, Senior Operator for Wastewater Plant Department available at the meeting for questions and answers

Moved by **A. AVALOS**, seconded by **H. HOUSTON**.

Move to approve.

MOTION CARRIED

ITEM #14 **PRESENTATION BY MR. QUENTIN ANDERSON WITH CARR, RIGGS AND INGRAM CPAS AND ADVISORS OF SEPTEMBER 30, 2018, FINANCIAL AUDIT FOR LAGUNA MADRE WATER DISTRICT'S FINANCIAL STATEMENTS. (E. SALAZAR)** 💧

REPORT:

- This item was taken out of order and discussed after Item #6 on the agenda
- Presentation by Mr. Quentin Anderson and Zeus
- Printed copies handed out during the meeting and reviewed on Required Communications Prepared for the Board of Directors and Management
- Reviewed Financial Statements and Supplementary Information
- A clean opinion on the financial statements
- Presented fairly, in all material respects

ITEM #14 **CONTINUED**

- Page 9, for 2018, Total net \$68,498,763 and for 2017 \$68,094,267. It has grown a little
 - Capital assets for 2018, \$96,071,801 and for 2017, \$97,257,053
- Page 16, Long-Term Debt reviewed
- Page 18, Statement of Net Position and Governmental Funds Balance Sheet reviewed
- Page 68, Comparative Schedule of Revenues and Expenditures General Fund and Debt Service Fund. Years of history
- Page 74, Internal Control Over Financial Reporting. Did not identify any deficiencies in internal control that's considered to be material weaknesses.
 - Compliance and Other Matters

CARR, RIGGS AND INGRAM ADVISOR PRESENTATION

ITEM #15 **CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL THE AUDIT REPORT OF LAGUNA MADRE WATER DISTRICT FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018. (E. SALAZAR)**

DISCUSSION:

- No Discussion or questions
- See item #14 for details
- Audit Report approved

Moved by **H. HOUSTON**, seconded by **J. STARKEY**.

Move to approve.

MOTION CARRIED

ITEM #16 **CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF BUDGET AMENDMENTS FOR ITEMS CARRIED FORWARD FROM THE FISCAL YEAR ENDING SEPT. 30, 2018 (RESOLUTION NO. 173-02-19). (E. SALAZAR)** 💧

DISCUSSION:

- A. Avalos stepped out of the meet, quorum maintained
- The budget amendment will increase this year's budget
- for the vacuum truck, odor control project, timekeeping system, and altitude valves
- Resolution approved

Moved by **J. STARKEY**, seconded by **H. HOUSTON**.

Move to approve.

MOTION CARRIED

ITEM #17 CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF FINANCIAL REPORT FOR DECEMBER 2018.
(E. SALAZAR) 💧

DISCUSSION:

- A. Avalos joined the meeting
- Financial Report approved

Moved by J. STARKEY, seconded by H. HOUSTON.

Move to approve.

MOTION CARRIED

ITEM #18 CONSIDER AND DISCUSS FOR POSSIBLE APPROVAL OF INVESTMENT REPORT FOR THE QUARTER
ENDING DEC. 31, 2018. (E. SALAZAR) 💧

DISCUSSION:

- No Discussion
- Investment Report approved

Moved by A. AVALOS, seconded by J. STARKEY.

Move to approve.

MOTION CARRIED

ITEM #19 CONSIDER AND REVIEW EXPENDITURES FOR JANUARY 16-31, 2019. (C. GALVAN) 💧

DISCUSSION:

- No questions or comments
- A. AVALOS and H. HOUSTON moved to acknowledge the expenditures

EXPENDITURES ACKNOWLEDGEMENT

ITEM #20 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: 💧

- DISCUSSION ON LEGAL MATTERS WITH COUNSEL CONCERNING OPEN RECORDS REQUEST.
- DISCUSSION ON LEGAL MATTERS WITH COUNSEL CONCERNING RATEPAYERS APPEAL OF THE DECISION BY LAGUNA MADRE WATER DISTRICT TO CHANGE RATES.

ITEM #20 **CONTINUED**

A. AVALOS made a motion for the BOARD to go into executive session at 6:51 PM, seconded by J. STARKEY.

MOTION CARRIED

A. LALONDE made a motion for the BOARD to come out of executive session at 7:24 PM, seconded by J. STARKEY.

MOTION CARRIED

ITEM #21 **CONSIDERATION AND ACTION ON EXECUTIVE SESSION ITEM, IF NECESSARY.**

a. DISCUSSION ON LEGAL MATTERS WITH COUNSEL CONCERNING OPEN RECORDS REQUEST.

Motion: to proceed as directed

Moved by J. STARKEY, seconded by A. LALONDE.

MOTION CARRIED

b. DISCUSSION ON LEGAL MATTERS WITH COUNSEL CONCERNING RATEPAYERS APPEAL OF THE DECISION BY LAGUNA MADRE WATER DISTRICT TO CHANGE RATES.

Motion: to table the item


Moved by J. STARKEY, seconded by H. HOUSTON.

MOTION CARRIED TO TABLE

ITEM #22 **ADJOURNMENT**

The CHAIRMAN adjourned the meeting at 7:25 PM


ALEX AVALOS, SECRETARY


SCOTT FRIEDMAN, CHAIRMAN

MINUTES APPROVED THIS 27TH DAY OF FEBRUARY 2019.