

MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
LAGUNA MADRE WATER DISTRICT

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 **23rd day of January 2008** at the hour of **6:00 p.m.**, pursuant to written notice as prescribed by law.

ITEM #1 **QUORUM**

The **VICE-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:

Absent: Jeff Keplinger - Chairman
Clifford Rowell - Director
Present: Scott D. Friedman - Vice-Chairman
Rudy H. Garcia - Secretary
R. Kevin Tenison - Director

LMWD: Gavino D. Sotelo, General Manager; Arturo Martinez, Director of Operations; Carlos J. Galvan, Jr., Asst. Director of Operations; Pete Capistran, Finance Director; J.A. Magallanes, Attorney; Jake White, NRS Engineers.

ITEM #2 **PLEDGE OF ALLEGIANCE**

The **VICE-CHAIRMAN** asked everyone to recite the Pledge of Allegiance.

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

The **VICE-CHAIRMAN** asked if there was anyone in the audience, not already on the agenda, who would like to address the board. No one responded.

ITEM#4 **CONSIDER AND APPROVE MINUTES FOR
REGULAR MEETING JANUARY 9, 2008**

The **VICE-CHAIRMAN** stated to consider and approve minutes for Workshop Meeting of January 9, 2008. A motion was made by **MR. GARCIA** to approve minutes and the motion was seconded by **MR. TENISON. MOTION CARRIED UNANIMOUSLY.**

ITEM#5 **DISCUSS AND CONSIDER CHANGING MEETING DATES FOR THE
LAGUNA MADRE WATER DISTRICT**

The **VICE-CHAIRMAN** stated to discuss and consider changing meeting dates for the Laguna Madre Water District. A motion was made by **MR. TENISON** to change the meeting dates temporarily to the second and fourth Tuesdays of every month in order to allow the **CHAIRMAN** to attend classes on Wednesday nights to pursue his degree and **MR. GARCIA** seconded the motion. **MR. GARCIA** asked if the meetings would change back to Wednesdays after the current **CHAIRMAN** finishes the Spring Semester. **MR. SOTELO** indicated that they could include that in his motion. **MR. GARCIA** amended his motion to include that the meetings would be temporary only through the end of the **CHAIRMAN'S** semester. **MR. GARCIA** seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

ITEM#6 **CONSIDER AND DISCUSS REPORT FROM PLUMMER AND ASSOCIATES
ON THE BOARD VISION WORKSHOP HELD ON DECEMBER 1, 2007**

The **VICE-CHAIRMAN** stated to consider and discuss report from Plummer and Associates on the Board Vision Workshop held on December 1, 2007. **MR. JOHN D'ANTONI** reported on the results of the workshop held last month and handed them a draft of key elements which included the mission statement developed by the committee. He stated that he would like for the board to review the draft report and asked them to provide comments back. He said the mission statement read as follows: "To proactively serve our customers by providing reliable, safe, high quality water and wastewater services." He also said that there were a series of goals and objectives that were developed in four major categories which were operations, planning for infrastructure, and management. He said that most of the modifications were done in the management section since group objective statements were not prepared by the group. He said that he had prepared objective statements which were consistent with the groups' goal statements. He also said that would like for the board to review the words before they were finalized and provide any comments. **MR. SOTELO** also stated that once the mission statement and vision statements were finalized he would like to include them on the company letterhead, website and vehicles.

MR. D'ANTONI concluded by saying that he would be providing the board with a summary of all information that was collected throughout the workshop and interview process.

ITEM#7 CONSIDER AND APPROVE PROPOSAL BETWEEN LAGUNA MADRE WATER DISTRICT AND ORBIT BROADBAND FOR INSTALLATION OF WIRELESS NETWORK CONNECTIONS

The *VICE-CHAIRMAN* stated to consider and approve proposal between Laguna Madre Water District and Orbit Broadband for installation of wireless network connections. *MR. SOTELO* stated that this item was for the capability of tying up all outer buildings and facilities of the *DISTRICT* into a network at the Administration Building. He said that they were not able to do that since cable was not able in the other facilities. He said that *ORBIT BROADBAND* has requested the use of the *DISTRICT* water towers in exchange for providing all the mechanisms to be able to connect all outer facilities. He said that they had divided the project into two phases and the first would be the ability to hook up all the facilities in the mainland. He said that phase two would consist of hooking up all liftstations and facilities on *SOUTH PADRE ISLAND*. He also said that they would remove all existing phone lines on liftstations and use wireless to eliminate the monthly costs. He indicated that the estimated savings would be over \$1,000.00 per month. He also said that it would give the *DISTRICT* total control and capability to expand. He stated that the proposal included some equipment that the *DISTRICT* would have to purchase in the amount of \$6,000.00. He said that *ORBIT BROADBAND* would provide the network service and internet service in exchange for the use of the towers. *MR. SOTELO* said that there were some representatives from *ORBIT BROADBAND* present to answer any questions. He also that the *DISTRICT* normally charges an average of \$1,100.00 per month for use of the towers. *MR. GARCIA* asked if their antenna would interfere with the other companies already connected on the towers and *MR. SOTELO* responded that there would not be any problems. *MR. MAGALLANES* said that he would like to review the contract in order to eliminate any restrictions that the contract might contain. *MR. TENISON* made a motion to approve the proposal by *ORBIT BROADBAND* subject to counsel reviewing other contracts and the motion was seconded by *MR. GARCIA*. ***MOTION CARRIED UNANIMOUSLY.***

ITEM#8 CONSIDER AND APPROVE CHEMICAL BID

The *VICE-CHAIRMAN* stated to consider and approve Chemical Bid. *MR. MARTINEZ* stated that they had advertised and sent bid invitations to ten bidders and seven responded. He said that *VALLEY SOLVENTS* was the lowest bidder on Item#9 of the bid with an amount of 0.155/lb. of Caustic Soda; AOC was the lowest bidder on Items #2,#3, and #4 with a bid amount of \$130.00/lb. drum of Calcium Hydrochloride, \$695.00/ton of Sulfur Dioxide, and \$680.00/ton of Chlorine Gas; *BAY CHEMICAL* was the lowest bidder on Items #5, #6 and #8 with an amount of 0.08/lb. of Ammonia Sulfate, 0.078/lb. of Liquid Ammonia Sulfate and 1.45/lb. Granular Copper Sulfate; *AMCHEM INC.* was the lowest bidder on Item #7 with an amount of \$2.40/lb. of Potassium Permanganate. He said that chemicals would be purchased as necessary as needed between January 25, 2008 and April 31, 2008 to finish out the current budget. He said that they would be going out for an annual contract in March 2008 for the upcoming fiscal year. He stated that staff recommended board approval to purchase chemicals as outlined in bid tabulation summary. A motion was made by *MR. GARCIA* and the motion was seconded by *MR. TENISON*. ***MOTION CARRIED UNANIMOUSLY.***

ITEM #9 CONSIDER AND APPROVE DISBURSEMENTS

The *VICE-CHAIRMAN* stated to consider and approve disbursements and those copies of the disbursements had been circularized to all the Board Members prior to the meeting to be reviewed. A motion was made by *MR. TENISON* to approve disbursements including the Supplemental List and the motion was seconded by *MR. GARCIA*. ***MOTION CARRIED.***

ITEM#10 ENGINEER'S REPORT

MR. JAKE WHITE reported on the *36" RAW WATER LINE* and said that there had not been any additional work associated with the evaluation of horizontal intake wells. He gave the board the most recent pictures showing progress on the project with the contractors beginning to cross *FM 1847* and *LOS FRESNOS*. He also said that the weather had slowed progress a little. He said that they were scheduled to complete the road crossing next week and begin pressure testing the line and tie-ins. He indicated that the project should be 100% complete in about two weeks. He updated the board on the *SEAWATER DESALINATION PILOT STUDY* and handed the monthly report sent to the *TWDB*. He mentioned the assessment of raw water adjacent to *ANDY BOWIE PARK* which was the designated pilot facility location and potential full scale location was continuing.

He said that preliminary results show water quality in the *GULF OF MEXICO* adjacent to *SOUTH PADRE ISLAND* to be consistent with historical water quality data. He also said that the report was through November 25, 2006 and said that they were continuing discussions with the provider of Seawater RO Skid. He indicated that they have had conversations with *DOW CHEMICALS* and their subsidiary *FILM TECH*. He said that they were making sure that there were not any stipulations as to how the data would be used by the *DISTRICT*. He also said that the unit was available as soon as the agreement was finalized it would be delivered to the site with an approximate date of March 1, 2008. He mentioned that the critical factor would be the intake and contract documents were being prepared for the contractor which included payment and performance bonds. The board asked for a sign to be placed on site for the public to read about the project.

ITEM#11

GENERAL MANAGER'S REPORT

MR. SOTELO reported that they were on the *PI SCHOOL DISTRICT'S* agenda for February 19, 2008 to discuss change in their water supply at the athletic field. He also said that they had advertised for the removal of river intake and hoped to receive bids but probably much higher than anticipated because of the condition that exists. He also said that the lakes were at 102% capacity and should not be any problems with the intakes. He mentioned *SUBSEA 7* which was the company which would be locating at the *NAVIGATION DISTRICT PORT* and submitting a location of easement. He also said that he had talked to the bank regarding the \$3.1 million in the Escrow Account for the developers but had not heard anything from *QUIXOTE DUNES* regarding the agreement. He also had not heard from *MR. BOWSER* and would probably remove his name if he does not provide the money by the end of the week. He also said that the attorneys had a final agreement for the annexation and would probably come before the board by the next meeting. He encouraged the board to attend the *PI SCHOOL DISTRICT* meeting.

ITEM#12

DIRECTOR'S REPORT

The *VICE-CHAIRMAN* mentioned that he and *MR. NORRIS* had attended an organization meeting on *SOUTH PADRE ISLAND* and gave a presentation on *SEAWATER DESALINATION* and the impact on the *RIO GRANDE* which was very effective and informative.

ITEM#13

ADJOURNMENT

The *VICE-CHAIRMAN* adjourned the meeting at **6:41 p.m.**

JEFF KEPLINGER, CHAIRMAN

RUDY H. GARCIA, SECRETARY

MINUTES APPROVED THIS _____ DAY OF _____ 2008.