

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 **10th day of September 2008** at the hour of **6:00 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:

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

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

ITEM #2 **PLEDGE OF ALLEGIANCE**

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

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

The **CHAIRMAN** asked if there was anyone in the audience, not already on the agenda, who would like to address the board. **MR. SOTELO** mentioned that they had place an emergency item on the agenda for repairs to the generator at the **LAGUNA VISTA WASTEWATER TREATMENT PLANT** and asked the board to proceed with Item #13 first.

ITEM #13 **CONSIDER AND APPROVE TRANSFER SWITCH BID FOR REPAIRS TO THE AUTOMATIC TRANSFER SWITCH (ATS) AT THE LAGUNA VISTA WASTEWATER TREATMENT PLANT**

The **CHAIRMAN** stated to consider and approve Transfer Switch Bid for repairs to the Automatic Transfer Switch (ATS) at the Laguna Vista Wastewater Treatment Plant. **MR. MARTINEZ** asked the board for approval to repair the Automatic Transfer Switch located at the **LAGUNA VISTA WASTEWATER TREATMENT PLANT**. He said that when power fails this generator will automatically turn on at the plant and are required by law to have a stand-by generator at wastewater treatment plants. He mentioned that the repair cost would be \$10,500.00 under this emergency situation. A motion was made by **MR. TENISON** to approve automatic transfer switch to generator and the motion was seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY**.

ITEM#4 **CONSIDER AND APPROVE 90-DAY RENTAL AGREEMENT WITH MOODY BROS., INC. FOR SONIC SOLUTIONS ULTRASONIC ALGAE CONTROL DEVICE**

The **CHAIRMAN** stated to consider and approve 90-day Rental Agreement with Moody Bros., Inc. for sonic solutions ultrasonic algae control device. **MR. MARTINEZ** stated that staff recommended that board allow them to rent device under a pilot program. He said that this device would assure that algae count at the reservoir would be kept to a minimum. He mentioned that **EAST RIO HONDO** had a similar unit and it has been working for them to minimize the algae growth in the reservoir. He said that the fee for the pilot study would be \$2,400.00 for two units placed at **WATER PLANT NO. 1** and **WATER PLANT NO. 2**. He also said that if the units were working well at the reservoirs after the 90-day trial period they would recommend the purchase of the units for a balance of \$7,590.00. A motion was made by **MR. KEPLINGER** to approve 90-day rental agreement with Moody Bros., Inc. and the motion was seconded by **MR. TENISON**. **MOTION CARRIED UNANIMOUSLY**.

ITEM#5 CONSIDER AND APPROVE VALLEY RADIO CENTER FOR TWO-WAY RADIO SYSTEM IMPROVEMENTS

The **CHAIRMAN** stated to consider and approve Valley Radio Center for two-way radio system improvements. **MR. GALVAN** stated that this two-way radio system would be an alternative communication system due to Hurricane Dolly and the failure of our telephone systems and electrical power that were encountered. He said that the Motorola System requires a repeater and power supply to extend communication to a further distance. He also said that it would include programming all 42 units, antenna, lightning protector and installation of equipment plus 12 hand-held radios. He recommended board approval of the system for a total cost of \$11,171.00. **MR. SOTELO** mentioned that the range of frequency would be over 20 miles. A motion was made by **MR. GARCIA** to approve two-way radio system improvements and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#6 CONSIDER AND APPROVE NEW BILLING SYSTEM AND NEW CHECK SYSTEM FOR PAYROLL AND ACCOUNTS PAYABLE

The **CHAIRMAN** stated to consider and approve new billing system and new check system for Payroll and Accounts Payable. **MR. CAPISTRAN** stated that they would be ready to start with the new system on September 22, 2008. He also said that **PITNEY BOWES** would be in to install the veri-move software and software that would allow to barcode the addresses which would save money on postage. He also reviewed the forms including the new bills, checks for payroll and accounts payable checks. He also mentioned that since the checks would be processed through a laser-jet printer they would not be able to be run through a check signer. He said that in they were planning on purchasing a self-inking stamp but would be checking with **INCODE** to discuss module check signing. A motion was made by **MR. TENISON** to approve new billing and new check system for Payroll and Accounts Payable and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#7 CONSIDER AND APPROVE AMENDMENT NO. 1 TO THE WORK ORDER WITH NRS ENGINEERING FOR THE SEAWATER DESALINATION FEASIBILITY STUDY SOUTH PADRE ISLAND

The **CHAIRMAN** stated to consider and approve Amendment No. 1 to the work order with NRS Engineers for the Seawater Desalination Feasibility Study South Padre Island. **MR. NORRIS** stated that the amendments covered three different items. He said that the first item was for auditor clauses required by the **TEXAS WATER DEVELOPMENT BOARD** to supplement the original agreement. He also said that they had discussed the offshore intake as an addition to this contract which the board authorized \$200,000.00 but never formally put in. He indicated that the contract with the **TEXAS WATER DEVELOPMENT BOARD** related to the \$779,000.00 between the **DISTRICT** and the **TEXAS WATER DEVELOPMENT BOARD** at which the **TEXAS WATER DEVELOPMENT BOARD** would pay \$231,000.00 out of that. He indicated that it increased the **DISTRICT'S** total budget amount to \$979,000.00. He reviewed the adjustments for sub-contract services and equipment and site construction. He indicated that adjustments were made but keeps the \$200,000.00 increase in the total amount. He also said that they changed the contract date to May 1, 2009. A motion was made by **MR. TENISON** to approve Amendment No. 1 to the work order with NRS Engineers for the Seawater Desalination Feasibility Study and the motion was seconded by **MR. GARCIA**. **MR. KEPLINGER** opposed. **MOTION CARRIED.**

ITEM#8 CONSIDER AND APPROVE DISBURSEMENTS

The **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. KEPLINGER** to approve Disbursements and the motion was seconded by **MR. TENISON**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#9 ENGINEER'S REPORT

MR. JAKE WHITE from **NRS ENGINEERS** updated the board on the **SEAWATER DESALINATION PILOT STUDY** and said that they had been doing a lot of work associated with site construction specifically the intake so that the intake pipe could be cleaned out.

He also said that it would consist of installing the pumps and bringing the discharge side of those pumps over to the deep well. He said that they were hoping to finalize the clean out of the intake line by tomorrow. He mentioned the next step would be to bring the actual seawater from 1,500 linear feet out on the gulf into the pilot facility. He said they met with **DISTRICT** staff and discussed the different facets on what would be entailed including the daily requirements for testing, raw water quality testing and how **TCEQ** ties in. He indicated that all these requirements needed before beginning the operation of the pre-treatment system which was the most important aspect of any successful plant. He said that they anticipate overall site construction which including piping and electrical work to be completed by the end of next week. He also said that one important thing was to optimize the pre-treatment unit before putting reverse osmosis online. He mentioned that the reverse osmosis was the most sensitive piece of equipment on site in terms of chemicals including chlorine. He said that the reverse osmosis membranes were donated to the facility and therefore should not be risked before an accurate grasp of what the pre-treatments units would do. He mentioned that the project was for a 6-month pilot. He also reported on the **WASTEWATER TREATMENT PLANTS** and said that he had met with contractor and they were in the process of mobilizing to the site and determine the layout of the clarifier at **ANDY BOWIE**.

ITEM#10

GENERAL MANAGER'S REPORT

MR. SOTELO stated that he would like the board to schedule a workshop for Saturday, August 27, 2008 to discuss capital needs, desalination plant, and revenue projections. He mentioned that they were meeting regularly on Hurricane Preparedness and were very well prepared. He also said that reports on the recent hurricane damages would be ready with preliminary figures by the next meeting. He mentioned that preliminary figures outside of what was covered by insurance was estimated at \$650,000.00 and are eligible to be reimbursed by **FEMA** up to 75% including consulting fees. He also said that they would be making applications in grants for the remaining 25%. He indicated that they had been in discussions with the **SPI GOLF COURSE** and said that they want to start using effluent from the wastewater treatment plant as per agreement with the **DISTRICT**. He also said that the agreement required that the **DISTRICT** provides the effluent but they take care of any improvements. He also mentioned that there would be an energy audit and the fee to the state would be by the savings incurred by the audit and making changes to operations.

ITEM#11

DIRECTORS' REPORT

The **CHAIRMAN** thanked staff for a job well done.

ITEM#12

ADJOURNMENT

The **CHAIRMAN** adjourned the meeting at **6:42 p.m.**

SCOTT D FRIEDMAN, CHAIRMAN

RUDY H. GARCIA, SECRETARY

MINUTES APPROVED THIS _____ DAY OF _____ 2008.