

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 **24th 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
Clifford Rowell-Vice Chairman
Rudy H. Garcia-Secretary
Jeff Keplinger-Director
R. Kevin Tenison-Director

LMWD: Gavino Sotelo, General Manager; Arturo Martinez, Director of Operations; Pete Capistran, 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. **MS. JOANIE BIANCHINI** introduced herself and said that she was the bid opening for an Agent of Records for the insurance and also for group quotes for other carriers. She indicated that she very much would like the District's business and from a broker/agent prospective there were a lot of advantages.

ITEM#4 **CONSIDER AND APPROVE BID FOR 1 UTILITY BOX WITH HOSE KIT AND LIGHT KIT FOR UNIT #12**

The **CHAIRMAN** stated to consider and approve bid for 1 Utility Box with Hose Kit and Light Kit for Unit #12. **MR. GALVAN** stated that sealed bids were solicited and only one responded. He said that the recommended bidder was **TRUCKER'S EQUIPMENT** from **HARLINGEN** at \$5,200.00. A motion was made by **MR. ROWELL** to approve bid and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#5 **CONSIDER AND APPROVE RESOLUTION NO. 19-09-08 LEVYING LAGUNA MADRE WATER DISTRICT AD VALOREM TAXES FOR THE YEAR 2008 AND DIRECTING THE ASSESSMENT AND COLLECTING THEROF**

The **CHAIRMAN** stated to consider and approve Resolution No. 19-09-08 levying Laguna Madre Water District Ad Valorem Taxes for the Year 2008 and directing the assessment and collecting thereof. **MR. CAPISTRAN** indicated that this was the resolution setting the tax rate at .080820 per \$100.00 valuation. A motion was made by **MR. ROWELL** to approve Resolution No. 19-09-08 and the motion was seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#6 **CONSIDER AND APPROVE RESOLUTION NO. 20-09-08 ADOPTING THE REVISED INVESTMENTS POLICY**

The **CHAIRMAN** stated to consider and approve Resolution No. 20-09-08 adopting the revised Investments Policy. **MR. CAPISTRAN** introduced **MS. SUSAN ANDERSON** from **ESTRADA HINOJOSA** who helped revise the policy. **MS. ANDERSON** stated that the board should have a copy of the policy and reviewed the few changes made to the policy. She said that the Public Funds Investment Act required that a governing body approve the Investment Policy on an annual basis. She said that they had made some changes to bring it into line with what legislative changes occurred relative to public funds investments. She said they had re-wrote the Certificate of Deposit area in which the language changed slightly and took out banks domiciled in Texas. She indicated that they still must invest in a Texas bank essentially. She also said that they added bank cd's discussed at the last meeting known as certificate of deposits accounts registry service.

She said that allowed for investment dollars to be brought to a gateway bank and they spread it out to a multitude of banks in amounts that fall under the *FDIC* insurance program. She mentioned that they also had recommended that the board approve the *TEXAS DAILY* and *TEXAS TERM PUBLIC FUND INVESTMENT POOLS* which had been approved already. She said that one product known as *TEXAS TERM* because of the language prevented the *DISTRICT* to participate in that fund. She said that language had been changed to allow the *TEXAS TERM* investment pool. She also said that they added to the strategy statement, "The District must maintain a reasonable balance of highly liquid assets relative to less liquid assets to ensure adequate liquidity and diversification nix." A motion was made by *MR. ROWELL* to approve Resolution No. 20-09-08 and the motion was seconded by *MR. TENISON*. ***MOTION CARRIED UNANIMOUSLY.***

ITEM#7 CONSIDER AND APPROVE THE LIST OF PROPOSED BROKERS/DEALERS TO CONDUCT SECURITIES TRANSACTION WITH THE DISTRICT AND APPROVE THE LIST OF PUBLIC FUNDS INVESTMENT ACT TRAINING RESOURCES

The *CHAIRMAN* stated to consider and approve the list of proposed brokers/dealers to conduct securities transactions with the District and approve the list of Public Funds Investment Act Training Resources. *MR. CAPISTRAN* indicated that the Investment Policy detailed that the board approve a list of broker/dealers that we would be authorized to work with. He said that in addition it also stated that the board should identify the sources of training available for investment officers. *MR. SOTELO* said that he attended training last year. *MR. CAPISTRAN* said that he was certified and would continue to attend training. A motion was made by *MR. GARCIA* to approve the list of proposed brokers/dealers to conduct securities transactions with the District and approve the list of Public Funds Investment Act Training Resources and the motion was seconded by *MR. ROWELL*. ***MOTION CARRIED UNANIMOUSLY.***

ITEM#8 CONSIDER AND APPROVE FINANCIAL STATEMENT FOR MONTH ENDING AUGUST 31, 2008

The *CHAIRMAN* stated to consider and approve Financial Statement for month ending August 31, 2008. *MR. CAPISTRAN* stated that the total revenues year to date is \$2,418,045.50. He also that if they take the budgeted amount of \$7,590,807.00 and multiply it by 33.3% they should be at \$2,530,058.00. He said there was a shortfall of almost \$112,000.00 but expenses totaled \$1,717,406.00. He mentioned that if they take \$6,684,885.00 and multiply it by 33.3% the total comes to \$2,228,072.00 the difference where we could be and where we are is that we're under on expenditures by \$510,000.00. He said that they were pretty much on the positive side about \$400,000.00. He also mentioned the Debt Service Fund and said that \$158,000.00 in revenues were for property taxes including interest. He also mentioned \$38,570.00 in Capital Projects was a year to date actual and the expenses of \$220,000.00 that have been paid out on the bond and principal and interest. A motion was made by *MR. TENISON* to approve Financial Statement and the motion was seconded by *MR. GARCIA*. ***MOTION CARRIED UNANIMOUSLY.***

ITEM#9 CONSIDER AND APPROVE REPORT TO BE SUBMITTED TO FEMA ON DAMAGES CAUSED TO THE DISTRICT'S PROPERTY BY HURRICANE DOLLY

The *CHAIRMAN* stated to consider and approve report to be submitted to *FEMA* on damages caused to the District's property by Hurricane Dolly. The *CHAIRMAN* asked to table this item. A motion was made by *MR. KEPLINGER* to table and the motion was seconded by *MR. ROWELL*. ***MOTION CARRIED UNANIMOUSLY.***

ITEM#10 CONSIDER AND AWARD A ONE YEAR CONTRACT FOR EMPLOYEE GROUP HEALTH INSURANCE WITH THE OPTION TO RENEW FOR AN ADDITIONAL YEAR PROVIDED THAT RENEWAL RATES ARE REASONABLE

The *CHAIRMAN* stated to consider and award a one year contract for Employee Group Health Insurance with the option to renew for an additional year provided that renewal rates are reasonable. *MR. CAPISTRAN* stated that they had received numerous proposals for the health insurance and recommended awarding a one year contract to *BLUE CROSS/BLUE SHIELD*. He said that *BLUE CROSS/BLUE SHIELD* offered a \$250.00 deductible and they have agreed to maintain the same rates that we currently have. A motion was made by *MR. ROWELL* to award a one year contract to *BLUE CROSS/BLUE SHIELD* for employee Group Health Insurance with the option to renew for an additional year provided that renewal rates are reasonable and the motion was seconded by *MR. GARCIA*. ***MOTION CARRIED UNANIMOUSLY.***

ITEM#11 CONSIDER AND AWARD A ONE YEAR CONTRACT FOR EMPLOYEE GROUP DENTAL INSURANCE WITH THE OPTION TO RENEW FOR AN ADDITIONAL YEAR PROVIDED THAT RENEWAL RATES ARE REASONABLE

The **CHAIRMAN** stated to consider and award a one year contract for Employee Group Dental Insurance with the option to renew for an additional year provided that renewal rates are reasonable. **MR. CAPISTRAN** stated that **GUARDIAN** came in with a lower premium but there was a restriction that up to three family members including employee could enroll. He also said that it also indicated that both Dental and Life were included. He recommended **METLIFE** since it was not much higher than **GUARDIAN** and in addition provided a lower life insurance plan. A motion was made by **MR. GARCIA** to award a one year contract to **METLIFE** for Employee Group Dental Insurance with the option to renew for an additional year provided that renewal rates are reasonable and the motion was seconded by **MR. ROWELL**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#12 CONSIDER AND AWARD A ONE YEAR CONTRACT FOR EMPLOYEE GROUP LIFE INSURANCE WITH THE OPTION TO RENEW FOR AN ADDITIONAL YEAR PROVIDED THAT THE RENEWAL RATES ARE REASONABLE

The **CHAIRMAN** stated to consider and award a one year contract for Employee Group Life Insurance with the option to renew for an additional year provided that renewal rates are reasonable. **MR. CAPISTRAN** recommended **METLIFE** for Group Life Insurance since one of the keys in deciding was that the **DISTRICT** currently has \$15,000.00 coverage and an accidental death and dismemberment of \$30,000.00. He said that **METLIFE** proposed a \$25,000.00 coverage and an accidental death and dismemberment of \$50,000.00 at a lower rate. A motion was made by **MR. ROWELL** to award a one year contract to **METLIFE** for Employee Group Life Insurance with the option to renew for an additional year provided that the renewal rates are reasonable and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#13 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. ROWELL** to approve Disbursements and the motion was seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#14 ENGINEER'S REPORT

There was no Engineer's Report.

ITEM#15 GENERAL MANAGER'S REPORT

MR. SOTELO reported that they have not had any major problems with water or sewer line breaks. However, he indicated that there were some problems with broken clean outs throughout the system which would overflow the plants. He mentioned that they would send a letter to some of the property owners making them aware of the problems caused by broken clean outs. He mentioned that they had loaned the County one pump for a couple of weeks since they were having a lot of drainage problems and they would be held responsible for the pump. He also said that they had received a request from the **U.S. FISH & WILDLIFE** to purchase a portion of a 10-acre property which was part of the old reservoir. He said that the **DISTRICT** would consider provided an easement was kept in case it was needed in the future. He said that they mentioned that they could lease the property to them for 99 years. He reminded the board of the Workshop on Saturday.

ITEM#16 DIRECTORS' REPORT

There was no Directors' Report.

ITEM#17 ADJOURNMENT

The **CHAIRMAN** adjourned the meeting at **6:31 p.m.**

SCOTT D. FRIEDMAN, CHAIRMAN

RUDY H. GARCIA, SECRETARY

