

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 **25th day of March 2009** 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:

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

LMWD: Gavino Sotelo, General Manager; Pete Capistran, Finance Director; Maribel Hinojosa, Assistant to General Manager; J.A. Magallanes, Attorney.

ITEM #2 **PLEDGE OF ALLEGIANCE**

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

ITEM#3 **INVITATION TO 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 OF MARCH 11, 2009**

The **VICE-CHAIRMAN** stated to consider and approve minutes for Regular Meeting of March 11, 2009. A motion was made by **MR. GARCIA** to approve minutes and the motion was seconded by **MR. TENISON**. **VICE-CHAIRMAN** abstained. **MOTION CARRIED**.

ITEM#5 **CONSIDER AND APPROVE SEWER MANHOLE REHAB BID**

The **VICE-CHAIRMAN** stated to consider and approve Sewer Manhole Rehab Bid. **MR. SOTELO** introduced **MR. DAVID FLYNN** of **FERRIS & FLYNN** which were the engineers that did the specifications and found the bidders for the **DISTRICT**. **MR. FLYNN** stated that he was the design engineer for the project and had found three bidders for this project. He mentioned that **MECHANICAL JOBBERS MARKETING** was the low bidder at \$39,000.00. He also said that they were not approved since they did not meet the specifications. He recommended that the second low bidder which was **T. GRAY UTILITIES** and provide the multiplex line system be approved at \$39,992.50. He also said that **POLY TRIPLEX OF TEXAS** was an incomplete bid. He indicated that he had checked all references and they were good. A motion was made by **MR. TENISON** to approve Sewer Manhole Rehab Bid and the motion seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY**.

ITEM#6 **CONSIDER AND APPROVE VALVE INSERTION BID**

The **VICE-CHAIRMAN** stated to consider and approve Valve Insertion Bid. **MR. SOTELO** indicated that this particular bid was for the leak in front of the Windmill on **SOUTH PADRE ISLAND**. He said that they had identified three locations for placement of valves to isolate areas in case of future leaks. He stated that they had received bids and the low bid from **WATERWORKS UTILITIES** came in at \$4,800.00 per valve with a total of \$14,400.00 but they did not meet all bid specifications and was rejected. He said that the second lowest bid was from **MICKEY SERVICE COMPANY** for \$15,750.00 and the third bid was from **MUNCIPAL PIPE SERVICES** for \$17,500.00. He said that that he recommended awarding the bid to **MICKEY SERVICE COMPANY** for \$15,750.00 and they will perform the work without service interruption. A motion was made by **MR. TENISON** to approve Valve Insertion Bid and the motion was seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY**.

ITEM#7**CONSIDER AND APPROVE FINANCIAL STATEMENT
FOR FEBRUARY 28, 2009**

The **VICE-CHAIRMAN** stated to consider and approve Financial Statement for February 28, 2009. **MR. CAPISTRAN** indicated that at the end of February 28, 2009 the Revenue for General Fund was \$5,788,883.00 and total expenditures were \$5,431,267.00 leaving net revenue over expenditures of \$357,616.00. He also said that the Debt Service Fund Revenue was \$2,487,245.00 and expenditures were \$3,840,308.00. He mentioned the Capital Projects Fund and said that Revenues were at \$101,759.00 and expenditures were \$1,467,705.00. He said that the bulk of expenditures were in the Series 2007 Bond Issuance for rehab of wastewater plants on **SOUTH PADRE ISLAND**. A motion was made by **MR. GARCIA** to approve Financial Statement for February 28, 2009 and the motion was seconded by **MR. TENISON**. **MOTION CARRIED UNANIMOUSLY**.

ITEM#8**CONSIDER AND APPROVE DISBURSEMENTS**

The **VICE-CHAIRMAN** stated to consider and approve Disbursements. A motion was made by **MR. TENISON** to approve Disbursements including Supplemental List and the motion seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY**.

ITEM#9**ENGINEER'S REPORT**

- 1.) **DESALINATION PROJECT UPDATE**
- 2.) **FUNDING UPDATE**
- 3.) **NORTH ISLAND UTILITY EXTENSION**

MR. JAKE WHITE of **NRS ENGINEERS** reported on the **DESALINATION PROJECT** and said that they were continuing to test the intake at the seawater desalination pilot including the reverse osmosis, micro-filtration, and convention treatment system. He indicated that the unit was running very well for 24 hours a day. He also said that they were updating **TCEQ** and the **TWDB** on a monthly on the pilot status. He also said that the **TEXAS WATER DEVELOPMENT BOARD** was planning to visit the pilot plant in the next month. He mentioned that they were running about 50 gallons per minute through micro-filtration but actually producing about 16 gallons of clean water or permeate. He also said that the water could be bottled and were looking into making it into bottled water. He also updated the board on the funding and said he would be traveling to **AUSTIN** to discuss the stimulus funding with the **TEXAS WATER DEVELOPMENT BOARD**. He said that they had applied for funds on the **TEXAS ENVIRONMENT INFRASTRUCTURE PROGRAM** and the **DRINKING WATER STATE REVOLVING FUND** and both go through the **TEXAS WATER DEVELOPMENT BOARD**. He said that it all depended on the rating criteria in terms of how the funds would be divided. He also update on the **NORTH ISLAND UTILITY EXTENSION** and said that contractor were continuing to work in the area. He said that they had recently completed the sand hauling and were continuing to lay line on the west side of road. He mentioned that they anticipated completion of the project in July.

ITEM#10**GENERAL MANAGER'S REPORT**

- 1.) **SUBSEA 7 WATER NEEDS**
- 2.) **LAGUNA VISTA PROJECTS**
- 3.) **PAYMENTS TO CONTRACTOR FOR NORTH SPI PROJECTS**

MR. SOTELO reported that they had met with representatives from **SUBSEA 7** to determine their water needs. He said that the **MR. DONELLY** the Project Manager had complained of not enough pressure and fire protection. He said that **MR. MYERS** of **NRS ENGINEERS** has been working with them trying to determine how much pressure they really do need. He mentioned the **LAGUNA VISTA PROJECTS** and said they had finished the first phase and started with the next project. He said that the **DISTRICT** was repairing a boring machine that should be working by next week for use on this project. He reported on the **NORTH SPI PROJECT** and said that payments were coming in but suddenly the contractors stopped depositing money in the account. He stated that now all of the investors would have to sign an approval to pay the contractors each time an invoice was sent. He said that the process delayed the money coming into the **DISTRICT**. He also said that the **DISTRICT** went ahead and paid the contractor out of the General Fund and have been reimbursed but after several weeks. He said that he had asked the **DISTRICT ATTORNEY** to get involved and get in touch with the bank to settle the matter as promptly as possible. **MR. SOTELO** also said that he would like for the board to look at two computers that he brought to possibly purchase one for each.

ITEM#11

ADJOURNMENT

The *VICE-CHAIRMAN* adjourned the meeting at *6:40 p.m.*

CLIFFORD ROWELL, VICE-CHAIRMAN

RUDY H. GARCIA, SECRETARY

MINUTES APPROVED THIS _____ DAY OF _____ 2009.