

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 **8th day of July 2009** 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
R. Kevin Tenison-Director
Jeff Keplinger-Director

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

ITEM #2 **PLEDGE OF ALLEGIANCE**

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

ITEM#3 **INVITATION TO 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. No one responded.

ITEM#4 **PRESENTATION BY GLO REPRESENTATIVE REGARDING MARKET UPDATE ON ELECTRICITY AND ITS UNDERLYING NATURAL GAS COMPONENT WITH REGARDS TO THE CURRENT CONTRACT WITH SAME**

The **CHAIRMAN** stated that there would be a presentation by **GLO** Representative regarding market update on electricity and its underlying natural gas component with regards to the current contract with same. **MR. CAPISTRAN** introduced **MR. RUBEN DE LOS SANTOS**, as Representative from **RELIANT ENERGY** to make the presentation. **MR. DE LOS SANTOS** began by saying that the **DISTRICT** had locked into a 57 month term agreement with a contract price of .07995 per kWh. He said that the contract included transmission and distribution charges and had additional savings due to non-assessment of taxes. He also mentioned that State Power Program Benefits and said that security of contracting with the State of Texas via Interlocal government; no meter or aggregation fees; informal add and delete process; and superior customer care support. **MR. DE LOS SANTOS** gave the board a market update and showed them the different areas for future growth and development. He indicated that there were numerous variables that can cause price fluctuations including the weather; oil prices, supply, politics; national politics and global politics; and also oil and gas storage. **MR. DE LOS SANTOS** thanked the board for their interest in this matter.

ITEM#5 **CONSIDER AND APPROVE CHANGE ORDER NO. 1 FOR THE 2009 WATER TREATMENT PLANT NO. 2 HURRICANE DAMAGE REPAIR PROJECT**

The **CHAIRMAN** stated to consider and approve Change Order No. 1 for the 2009 Water Treatment Plant No. 2 Hurricane Damage Repair Project. A motion was made by **MR. ROWELL** to approve Change Order No. 1 and the motion was seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY**.

ITEM#6 **CONSIDER AND APPROVE CHANGE ORDER NO. 2 FOR THE ISLA BLANCA, ANDY BOWIE AND PORT ISABEL WASTEWATER TREATMENT PLANTS IMPROVEMENTS PROJECT**

The **CHAIRMAN** stated to consider and approve Change Order No. 2 for the Isla Blanca, Andy Bowie, and Port Isabel Wastewater Treatment Plants Improvement Project. A motion was made by **MR. GARCIA** to approve Change Order No. 2 and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY**.

ITEM# 7 CONSIDER AND APPROVE ADMINISTRATION OFFICE
LANDSCAPING BID

The **CHAIRMAN** stated to consider and approve Administration Office Landscaping Bid. **MR. SOTELO** asked the **CHAIRMAN** to table this item until further notice. A motion was made by **MR. KEPLINGER** and the motion seconded by **MR. ROWELL**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#8 CONSIDER AND APPROVE DISBURSEMENTS

The **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. ROWELL**. **MOTION CARRIED UNANIMOUSLY.**

ITEM# 9 ENGINEER'S REPORT

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

MR. SOTELO stated that there would be no Engineer's Report.

ITEM#10 ADJOURNMENT

The **CHAIRMAN** adjourned the meeting at **6:35 pm**.

SCOTT D. FRIEDMAN, CHAIRMAN

RUDY H. GARCIA, SECRETARY

MINUTES APPROVED THIS _____ DAY OF _____ 2009.