

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 **12th day of August 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; Carlos Escobar, Attorney.

ITEM #2 **PLEDGE OF ALLEGIANCE**

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

ITEM#3 CONSIDER AND ACCEPT THE RESIGNATION OF CLIFFORD ROWELL FROM THE BOARD OF DIRECTORS OF THE LAGUNA MADRE WATER DISTRICT EFFECTIVE THIS DAY

The **CHAIRMAN** stated to consider and accept the resignation of **CLIFFORD ROWELL** from the Board of Directors of the Laguna Madre Water District effective this day. The **CHAIRMAN** thanked **MR. ROWELL** for his service and for being a part of the team. **MR. ROWELL** stated that the board he served with had accomplished a lot in the past 3 years. He mentioned the **LAGUNA VISTA** loop, the employees up to where they should be, and the **DISTRICT** was moving forward on updating the system as a whole. He said that it had been an extreme pleasure and very education period of time and enjoyed working with all. He also thanked each and every employee of the **DISTRICT** for what they have done and was proud to say that he had worked with the **LAGUNA MADRE WATER DISTRICT** and was extremely proud to be a part of this board. The **BOARD** thanked **MR. ROWELL** for his wisdom, experience, and advice given through the past 3 years. **MR. ROWELL** thanked **MR. SOTELO** and employees of the **DISTRICT**. **MR. MAGALLANES** also thanked **MR. ROWELL** for his patience and concern for all issues. **MR. ROWELL** stepped down from the board and received a standing ovation. A motion was regretfully made by **MR. KEPLINGER** to accept **MR. ROWELL'S** resignation and the motion was seconded by **MR. TENISON**. **MOTION CARRIED UNANIMOUSLY**.

ITEM#4 CONSIDER AND APPROVE THE PROCEDURE IN THE SELECTION AND APPOINTMENT OF A REPLACEMENT OF A MEMBER ON THE BOARD OF DIRECTORS

The **CHAIRMAN** stated to consider and approve the procedure in the selection and appointment of a replacement of a member on the Board of Directors. **MR. MAGALLANES** stated that the procedure was that the board would nominate and appoint a member for replacement on the Board of Directors. He said that there was a time-limit which was 60-days to appoint a board member otherwise it would get more complicated. He indicated that whomever the board appoints would serve only for the unexpired term which **MR. ROWELL** left available. He said that they also had an option to not proceed without appointing someone until the next election however there were certain restrictions. He mentioned that it eliminated people such as the one's defeated from an election two years back. He indicated that the person that resigned before their term was over was also ineligible. **MR. MAGALLANES** said that in case the board does not agree on appointing a member to the board and continued more than 91-days then the appointment goes to the commission. He also said that the process the board used last time for appointing a board member was that the board voted amongst themselves on a person and with a consensus appointed them for the remainder of the term.. A motion was made by **MR. TENISON** that each board member nominate a person to appoint for the replacement of board member at the next meeting for approval and the motion was made by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY**.

ITEM#5**CONSIDER AND APPROVE MINUTES FOR
REGULAR MEETING OF JUNE 24, 2009**

The **CHAIRMAN** stated to consider and approve minutes for Regular Meeting of June 24, 2009. A motion was made by **MR. GARCIA** to approve minutes and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#6**CONSIDER AND APPROVE AN UPDATED BOUNDARY MAP
OF THE SERVICE AREA OF THE LAGUNA MADRE WATER DISTRICT**

The **CHAIRMAN** stated to consider and approve an updated boundary map of the service area of the **LAGUNA MADRE WATER DISTRICT**. **MR. SOTELO** stated that the map was for the newly annexed area which would be sent in to the state. A motion was made by **MR. TENISON** to approve updated boundary map and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM# 7 **PRESENTATION BY ESPEY CONSULTANT ON THE PRELIMINARY
DESIGN FINDINGS FOR RAW WATER TRANSMISSION MAIN
BETWEEN RESERVOIR #4 AND CUATES PUMP STATIONS**

The **CHAIRMAN** stated a presentation by Espey Consultants on the preliminary design findings for Raw Water Transmission Main between Reservoir #4 and Cuates Pump Stations. **MR. WAYNE HUNTER** of **ESPEY CONSULTANTS** said that he would make a presentation on the design findings of the **RAW WATER TRANSMISSION MAIN** between **RESERVOIR #4** and **CUATES PUMP STATION**. He stated that the **DISTRICT** initiated the project to rehabilitate or replace the existing 36,500 linear feet of 36 inch diameter raw water pipeline which was needed in order to reduce accelerating recent rate of failures. He also that the costs were significant for each failure and the sole source interruption presents risks to customers. He mentioned that **TEXAS WATER DEVELOPMENT BOARD** funding was viewed as means to reduce cost for risk reduction and said a possible grant at 0% interest rate or 2.5% interest rate was possible. He also mentioned the proposed \$6.5 million for raw water pipeline for rehabilitation or replacement and the \$5.85 million for pump station improvements. He also said that there were some challenges for the project developments which were that the linear feet was about 9.27 miles; there was flow uncertainty; and there was unknown extent of bad joints. He mentioned the results from the pipeline flow capacity review and said that the design plans suggested intent of design with two operating scenarios: 1.) 7.8 mgd by gravity; or 2.) 15.0 mgd by pressure. He also said that the as-built design hydraulic capacity of pipeline and pump station were: 1.) 13.25 mgd (firm) (at "C" of 90); 11.3 mgd (installed capacity, **TCEQ** non-compliant). **MR. HUNTER** indicated that Reservoir No. 4 Pump Station was the current weak link with three pumps and the actual capacity of pump stations was 10.9 mgd with two pumps. He also said that the pump modification options were normally impeller changes, required change in bowl of pump; and change out of motors. He mentioned one alternative slip-lining from **UNDERGROUND SOLUTIONS** flow capacity of 10.2 and fusible pvc pipe that has outside diameter smaller than 36 inch pushed/pulled through existing 36 inch with proposed diameter of 30.35 inches. He also mentioned other alternatives such as swage-lining from **MURPHY PIPELINES** which had pipe size of 33 inches and flow capacity of pipeline with existing pumps, required capacity under pumped conditions were 15 and pump modification was required at 3, 100 hp pumps. He also mentioned system-tight-fitting liner from **UNITED PIPELINE** with a pipe size of 33; flow capacity of pipeline with existing pump at 12.5; and required capacity under pumped conditions at 15 with pump modification required for 3, 100 hp pumps. He also mentioned the cost summary for each: **MURPHY PIPELINE** total pipeline construction was \$12,147,000; **UNITED PIPELINE SYSTEMS** total pipeline construction cost was \$15,531,000; and **UNDERGROUND SOLUTIONS** total pipeline construction cost was \$7,997,000. He also mentioned the cost for pipeline and pump and motors which were: **MURPHY PIPELINE** \$12.8 million; **UNITED PIPELINE SYSTEMS** \$16.2 million; and **UNDERGROUND SOLUTIONS** \$8.7 million. He said that his recommendation option for fusible pvc pipe was total project construction cost \$9,683,000; and total design and construction management cost \$393,200. He concluded by saying that there was a peak demand risk of existing demands in systems that would soon overtake firm capacity of system. He also said that there was a reliability risk in that the number of breaks would increase with increasing pressurization of existing pipeline. He indicated that upgrading Reservoir #4 Pump Station equally needed for system capacity; pump station design start was need immediately. He said that the last low interest funding possibility was approaching warranting disadvantaged community eligibility certainty and/or public comment. The **BOARD** thanked **MR. HUNTER** for his report.

ITEM#8 CONSIDER AND ACCEPT A PETITION OF ANNEXATION OF LOTS 8, 9, AND 10 OF BLOCK 1 OF OCEAN SIDE SUBDIVISION BEING 1.033 ACRES OUT OF TRACT 7 OF THE PADRE ISLAND INVESTMENT CO. SUBDIVISION

The **CHAIRMAN** stated to consider and accept a Petition of Annexation of Lots 8, 9, and 10 of Block 1 of Ocean Side Subdivision being 1,033 acres out of Tract 7 of the Padre Island Investment Co. Subdivision. **MR. SOTELO** mentioned that **MR. MARK POLSKY** submitted this Petition for Annexation out of Tract 7. He said that the information was forwarded to **NRS ENGINEERS** and to **DISTRICT'S** attorney for review. He also said that the next step would be to accept the petition with the recommendation to submit to **SOUTH PADRE ISLAND** city council for their approval as well. A motion was made by **MR. KEPLINGER** to accept Petition for Annexation out of Tract 7 and the motion was seconded by **MR. TENISON**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#9 CONSIDER AND APPROVE RESOLUTION NO. 30-8-09 SUPPORTING THE GOALS AND IDEALS FOR THE 2010 CENSUS

The **CHAIRMAN** stated to consider and approve Resolution 30-08-09 Supporting the Goals and Ideals for the **2010 CENSUS**. **MR. JULIAN PENA** and **MR. ERNESTO FLORES** were present to report on the **2010 CENSUS**. **MR. PENA** started by saying that the purpose of the Census was mandated in the U.S. Constitution, Article 1, Section 2, for the purpose of apportionment, redistricting, and distribution of federal funds. He said that it would begin on April 1, 2010 with 12 Regions with 51 local Census Offices and 38 in **TEXAS**. He also said that there were 60 partnership specialists in the **DALLAS** Region. He mentioned that the **CENSUS 2010** was a shortest questionnaire in Census history with only seven questions including: name, gender, age, race, ethnicity, relationship, and own/rent and would take only 10 minutes to complete. He also said that it was very important since the Census data directly affects how more than \$300 billion per year in federal funding was allocated. He indicated that the Census would count all residents living in the **UNITED STATES** on April 1, 2010. He said that that all answers were protected by law and strictly confidential. He also said that the questionnaire was available in English, Spanish, Russian, Chinese, Korean and Vietnamese. **MR. PENA** asked the **BOARD** to support the **2010 CENSUS** by including a census logo and message on newsletters, brochures, bills, and websites. He then asked the **BOARD** to view a short video and approve the resolution supporting the goals and ideals for the **2001 CENSUS**. He thanked the **BOARD** for their time and support of the **2010 CENSUS**. A motion was made by **MR. TENISON** to approve Resolution No. 30-8-09 and the motion was seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#10 CONSIDER AND APPROVE A RIGHT OF ENTRY GRANTING THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY PERMISSION TO ENTER THE DISTRICT'S PROPERTY BEING THE OLD ABANDONED RAILROAD SOUTH OF THE DISTRICT'S WAREHOUSE AND MAINTENANCE FACILITY FOR THE PURPOSE OF SURVEYING FOR A POSSIBLE CONSTRUCTION OF A ROAD

The **CHAIRMAN** stated to consider and approve a Right of Entry granting the **CAMERON COUNTY REGIONAL MOBILITY AUTHORITY** permission to enter the District's property being the old abandoned railroad south of the District's Warehouse and Maintenance Facility for the purpose of surveying for a possible construction of a road. **MR. SOTELO** stated that the county had asked for permission to enter **DISTRICT** property since they were looking into building a road from Hwy. 48 up to Port Road along part of the old abandoned railroad. He said they would need permission to enter the property for surveying purposes. A motion was made by **MR. TENISON** to approve permission and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#11 CONSIDER AND APPROVE ELEVATED WATER STORAGE TANK #3 REHABILITATION PROJECT BID

The **CHAIRMAN** stated to consider and approve Elevated Water Storage Tank #3 Rehabilitation Project Bid. **MR. MARTINEZ** stated that the **DISTRICT** had solicited and advertised for Elevated Water Storage Tank #3 Rehabilitation Project with 7 bidders responding. He said that the recommended from **DUNHAM ENGINEERING** was for **WHITEHEAD BROS. PAINTING** with a total base bid amount of \$339,400.00. He also said that also included in the contract was Additive #1 for \$2,500.00 for pressure wash interior of tank; and Additive #2 for replacement of the perimeter fence for \$8,000.00. A motion was made by **MR. GARCIA** to approve and the motion was seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#12**CONSIDER AND APPROVE LANDSCAPING BID**

The **CHAIRMAN** stated to consider and approve Landscaping Bid. **MR. MARTINEZ** stated that the **DISTRICT** had solicited and advertised bid for landscaping Main Office Building. He said that 4 bidders responded with the lowest bid from **RGV LANDSCAPE** for a total bid of \$5,699.76. He also mentioned that irrigation was not included but in-house crew would install irrigation lines. **MR. TENISON** recommended and urged the installation of irrigation be included also. **MR. TENISON** made a motion to approve Landscaping Bid 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. A motion was made by **MR. GARCIA** to approve Disbursements including Supplemental List and the motion seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#14**CONSIDER AND APPROVE CHANGE ORDER #5 FOR
NORTH SPI UTILITIES PROJECT**

The **CHAIRMAN** stated to consider and approve Change Order #5 for North SPI Utilities Project. **MR. JAKE WHITE** of **NRS ENGINEERS** stated that this Change Order #5 was for **CLOSNER CONSTRUCTION** for addition of the installation of the **SUBSEA 7** line. He said that they would like to request this no-cost change order to **CLOSNER CONSTRUCTION** for an additional 30-days to complete the work. A motion was made by **MR. TENISON** to approve Change Order No. 5 and the motion was seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#15**CONSIDER AND APPROVE CHANGE ORDER #3
FOR WWTP IMPROVEMENT PROJECT**

The **CHAIRMAN** stated to consider and approve Change Order #3 for WWTP Improvements Project. **MR. MEYERS** stated that this change order was requested by **LEM CONSTRUCTORS** for improvements on wastewater treatment plants. He said that there were three components to the change order but the main component was the **ANDY BOWIE WWTP** clarifier. He said that it would cover the re-testing of the test pier and the additional piles not included in the original design to facilitate less stable foundation found at the site. He said that the other two components sited were at the **PORT ISABEL WWTP** conduits for clarifier were corroded. He said that the third component was at the **PORT ISABEL WWTP** and staff decided that they did not need automatic air-lift system that was in the design which resulted in a credit. He said that brought the change order net to \$39,355.42. A motion was made by **MR. TENISON** to approve Change Order No. 3 and the motion was seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#16**ENGINEER'S REPORT**

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

MR. JAKE WHITE updated the board on the status of the **DESALINATION PROJECT** and said that they had discussed with the board the potential for additional testing on-site of wave-energy utilizing the existing intake and existing site. He said that they had contacted **CAMERON COUNTY** the potential possibility of utilizing the site after the water pilot was complete and they agreed. He indicated that the pilot testing should be completed and finalized by mid to late September. He mentioned the improvements of **WATER PLANT NO. 2** and said that they were planning to evaluate the site conditions including the raw water pumps, site piping, clarifiers, and structural integrity of every component including a site-survey. He also said that they would evaluate all electrical components at the plant. He stated that they would look at the distribution system including high service pumps, piping, and incorporating those into a hydraulic model. He said that there was no other update on the **NORTH ISLAND UTILITY EXTENSION**.

ITEM#17

GENERAL MANAGER'S REPORT

- 1.) **WORKSHOP TOPICS FOR THE 22ND OF AUGUST**
- 2.) **UPDATE ON LAGUNA VISTA PROJECT UPGRADE**

MR. SOTELO updated the board on the **LAGUNA VISTA PROJECT UPGRADE** and said that they were moving along well and were replacing some driveways and additional five that were to be replaced. He said that they received a very good response from **LAGUNA VISTA** residents and they were pleased with the project. He reported that the Distribution Crew accidentally cut a gas line which was scary but the employees learned a good lesson. He also credited the **LAGUNA VISTA FIRE DEPARTMENT** and would encourage them to add training for their firefighters. He said that he also credited the **PORT ISABEL FIRE DEPARTMENT** for their assistance. He mentioned the Workshop and said that it was critical to discuss as much as possible on the needs and timelines of the projects which included the 36 inch line and the micro-filtration at **WATER PLANT NO. 2**. He indicated that it would take a lot of money and probably a bond issue to cover these two critical needs. He said that there were several new developments with requests for water and sewer taps.

ITEM#18 EXECUTIVE SESSION AS PERMITTED BY THE TEXAS OPEN MEETING ACT, TEXAS GOVERNMENT CODE, SECTION 551.001 ET. SEQ., UNDER SECTION 551.074 PERSONNEL MATTERS:

- (a) (1) **TO DELIBERATE THE EMPLOYMENT, EVALUATION AND DUTIES OF THE GENERAL MANAGER**
- (b) **CONSULTATION WITH ATTORNEY: ON A MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE DISTRICT UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE OF TEXAS BAR REQUIRES SUCH, TO WIT: i) GARCIA EASEMENT**

The **BOARD** went into Executive Session at **7:30 pm**

The **BOARD** came out of Executive Session at **8:21 pm**

ITEM#19 CONSIDER AND APPROVE EXECUTIVE SESSION ITEMS, IF NECESSARY

The **CHAIRMAN** asked for a motion for Executive Items. **MR. TENISON** made a motion on Item (b) to give counsel to consult to engage surveyor and the motion was seconded by **MR. KEPLINGER**. A motion was made by **MR. TENISON** on Item (a) to raise **MR. SOTELO'S** pay by \$650.00 per month and the motion was seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#20

ADJOURNMENT

The **CHAIRMAN** adjourned the meeting at **8:23 p.m.**

SCOTT D. FRIEDMAN, CHAIRMAN

RUDY H. GARCIA, SECRETARY

MINUTES APPROVED THIS _____ DAY OF _____ 2009.

