

**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 **23rd day of September 2009** at the hour of **6:00 p.m.**, pursuant to written notice as prescribed by law.

**ITEM #1** **QUORUM**

The **SECRETARY** 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: Rudy H. Garcia-Secretary  
R. Kevin Tenison-Director  
Jeff Keplinger-Director  
Absent: Scott D. Friedman-Chairman

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 **SECRETARY** asked everyone to recite the Pledge of Allegiance.

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

The **SECRETARY** asked if there was anyone in the audience, not already on the agenda, who would like to address the board. No one responded. He then said that they would skip down to Item #7.

**ITEM#7** **CONSIDER AND APPROVE THE APPOINTMENT AND SWEARING  
IN OF A REPLACEMENT OF A MEMBER ON THE BOARD OF DIRECTORS**

The **SECRETARY** stated to consider and approve the appointment and swearing in of a replacement of a member on the Board of Directors. A motion was made by **MR. TENISON** to appoint **MR. ALBERT BARBERENA** and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY**. The **SECRETARY** administered the Oath of Office to **MR. BARBERENA**. The **BOARD** congratulated **MR. BARBERENA** after he took his seat with the rest of the **BOARD**. The **SECRETARY** then continued with Item #4

**ITEM#4** **PUBLIC HEARING TO SET FY2009 TAX RATE**

The **SECRETARY** stated that there would be a Public Hearing to set FY2009 Tax Rate. **MR. SOTELO** asked the **SECRETARY** to open the Public Hearing for any comments on the FY2009 Tax Rate which would remain the same at 0.08082 per \$100 valuation. The **SECRETARY** opened the Public Hearing at 6:05 pm to set the tax rate with no comments and so closed the Public Hearing at 6:06 pm.

**ITEM#5** **CONSIDER AND APPROVE RESOLUTION NO. 33-09-09 LEVYING  
LAGUNA MADRE WATER DISTRICT AD-VALOREM TAXES FOR THE YEAR 2009  
AND DIRECTING THE ASSESSMENT AND COLLECTING THEROF**

The **SECRETARY** stated to consider and approve Resolution No. 33-09-09 Levying Laguna Madre Water District Ad-Valorem Taxes for the year 2009 and directing the assessment and collecting thereof. **MR. SOTELO** stated that this resolution would establish the tax rate for the next fiscal year at 0.08082 with no changes from the prior year. He also said that it allowed for a discount of 3% if paid during the first month, 2% if paid during the second, and 1% if paid during the third month. A motion was made by **MR. TENISON** to approve Resolution No. 33-09-09 for Ad-Valorem Taxes for the year 2009 and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY**.

**ITEM#6 CONSIDER AND APPROVE MINUTES FOR WORKSHOP OF AUGUST 22, 2009 REGULAR MEETING OF AUGUST 26, 2009 AND REGULAR MEETING OF SEPTEMBER 12, 2009**

The **CHAIRMAN** stated to consider and approve minutes for Workshop of August 22, 2009, Regular Meeting of August 26, 2009 and Regular Meeting of September 9, 2009. A motion was made by **MR. KEPLINGER** to approve minutes and the motion was seconded by **MR. TENISON**. **MOTION CARRIED UNANIMOUSLY**. The **SECRETARY** said Item #7 had already been discussed.

**ITEM#8 REVIEW AND APPROVE RESOLUTION NO. 34-09-09 REVISED LMWD INVESTMENTS POLICY**

The **SECRETARY** stated to review and approve Resolution No. 34-09-09 Revised LMWD Investment Policy. **MR. SOTELO** indicated that there were no changes to the Investment Policy from last year. A motion was made by **MR. TENISON** to approve Resolution No. 34-09-09 Revised LMWD Investment Policy and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY**.

**ITEM#9 CONSIDER AND APPROVE FINANCIAL STATEMENTS AS OF AUGUST 31, 2009**

The **SECRETARY** stated to consider and approve Financial Statements as of August 31, 2009. **MR. SOTELO** requested that the board table this item until next meeting. A motion was made by **MR. KEPLINGER** to table this item until next meeting and the motion was seconded by **MR. TENISON**. **MOTION CARRIED UNANIMOUSLY**.

**ITEM#10 CONSIDER AND APPROVE TO REJECT LIFTSTATION NO. 11 REHABILITATION PROJECT BID**

The **SECRETARY** stated to consider and approve to reject Liftstation No. 11 Rehabilitation Project Bid. **MR. MARTINEZ** recommended to reject this bid and allow to re-evaluate the project and scale down the scope in order to lower the cost. He also said that they received only one bidder and hoped to re-bid with at least three or four bidders. A motion was made by **MR. TENISON** to reject bid for Liftstation No. 11 Rehabilitation Project and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY**.

**ITEM#11 CONSIDER AND APPROVE ADVERTISING FOR THE SALE OF A TRACT OF LAND BEING 55 ACRES OUT OF UN-SUBDIVIDED LAND OF THE CITY OF PORT ISABEL GRANT (THE OLD BUS BARN) ADJACENT TO THE LAGUNA MADRE WATER DISTRICT ADMINISTRATION BUILDING**

The **SECRETARY** stated to consider and approve advertising for the Sale of a Tract of Land being 55 acres out of un-subdivided land of the City of Port Isabel Grant (the old Bus Barn) adjacent to the Laguna Madre Water District Administration Building. **MR. SOTELO** asked the board to declare this property surplus and permission to advertise for the sale. He said that they had not established a price which should be done in executive session. **MR. MAGALLANES** indicated that the board could declare the property surplus but could not discuss any details on the sale including the price or terms. **MR. TENISON** stated that he wanted more discussion on surplus and was concerned on selling land that could possibly be needed in the future. **MR. SOTELO** stated that the property had only been used for parking of vehicles and storage of boxes but the building has since been torn down. He also said that it had been used for storing boxes but the building had water damage after the hurricane. He said that he did not see a use for the property and if the main office would ever be expanded it would be best to tear it down and expand to the other side. **MR. KEPLINGER** suggested that they could also build on the property next door. **MR. TENISON** asked if they could table this item until the board received more information on the property. A motion was made by **MR. TENISON** to table this item and the motion was seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY**.

**ITEM#12 CONSIDER AND APPROVE DISBURSEMENTS**

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

**ITEM#13 CONSIDER AND APPROVE AMENDMENT NO. 1 TO THE WORK ORDER FOR PLANNING, DESIGN AND CONSTRUCTION OF MICRO-FILTRATION IMPROVEMENTS TO WATER TREATMENT PLANT NO. 2**

The **SECRETARY** stated to consider and approve Amendment No. 1 to the Work Order for Planning, Design and Construction of Micro-Filtration Improvements to Water Treatment Plant No. 2. **MR. NORRIS** addressed the board and said that this was an amendment to the existing work order that allow **NRS ENGINEERS** to do the pilot testing at **WATER PLANT NO. 2 WATER FILTRATION PLANT**. He indicated that this amendment allows them to get the plant built by next summer which was the design phase, construction, and the engineering. He stated that the first work order indicated that they would wait but because of summer it was moved up somewhat. He said that this would make improvements to the plant, replaces the clarifiers, and micro-filtration system which increases capacity by 2 mgd. He said that they would have three different contractors so that the projects could be done simultaneously before next summer. **MR. TENISON** asked about the amendment. **MR. NORRIS** explained that there was an existing worked order that included steps 1-3 for the pilot, step 4 was authorized for the design but the cost determined during the pilot stage in the first phase. He said that this amendment added to the existing work order. A motion was made by **MR. TENISON** to approve Amendment No. 1 to the Work Order for Planning, Design and Construction of Micro-Filtration Improvement to Water Treatment Plant No. 2. The **SECRETARY** asked for a second. **MOTION DIED** for lack of second.

**ITEM#14**

**ENGINEER'S REPORT**

- (1) DESALINATION PROJECT UPDATE**
- (2) IMPROVEMENT AT WATER PLANT NO. 2**
- (3) MICRO FILTRATION IMPROVEMENTS/PILOT STUDY**

**MR. JAKE WHITE** approached the board and reported on the **WAVE ENERGY APPLICATION** and said that they would meet next week with them to discuss how the existing site could be used to pilot this wave technology for energy generation. He also said that they would meet with **ADVANCE HYDRO** which was the outfit that had done the poly-dopamine coating on the reverse osmosis and micro-filtration membranes. He mentioned the slight change in water quality and how that was having a perceived impact on performance of the micro-filtration unit and said that they discovered that the most important factor that caused the change was the chlorine used on site. He said that they had purchase the chlorine at the beginning of the pilot study and decided to test how potent it was. He said they learned that if chorine was left sitting around for along time it loses its potency and that was exactly what happened. He mentioned the **IMPROVEMENTS AT WATER PLANT NO. 2** and said that they had been in discussions with membrane suppliers to obtain a pilot unit. He also said that they were duo-tracking with **TCEQ** about the potential of being able to have a plant in operation by the summer of next year and were in discussions with them.

**ITEM#15**

**GENERAL MANAGER'S REPORT**

- (1) USE OF SURPLUS BOND FUNDS**
- (2) MEETING WITH PLANNING GROUP FOR DESAL PLANT**
- (3) REVENUE BOND APPLICATION**

**MR. SOTELO** mentioned the use of **SURPLUS BOND FUNDS** and the approval to use these funds for **LIFTSTATION NO. 11**. He also mentioned they had a met in **AUSTIN** last week to look at **DESAL PROJECTS**. He said that **TWDB** was funding the project and received very good responses from all groups involved. He reported on the **REVENUE BOND APPLICATION** and said that they were doing that in-house and hope to finish by next month. He also asked the board to meet for a workshop next month and discuss Revenue Bonds. The board agreed to meet October 14, 2009 at 5:00 pm before the Regular Meeting.

**ITEM#16**

**ADJOURNMENT**

The *SECRETARY* adjourned the meeting at *6:28 p.m.*

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**JEFF KEPLINGER, DIRECTOR**

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**RUDY H. GARCIA, SECRETARY**

**MINUTES APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2009.**