

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 **11th day of November 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
Rudy H. Garcia-Secretary – arrived at 6:05 pm
R. Kevin Tenison-Director
Albert Barberena- Director
Absent: 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 **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 **CONSIDER AND APPROVE MINUTES FOR WORKSHOP OF
OCTOBER 14, 2009 AND REGULAR MEETING OF OCTOBER 14, 2009**

The **CHAIRMAN** stated that there was consideration and action on approving minutes of Workshop of October 14, 2009 Regular Meeting of October 14, 2009. He said that copies of the minutes had been circularized to all the Board Members prior to the meeting to be reviewed. A motion was made by **MR. TENISON** to approve the minutes and the motion was seconded by **MR. BARBERENA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#5 **CONSIDER AND APPROVE FINANCIAL STATEMENT FOR
QUARTER ENDED OCTOBER 31, 2009**

The **CHAIRMAN** stated to consider and approve Financial Statement for Quarter Ended October 31, 2009. **MR. CAPISTRAN** stated that the General Fund year to date was \$4,116,756 in Revenue with total expenditures of \$3,705,322.00 and the excess Revenue over expenditures was \$411,433.00. He also said that the Debt Service Fund year to date was \$989,218.00 in Revenue and the majority taxes being property taxes. He also said that the expenditures were \$673,701.00 with excess Revenue of \$315,517.00. He mentioned the Capital Project Fund and said that the Revenues were \$76,603.00 all interest and expenditures were \$1,651,567.00. A motion was made by **MR. TENISON** and seconded by **MR. BARBERENA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM#6 **CONSIDER AND APPROVE QUARTERLY INVESTMENTS REPORT
FOR QUARTER ENDED OCTOBER 31, 2009**

The **CHAIRMAN** stated to consider and approve Quarterly Investment Report for Quarter Ended October 31, 2009. **MR. CAPISTRAN** stated that the total in bank accounts were \$3,094,509.00 and Texpool the total was \$518,128.00; in cd's the total was \$10,383,249.00 with an average annual yield year to date of %1.79. He also said that there was %25 of funds in the bank, 4% in Texpool and %74 in cd's. A motion was made by **MR. TENISON** to approve Quarterly Investment Report for Quarter Ended October 31, 2009 and the motion was seconded by **MR. BARBERENA**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM#7 CONSIDER AND APPROVE FINANCIAL ADVISOR SERVICES
WITH ESTRADA HINOJOSA & COMPANY**

The **CHAIRMAN** stated to consider and approve Financial Advisor Services with Estrada Hinojosa & Company. **MR. CAPISTRAN** stated that this agreement was basically the same one from 1999 and nothing has changed for financial advisor service fees. He indicated that they were provided with a copy of the agreement. A motion was made by **MR. TENISON** to approve Financial Advisor Services with **ESTRADA HINOJOSA & COMPANY** and the motion was seconded by **MR. BARBERENA**. **MOTION CARRIED UNANIMOUSLY**.

**ITEM#8 CONSIDER AND APPROVE RESOLUTION NO. 37-11-09 ESTABLISHING A
POLICY AND PROCEDURES AND COLLECTION AND DISPOSITION OF
NON-SUFFICIENT FUNDS CHECKS OR AUTOMATED CASH HANDLING
TRANSACTIONS RECEIVED BY THE LAGUNA MADRE WATER DISTRICT**

The **CHAIRMAN** stated to consider and approve Resolution No. 37-11-09 establishing a policy and procedures and collection and disposition of non-sufficient funds checks or automated cash handling transactions received by the Laguna Madre Water District. **MR. CAPISTRAN** stated that the **DISTRICT** did not have a policy in place for this particular item and would like one implemented before the next audit. He said that it included procedures for handling NSF Checks and NSF Automated Cash Handling Transaction. He mentioned that currently they were charging \$15.00 for NSF Fees but recommended \$25.00. He also said that the Automated Cash Handling Transaction would have only three times to clear a withdrawal. A motion was made by **MR. GARCIA** to approve Resolution No. 37-11-09 and the motion was seconded by **MR. TENISON**. **MOTION CARRIED UNANIMOUSLY**.

**ITEM#9 CONSIDER AND APPROVE CHANGE ORDER NO. 1 FOR ELEVATED
WATER STORAGE TANKS#3 REHABILITATION PROJECT**

The **CHAIRMAN** stated to consider and approve Change Order No. 1 for Elevated Water Storage Tanks #3 Rehabilitation Project. **MR. MARTINEZ** said that **DUNHAM ENGINEERING** presented this Change Order No. 1 to remove and replace material that has deteriorated beyond repairs. He indicated that they would remove and replace stainless steel expansion joint in fuel pipe for the amount of \$6,985.00 and also remove and replace painter's ring access hatch cover and all associated mounting hardware for the amount of \$2,875.00 and total item cost of change order would be \$9,860.00. A motion was made by **MR. TENISON** to approve Change Order No. 1 and the motion was seconded by **MR. GARCIA**. **MOTION CARRIED UNANIMOUSLY**.

**ITEM#10 CONSIDER AND APPROVE PRE-ENGINEERED METAL
FRAMED BUILDING BID**

The **CHAIRMAN** stated to consider and approve Pre-Engineered Metal Framed Building Bid. **MR. MARTINEZ** stated that bids were solicited and advertised for the Pre-Engineered Metal Framed Building that would replace the old truck barn located next to main office. He said that 8 bidders responded with the lowest being **SALDANA CONSTRUCTION** in the amount of \$137,623.00. He indicated that the structure would serve as parking garage for heavy equipment and would be located at the Maintenance Warehouse Facility. **MR. CAPISTRAN** also commented that funds used on this project would be reimbursed by **FEMA**. A motion was made by **MR. TENISON** to approve Pre-Engineered Metal Framed Building and the motion was seconded by **MR. BARBERENA**. **MOTION CARRIED UNANIMOUSLY**.

**ITEM#11 CONSIDER AND APPROVE EASEMENT ABANDONMENT AT
LOT 5, BLOCK 11 SOUTH PADRE ISLAND**

The **CHAIRMAN** stated to consider and approve Easement Abandonment at Lot 5, Block 11 South Padre Island. **MR. GALVAN** stated that on this particular lot the owner would be replatting the lot to only one lot. He said that there was an existing 10 x 100 foot easement on the north side of Lot A and the owner would like to abandon this easement. He indicated that they had reviewed all water lines in the area and all are on the right-of-way. A motion was made by **MR. GARCIA** to approve easement abandonment and the motion was seconded by **MR. TENISON**. **MOTION CARRIED UNANIMOUSLY**.

ITEM#12 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. GARCIA**. **MOTION CARRIED UNANIMOUSLY**.

ITEM# 13

ENGINEER'S REPORT

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

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

ITEM#14

GENERAL MANAGER'S REPORT

- 1. TAX INCREMENT FINANCING REINVESTMENT ZONE AT LONG ISLAND**
- 2. EXTENSION OF UTILITIES TO PORT OF BROWNSVILLE AREA**
- 3. STATUS OF LINE REPLACEMENT PROJECT IN LAGUNA VISTA**
- 4. STATUS OF LAGUNA HEIGHTS PROJECT**

MR. SOTELO report that they had received a notice from county for a request they received to create a Tax Increment Financing Reinvestment Zone at Long Island. He said that the property was owned by *MR. JOHN FREELAND* and they were proposing to do some development. He also said that the reason we were notified is that the *DISTRICT* would be asked in about 60-90-days to participate which meant that we would forego any increase on property taxes based upon this new development. He mentioned that there were 305 acres out of the 724 acres. He mentioned the extension of utilities to *PORT OF BROWNSVILLE* area and said that they had decided to apply for a grant through *ESPEY CONSULTANTS* and look at that entire area. He also reported on the status of the line replacement of the *LAGUNA VISTA PROJECT* and said that they were about 30-days behind on the project due to the weather and equipment malfunctions but hoped to complete that project by the end of the month. He also mentioned the status of the *LAGUNA HEIGHTS PROJECT* and said that they hired an engineer to review the project since the county expanded some of the streets and paved them so that caused some problems. He said the county was aware of our project and now some of our lines are in the street which would delay the project even more. *MR. SOTELO* asked mentioned that he had been by the *INTERNATIONAL CITY MANAGEMENT ASSOCIATION* in *CHIHUAHUA* to advise them and asked the board for permission to attend.

ITEM#15

ADJOURNMENT

The *CHAIRMAN* adjourned the meeting at *6:38 p.m.*

SCOTT D. FRIEDMAN, CHAIRMAN

RUDY H. GARCIA, SECRETARY

MINUTES APPROVED THIS _____ DAY OF _____ 2009.

