

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 **22nd day of October 2014** 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:

BOARD OF DIRECTORS

Scott Friedman – Chairman
Whitey William J. Thomas – Vice Chairman
Robert Vela – Secretary
Jeff Keplinger – Director
Rudy H. Garcia – Director

ADMINISTRATIVE STAFF

Carlos J. Galvan, Jr. – General Manager
Charles Ortiz – District Engineer
Victor Valdez – Director of Operations
Belen Peña – Interim Director of Finance - Staff Accountant
Juan Magallanes - Attorney

ITEM #2 **INVITATION TO AUDIENCE FOR DISCUSSION**

The **CHAIRMAN** asked if anyone in the audience would like to address the **BOARD**. **MR. GALVAN** announced the Leadership Laguna Madre Members were present and welcomed.

ITEM #3 **CONSIDER AND APPROVE MINUTES FOR REGULAR MEETING OF OCTOBER 8, 2014.**

A motion was made by **MR. GARCIA** to approve Minutes for Regular Meeting of October 8, 2014 as submitted, seconded by **MR. VELA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #4 **CONSIDER AND APPROVE THE DISTRICT'S NEW WATER AND WASTEWATER RATE AND LONG TERM FINANCIAL PLAN**

MR. GALVAN recommended for the **BOARD** to table this item and will come back to present it to the new Members after the Elections.

A motion was made by **MR. VELA** to table the District's new Water and Wastewater Rate and Long Term Financial Plan, seconded by **MR. KEPLINGER**. **NO ACTION, ITEM TABLED.**

ITEM #5 **CONSIDER AND APPROVE RESOLUTION NO. 112-10-14 AMENDING WATER AND WASTEWATER RATE SCHEDULES**

MR. GALVAN recommended for the **BOARD** to table this item until after the Elections.

A motion was made by **MR. VELA** to table Resolution 112-10-14 Amending Water and Wastewater Rate Schedules, seconded by **MR. KEPLINGER**. **NO ACTION, ITEM TABLED.**

ITEM #6 **CONSIDER AND APPROVE AGREEMENT FOR FINANCIAL ADVISORY SERVICES WITH ESTRADA HINOJOSA & COMPANY, INC.**

MR. GALVAN suggested in having a presentation by Estrada Hinojosa & Company, Inc. and recommended to table item at this time. **MR. KEPLINGER** stated under our Professional Services Policy it requires that we go out for RFQ's every five years, it has not been done in a while, we need to go out for RFQ's and follow the policy.

A motion was made by **MR. KEPLINGER** to table the Agreement for Financial Advisory Services with Estrada Hinojosa & Company, Inc., seconded by **MR. GARCIA**. **NO ACTION, ITEM TABLED.**

ITEM #7 **CONSIDER AND APPROVE EMERGENCY PIPE LINE ADJUSTMENTS ON FM 2480 FOR TXDOT ROAD IMPROVEMENTS**

MR. ORTIZ handed out printed copies of quotes from IOC Company L.L.C. and Cornett Construction Company; and recommended awarding the lowest bidder, Cornett Construction Company with a total amount of \$19,890.00 for the emergency pipe line adjustments on FM 2480 for TXDOT road improvements.

A motion was made by **MR. THOMAS** to approve Staff's recommendation to award Cornett Construction Company for the Emergency Pipe Line Adjustment on FM 2480 for TXDOT Road Improvements, seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #8 **CONSIDER AND APPROVE THE DISTRICT TO BEGIN NEGOTIATIONS WITH PORT ISABEL-SAN BENITO NAVIGATION DISTRICT AND SUBSEA 7 PORT ISABEL LLC TO ACQUIRE PIPELINE UTILITY EASEMENTS**

A motion was made by **MR. GARCIA** to approve the District to begin negotiations with Port Isabel – San Benito Navigation District and Subsea 7 Port Isabel LLC to acquire pipeline utility easements, seconded by **MR. VELA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #9 **CONSIDER AND APPROVE INVESTMENT REPORT FOR QUARTER ENDING SEPTEMBER 30, 2014**

A motion was made by **MR. GARCIA** to approve Investment for quarter ending September 30, 2014 as submitted, seconded by **MR. VELA**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #10 **CONSIDER AND APPROVE FINANCIAL REPORT AS OF SEPTEMBER 30, 2014**

A motion was made by **MR. GARCIA** to approve Financial Report as of September 30, 2014 as submitted, seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #11 **CONSIDER AND APPROVE DISBURSEMENTS**

A motion was made by **MR. GARCIA** to approve Disbursements as submitted, seconded by **MR. KEPLINGER**. **MOTION CARRIED UNANIMOUSLY.**

ITEM #12 **GENERAL MANAGER'S REPORT**

- **DISCUSS SCHEDULE OF EVENTS FOR RIBBON CUTTING**

MR. GALVAN suggested the Ribbon Cutting Ceremony for the new Water Treatment Plant No. 2 Microfiltration System to be held on Saturday, November 8th, 2014 @ 10 am. The Board agreed, invitations will be sent out and it will be announced in the newspaper.

ITEM #13 **DISTRICT ENGINEER'S REPORT**

- **SERIES 2012 BONDS PROJECT BALANCE UPDATE**
- **CONSTRUCTION PROGRESS REPORT**
 - **CUATES PUMP STATION**
 - **LIFT STATION NO. 19 REHABILITATION**
 - **WATER PLANT NO. 2 MICROFILTRATION IMPROVEMENTS**

MR. ORTIZ handed out printed copies of a spreadsheet for his update on the Series 2012 Bonds Project Balance.

MR. ORTIZ gave an update on the Construction Progress: Cuates Pump Station - Rain delay, still trying to complete pipe repair; HVAC install got done before the rain. Estimated project completion is end of November. Pending work includes electrical, new pump start-up, relocate pump from old to new pump station, restore electric motor operated valve (limit torque) at Reservoir No. 4, SCADA restoration, demolition of old pump stations, final site work, and general cleanup.

Lift Station No. 19 Rehabilitation - Final walkthrough held on Oct 22nd. Longest lead item is part to repair cable for Pump No. 2, which could take 1 to 3 weeks to receive. District will accept the lift station after install of pump no. 2 is complete.

Water Plant No. 2 Microfiltration Improvements - Rats damaged control panel inside Kohler Generator. LEC ordered parts (harnesses and wires) on Monday, Oct. 20th, which will take about a week to arrive. Startup will proceed when parts are delivered to site. District staff observed conduit installed by electrical Contractor that was not sealed, which allows access for rodents into the generator enclosure. Overall, District has observed the Contractors failure to protect the site and see justification for pursuing liquidated damages for Emergency Power Addition. FASCTO is scheduled to paint floor next week, weather permitting.

ITEM # 14 **DIRECTOR OF OPERATION'S REPORT**

- **LAGUNA VISTA WASTEWATER INSURANCE CLAIM**

MR. VALDEZ reported on Laguna Vista Wastewater Insurance Claim, the total claim amount was \$7,200.00, and after the deductible a total payment amount of \$6,771.79 was received from TML in form of check.

ITEM #15 **INTERIM DIRECTOR OF FINANCE REPORT**

MS. PEÑA informed the Board the Auditors will be available to meet with the Audit Committee sometime in December.

ITEM #16 **EXECUTIVE SESSION PERMITTED BY THE OPEN MEETING ACT, V.T.C.A., GOVERNMENT CODE SECTION 551.071 (1) (A), CONSULTATION WITH ATTORNEY; SECTION 551.074 PERSONNEL MATTERS**

TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A DISTRICT EMPLOYEE TO WIT: GENERAL MANAGER

A motion was made by **MR. KEPLINGER** for the **BOARD** to go into executive session at **6:29 pm**, seconded by **MR. THOMAS**. **MOTION CARRIED UNANIMOUSLY.**

The **BOARD** took a short recess before going into executive session.

A motion was made by **MR. THOMAS** for the **BOARD** to come out of executive session at **7:25 pm**, seconded by **MR. GARCIA**.
MOTION CARRIED UNANIMOUSLY.

ITEM # 20 CONSIDERATION AND ACTION ON EXECUTIVE SESSION ITEMS, IF NECESSARY

The **CHAIRMAN** stated **NO ACTION TAKEN** on Executive Session Items.

ITEM #13 ADJOURNMENT

The **CHAIRMAN** adjourned the meeting at **7:27 p.m.**, motion made by **MR. VELA** and seconded by **MR. GARCIA**.

SCOTT FREIDMAN, VICE CHAIRMAN

ROBERT VELA, SECRETARY

MINUTES APPROVED THIS _____ DAY OF _____ 2014.