

**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 **26<sup>th</sup> day of AUGUST 2015** 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***

Jeff Keplinger, Chairman  
William "Whitey" J. Thomas, Vice Chairman  
Martin Cantu, Jr., Secretary  
Scott Friedman, Director  
Rick Wells, Director

***ADMINISTRATIVE STAFF***

Carlos J. Galvan, Jr., General Manager  
Charles Ortiz, District Engineer  
Victor Valdez – Director of Operations  
Sanjuna Garcia – Director of Finance  
Eddie Lucio III – Attorney

**ITEM #2**            **INVOCATION AND PLEDGE OF ALLEGIANCE**

Invocation was given and Pledge of Allegiance was recited during the Workshop Meeting @ 5 pm.

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

The **CHAIRMAN** asked if anyone in the audience would like to address the **BOARD**. No one responded.

**ITEM #4**            **CONSIDER AND APPROVE MINUTES FOR SPECIAL MEETING OF AUGUST 7, 2015 AND REGULAR MEETING OF AUGUST 12, 2015.**

A motion was made by **MR. THOMAS** to approve Minutes for Special Meeting of August 7, 2015 and Regular Meeting of August 12, 2015, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #5**            **GENERAL MANAGER'S REPORT**

- **RETIREE**

**MR. GALVAN** reported Ms. Maria Guadalupe Salinas retired after 30 years with the District. **MR. GALVAN** will be on vacation September 12 – 19, 2015.

**ITEM #6**            **DISTRICT ENGINEER'S REPORT**

- **PORT ISABEL WATER RECLAMATION FACILITY FEASIBILITY STUDY / TITLE XVI PROJECT**
- **WATER PLANT 2 USE OF CHLORINE DIOXIDE**

**MR. ORTIZ** gave an update and open discussion on: Port Isabel Water Reclamation Facility Feasibility Study / Title XVI Project; and Water Plant 2 Use of Chlorine Dioxide.

**ITEM # 7            DIRECTOR'S OF FINANCE REPORT**

- **AUDIT PREPARATION**
- **DISTRICT'S INTERNAL CONTROLS**
- **DISTRICT'S FINANCIAL SUSTAINABILITY**

**MRS. GARCIA** reported on the Audit Preparation – next month will be the end of year and will start a pre-audit; the District's Internal Controls – changes are being made to improve internal procedures for District Personnel; and the District's Financial Sustainability – recommendation for an Equipment Replacement Program, needed for future planning.

**ITEM #8            CONSIDER AND APPROVE BUDGET FOR FY 2015-2016**

A motion was made by **MR. THOMAS** to table item for Budget for FY 2015-2016, seconded by **MR. CANTU. MOTION CARRIED UNANIMOUSLY. ITEM TABLED.**

**ITEM #9            CONSIDER AND APPROVE AN INTERLOCAL AGREEMENT WITH CITY OF SOUTH PADRE ISLAND FOR LAGUNA MADRE WATER DISTRICT TO PERFORM CLEANING OF ITS STORM DRAINS**

A motion was made by **MR. THOMAS** to approve an Interlocal Agreement with City of South Padre Island for Laguna Madre Water District to perform cleaning of its storm drains, seconded by **MR. CANTU. MOTION CARRIED UNANIMOUSLY.**

**ITEM #10          CONSIDER AND APPROVE ABANDONMENT OF EASEMENT AND REPLAT FOR LOT NO. 1 BLOCK NO. 5, PADRE BEACH SUBDIVISION, SECTION 1**

A motion was made by **MR. FRIEDMAN** to approve Abandonment of Easement and Replat for Lot. No. 1 Block 5, Padre Beach Subdivision, Section 1, seconded by **MR. THOMAS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #11          CONSIDER AND APPROVE RATE INCREASE FOR RAW WATER CUSTOMERS EFFECTIVE OCTOBER 1, 2015**

The District proposed a new Raw Water Rate of a base charge of \$0.00 and \$0.60 per thousand gallons.

A motion was made by **MR. WELLS** to approve Rate Increase for Raw Water Customers effective October 1, 2015 to \$0.60, seconded by **MR. FRIEDMAN. MOTION CARRIED UNANIMOUSLY.**

**ITEM #12          CONSIDER AND APPROVE \$1 MILLION INVESTMENT ON CD ON PROPOSED RATES AT .34 INTEREST WITH IBC BANK FOR A YEAR COMMITMENT**

**MRS. GARCIA** advised the **BOARD** item #12 is no longer needed and recommended for no action to be taken on the above item. The **CHAIRMAN** stated **NO ACTION** for Item #12.

**ITEM #13          CONSIDER AND APPROVE CD'S RENEWAL FOR 2 CD'S FOR \$503,940.90 AND \$453,546.83 EACH AT .34 RATE WITH IBC BANK**

A motion was made by **MR. FRIEDMAN** to approve CD's renewal for 2 CD's for \$503,940.90 and \$453,546.83 each at .34 rate with IBC Bank, seconded by **MR. CANTU. MR. THOMAS** opposed and **MR. WELLS** abstained, with **MR. KEPLINGER** approving. **MOTION CARRIED.**

**ITEM #14          CONSIDER AND APPROVE FINANCIALS FOR THE MONTH OF JULY 2015**

A motion was made by **MR. THOMAS** to approve Financials for the month of July 2015, seconded by **MR. CANTU. MOTION CARRIED UNANIMOUSLY.**

**ITEM #15      CONSIDERATION AND APPROVAL TO INCLUDE THE FOLLOWING STATEMENTS IN OUR FINANCIALS RELATED TO OUR CAPITAL ASSETS POLICY**

A motion was made by **MR. WELLS** approving to include the following statements in our Financials related to our Capital Assets Policy, seconded by **MR. THOMAS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #16      CONSIDER AND APPROVE WRITE OFF METERS INVENTORY DUE TO OBSOLETE METER'S SPECIFICATIONS AS PER EPA'S REGULATIONS, WILL BE SOLD AS SCRAPS**

A motion was made by **MR. THOMAS** to approve Write Off Meters Inventory due to obsolete meter's specifications as per EPA's Regulations and will be sold as scraps, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #17      CONSIDER AND APPROVE WRITE OFFS ACCOUNTS RECEIVABLE FOR THE AMOUNT OF \$13,614.42**

A motion was made by **MR. CANTU** to approve Write Off Accounts Receivable for the amount of \$13,614.42, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

**ITEM # 18      CONSIDER AND APPROVE DISBURSEMENTS**

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

**ITEM #19      CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM TABLED ON THE BOARD MEETING OF AUGUST 12, 2015**

**CONSIDER AND APPROVE BID #WT-07-08-15 FOR PORT ISABEL WATER TANK REHAB**

A motion was made by **MR. WELLS** to remove item from the table for discussion, seconded by **MR. THOMAS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #20      CONSIDER AND APPROVE BID #WT-07-08-15 FOR PORT ISABEL WATER TANK REHAB**

A motion was made by **MR. FRIEDMAN** to approve Bid #WT-07-08-15 for Port Isabel Water Tank Rehab, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #21      ADJOURNMENT**

The **CHAIRMAN** adjourned the meeting at **6:40 pm.**

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JEFF KEPLINGER, CHAIRMAN

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MARTIN CANTU, JR. SECRETARY

MINUTES APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2015.