

**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 **11<sup>th</sup> day of FEBRUARY 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  
Whitey William 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  
Belen Peña – Interim Director of Finance - Staff Accountant  
Eddie Lucio, III - Attorney

**ITEM #2**            **PLEDGE OF ALLEGIANCE**

The **CHAIRMAN** invited everyone in the audience to recite the Pledge of Allegiance.

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

The **CHAIRMAN** asked if anyone in the audience would like to address the **BOARD**. The **CHAIRMAN** stated he would like to conduct meetings formerly, if someone would like to speak to raise their hand.

**ITEM #4**            **CONSIDER AND APPROVE MINUTES FOR WORKSHOP MEETING AND REGULAR MEETING OF JANUARY 28, 2015.**

A motion was made by **MR. WELLS** to approve Minutes for Workshop Meeting and Regular Meeting of January 28, 2015 as submitted, seconded by **MR. THOMAS**. **MOTION CARRIED UNANIMOUSLY.**

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

•    **UNITED WAY**

**MR. GALVAN** reported United Way gave the District a plaque for most improved, LMWD employees contributions increased over 500% from last year.

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

- **SERIES 2012 BOND PROJECTS BALANCE UPDATE**
- **CUATES PUMP STATION CONSTRUCTION PROGRESS**

**MR. ORTIZ** went over the Series 2012 Bond Projects Balance spreadsheet and gave an update on the Cuates Pump Station Construction Progress.

Mr. David Woolverton, guest at our meeting addressed the Board and Staff regarding the ongoing construction at Cuates Pump Station.

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

- **MONTHLY REPORT**

**MR. VALDEZ** reported the burglary incident is still under investigation and the reward ad will run for two more weeks.

For the Month of January: total Meters swapped, 21 – 5/8" meters, 8 – 1" meters, and 1 – 2" meters; Emergency Repairs @ Lift Station 12 by Southern Trenchless; Distribution installed 12 water taps @ La Joya Subdivision; and Line Extension completed @ East Retama.

Upcoming work for February, a line extension in Laguna Vista on the beach side.

**ITEM #8**            **CONSIDER AND APPROVE THE SELECTION AND APPOINTMENT OF A NEW MEMBER TO THE LAGUNA MADRE WATER DISTRICT BOARD OF DIRECTORS VACANCY**

The **CHAIRMAN** named the following 5 individuals who have shown interest in being appointed as Board of Director: Mr. John Thobe, Mr. Martin Cantu, Jr., Mr. Rey Puente, Mr. Baldemar Alaniz, and Mr. Norris Fletcher.

A motion was made by **MR. THOMAS** to appoint **MR. MARTIN CANTU, JR.**, to the Laguna Madre Water District Board of Directors Vacancy, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #9**            **ADMINISTERING THE OATH OF OFFICE**

**HONORABLE JUDGE BENNIE OCHOA** administered the oath of office for newly appointed Board Member, for Position 2, Mr. Martin Cantu, Jr.; the newly appointed Board Member was welcomed aboard and took his seat at the table.

Mr. Friedman excused himself from the meeting @ 6:10 p.m.

**ITEM #10**            **CONSIDER AND APPROVE APPOINTMENT OF SECRETARY FOR THE LAGUNA MADRE WATER DISTRICT BOARD OF DIRECTORS**

A motion was made by **MR. WELLS** to nominate **MR. CANTU** as Secretary for the Laguna Madre Water District Board of Directors, seconded by **MR. THOMAS. MOTION CARRIED UNANIMOUSLY.**

**ITEM #11**            **CONSIDER AND APPROVE RE-ORGANIZATION OF OFFICERS FOR THE COMMITTEE'S LIST**

A motion was made by **MR. THOMAS** to appoint **MR. CANTU** to all the positions former Board Member Ms. Martinez held, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

The **CHAIRMAN** stated **MR. CANTU** will be serving on the Audit Committee, Professional Services Committee, and the Budget/Financial Committee.

**ITEM #12**      **DISCUSS AND APPROVE A RESOLUTION AUTHORIZING THE ISSUANCE OF LAGUNA MADRE WATER DISTRICT WATERWORKS AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2015; APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS; DELEGATING AUTHORITY TO CERTAIN OFFICIALS OF THE DISTRICT TO SELECT OUTSTANDING REVENUE NOTES TO BE REFUNDED AND TO APPROVE ALL FINAL TERMS OF THE BONDS AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE**

Mr. Adrian Galvan, Managing Director with Estrada Hinojosa Investment Bankers and Mr. Noel Valdez, Attorney with McCall, Parkhurst & Horton LLP gave a presentation followed by questions and answers on the resolution authorizing the issuance of the District's Revenue Refunding Bonds, Series 2015.

A motion was made by **MR. WELLS** to approve a Resolution authorizing the issuance of Laguna Madre Water District Waterworks and Sewer System Revenue Refunding Bonds at 5.5% savings, seconded by **MR. THOMAS**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM #13**      **DISCUSS AND APPROVE A RESOLUTION APPROVING THE OPTIONAL REDEMPTION OF THE LAGUNA MADRE WATER DISTRICT UNLIMITED TAX BONDS, SERIES 2005 MATURING 2016 THROUGH 2045, CALLING ALL SUCH MATURITIES FOR EARLY REDEMPTION, AND APPROVING AND AUTHORIZING THE EXECUTION AND PERFORMANCE OF ALL DOCUMENTS AND PROCEDURES RELATED THERETO**

A motion was made by **MR. WELLS** to approve a Resolution approving the optional redemption of the Laguna Madre Water District 2005 Tax Bonds, seconded by **MR. CANTU**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM #14**      **CONSIDER AND APPROVE TO OPEN A NEW INFRASTRUCTURE REHAB ACCOUNT TO APPLY 75% OF THE 40% WATER RATE INCREASE**

A motion was made by **MR. THOMAS** to approve opening a new Infrastructure Account to apply 75% of the 40% Water Rate Increase, seconded by **MR. WELLS**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM #15**      **CONSIDER AND APPROVE RESOLUTION NO. 113-02-15 ADOPTING A REVISED TRAVEL POLICY FOR THE LAGUNA MADRE WATER DISTRICT**

A motion was made by **MR. THOMAS** to approve Resolution No. 113-02-15 adopting a revised Travel Policy for the Laguna Madre Water District, seconded by **MR. WELLS**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM #16**      **CONSIDER AND APPROVE RESOLUTION NO. 114-02-15 AUTHORIZING EMPLOYEES SUPPLEMENTAL INSURANCE THROUGH SECTION 125 PREMIUM PLAN FOR YEAR ENDING JANUARY 31, 2016**

A motion was made by **MR. WELLS** to approve Resolution No. 114-02-15 authorizing Employees Supplemental Insurance through Section 125 Premium Plan for Year ending January 31, 2016, seconded by **MR. CANTU**. **MOTION CARRIED UNANIMOUSLY.**

**ITEM # 17      CONSIDER AND APPROVE AN AGREEMENT BETWEEN LAGUNA MADRE WATER DISTRICT AND THE TOWN OF SOUTH PADRE ISLAND REGARDING USE OF THE EFFLUENT FROM THE ISLA BLANCA WASTEWATER TREATMENT PLANT**

A motion was made by **MR. WELLS** to approve subject to Attorney approval, an agreement between Laguna Madre Water District and the Town of South Padre Island regarding use of the Effluent from the Isla Blanca Wastewater Treatment Plant, seconded by **MR. THOMAS. MOTION CARRIED UNANIMOUSLY.**

**ITEM # 18      CONSIDER AND APPROVE DISBURSEMENTS**

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

**ITEM # 19      CONSIDER AND REMOVE FROM THE TABLE THE FOLLOWING ITEM TABLED ON THE BOARD MEETING OF JANUARY 28, 2015**

**CONSIDER AND APPROVE FOR THE GENERAL MANAGER TO BEGIN NEGOTIATIONS WITH CAROLLO ENGINEERS FOR DESIGN PHASE FOR PORT ISABEL WATER RECLAMATION FACILITY AND RELATED WASTEWATER TREATMENT UPGRADES**

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

A motion was made by **MR. CANTU** to approve for the General Manager to begin negotiations with Carollo Engineers for Design Phase strictly for phase 1 of the Port Isabel Water Plant and any upgrades to Isla Blanca and Andy Bowie, seconded by **MR. THOMAS. MOTION CARRIED UNANIMOUSLY.**

**ITEM # 20      EXECUTIVE SESSION PERMITTED BY THE OPEN MEETING ACT, V.T.C.A., GOVERNMENT CODE SECTION 551.001 ET SEQ., UNDER SECTION 551.074 (A) (1), AUTHORIZING CERTAIN DELIBERATIONS ABOUT OFFICERS AND EMPLOYEES OF THE DISTRICT TO BE HELD IN EXECUTIVE SESSION:**

**TO DELIBERATE THE APPOINT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF DISTRICT EMPLOYEES TO WIT: DIRECTOR OF FINANCE**

A motion was made by **MR. THOMAS** for the **BOARD** to go into executive session at **6:52 pm**, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

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

A motion was made by **MR. WELLS** for the **BOARD** to come out of executive session at **7:11 pm**, seconded by **MR. THOMAS. MOTION CARRIED UNANIMOUSLY.**

**ITEM # 21      CONSIDERATION AND ACTION ON EXECUTIVE SESSION ITEM, IF NECESSARY**

A motion was made **MR. THOMAS** to call applicants, Ms. Celina Gonzalez and Ms. SanJuana Garcia for interviews, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #22      ADJOURNMENT

The *CHAIRMAN* adjourned the meeting at 7:12 PM.

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JEFF KEPLINGER, CHAIRMAN

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MARTIN CANTU, JR., SECRETARY

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