

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 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**

The Invocation and Pledge of Allegiance were performed earlier during the Workshop.

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

The **CHAIRMAN** asked if anyone in the audience would like to address the **BOARD**.

MR. GALVAN reported the following:

- SPI Golf Course Agreement was handed over to Attorney for review and will be presented at a Regular Meeting for consideration and approval.
- Registered to attend the Texas Desal 2015 Conference in Austin, Texas from September 29 – October 1.

ITEM #4 **CONSIDER AND APPROVE MINUTES FOR REGULAR MEETING OF SEPTEMBER 9, 2015.**

A motion was made by **MR. WELLS** to approve Minutes for Regular Meeting of September 9, 2015, seconded by **MR. FRIEDMAN. MOTION CARRIED UNANIMOUSLY.**

ITEM #5 **DISTRICT ENGINEER'S REPORT**

- **PORT ISABEL WWTP OUTFALL EXTENSION**
- **WATER PLANT 2 CONSTRUCTION PROGRESS**
- **SERIES 2012 BOND PROJECTS BALANCE UPDATE**

MR. ORTIZ reported the following for Port Isabel WWTP Outfall Extension:

- Draft copy for pipeline extension from Carollo was received
- San Benito Navigation District – easements are pending legal review and are currently under attorney review

- Real-estate Attorney also needs to review easement at District's cost

The Board agreed for Counsel to refer easements to be reviewed by a Real-estate Attorney with an initial budget of \$1,500.00

MR. ORTIZ reported the following for Water Plant 2 Construction Progress:

- Static Mixer was installed and welding completed
- Only item pending is to test insulation on the wire going into the generator

MR. ORTIZ reported on the Series Bond Projects Balance Update and spreadsheet was reviewed followed by discussion and questions.

ITEM #6 DIRECTOR OF FINANCE REPORT

- **AUDIT COMMITTEE**

MRS. GARCIA reported the Audit Committee Meeting is scheduled to meet with the Auditors on September 29, 2015 @ 10:30 am.

ITEM # 7 CONSIDER AND APPROVE RESOLUTION NO. 125-09-15 ADOPTING THE BUDGET FOR FY 2015-2016 OF THE LAGUNA MADRE WATER DISTRICT

MR. THOMAS noted to amend the motion to approving the Budget subject to deleting the Non-Funded Budget found on page 17 on the Annual Budget Report.

A motion was made by **MR. CANTU** to approve Resolution No. 125-09-15 Adopting the Budget for FY 2015-2016 of the Laguna Madre Water District subject to eliminating the Non-Funded Capital Outlay (found on page 17 on the Annual Budget Report), seconded by **MR. FRIEDMAN. MOTION CARRIED UNANIMOUSLY.**

ITEM #8 CONSIDERATION AND POSSIBLE ACTION TO RESPOND TO INTERNATIONAL MACHINE SHOP'S DEMAND LETTER SENT TO CAMERON COUNTY FOR PAYMENT OF SERVICES PROVIDED TO THE DISTRICT

This item was discussed in Executive Session.

A motion was made by **MR. WELLS** for the **BOARD** to go into executive session at **6:44 pm**, seconded by **MR. FRIEDMAN. MOTION CARRIED UNANIMOUSLY.**

The **BOARD** took a 5 minute recess before Executive Session.

A motion was made by **MR. THOMAS** for the **BOARD** to come out of executive session at **7:03 pm**, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

A motion was made by **MR. FRIEDMAN** to approve payment for services provided to the District by International Machine Shop, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #9 CONSIDER AND APPROVE WATER AUDIT FOR THE DISTRICT

A motion was made by **MR. THOMAS** to approve Water Audit for the District, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #10 CONSIDER AND APPROVE RENEWAL CONTRACT FOR IT SERVICES WITH ORBIT BROADBAND

Discussion and questions ensued and the document was tabled for review and deferred to the next Regular Meeting.

A motion was made by **MR. THOMAS** to table the renewal contract for IT Services with Orbit Broadband, seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY. ITEM #10 TABLED**

ITEM #11 CONSIDER AND APPROVE PURCHASE OF MICROSOFT SERVER TO IMPROVE EMAIL SECURITY

Discussion and questions ensued and the document was tabled for review and deferred to the next Regular Meeting.

A motion was made by **MR. FRIEDMAN** to table the purchase of Microsoft Server to improve email security, seconded by **MR. CANTU. MOTION CARRIED UNANIMOUSLY. ITEM #11 TABLED.**

ITEM #12 CONSIDER AND APPROVE ANNUAL SUPPLY OF CHEMICALS FOR WATER PLANTS AND WASTEWATER PLANTS (BID #CH-15-08-13)

MR. VALDEZ'S Tabulation Summary showed the following recommended Bidders to be awarded for the following chemicals:

- Chemrite Inc. – (60) 100 lbs. of Calcium Hypochlorite, 65% Chlorine \$7,404.00
- DPC Industries – (22) Tons of Sulfur Dioxide Gas, Ton Container \$23,820.00;
(135) Tons of Chlorine Gas, Ton Container \$100,845.00
- Brenntag Southwest- (280,000) lbs. Ammonia Sulfate \$29,064.00
(14,000) lbs. Potassium Permanganate \$26,108.60
(600) gals. Sodium Bisulfite \$1,125.00
- Chemtrade Chemicals- (1,800,000) lbs. Liquid Aluminum Sulfate 49%, \$126,000.00
- AMCHEM Inc. - (574,574) lbs. Caustic Soda 50%, \$85,611.00
(3,000) gals. Caustic Soda \$9,030.00
- Chemsol Services - (8,000) gals. Sodium Hypochlorite 12.5%, \$23,600.00
(3,000) gals. Citric Acid 50%, \$20,7000.00

A motion was made by **MR. WELLS** to approve the recommended Bidders for the Annual Supply of Chemicals for Water Plants and Wastewater Plants (Bid #CH-15-08-13), seconded by **MR. THOMAS. MOTION CARRIED UNANIMOUSLY.**

ITEM #13 CONSIDER AND APPROVE 24-MONTH SERVICE CONTRACT FOR INSTRUMENTATION MAINTENANCE SERVICES FOR WATER PLANTS AND WASTEWATER PLANTS (BID #IS-15-08-132)

MR. VALDEZ'S Tabulation Summary showed Sendero South Company with a total amount of \$21,120.00 as the recommended Bidder for the 24-month Service Contract for Instrumentation Maintenance Services for Water Plants and Wastewater Plants.

A motion was made by **MR. WELLS** to approve 24-month Service Contract Bid for Instrumentation Maintenance Services for Water Plants and Wastewater Plants (Bid #IS-15-08-132), seconded by **MR. CANTU. MOTION CARRIED UNANIMOUSLY.**

ITEM #14 CONSIDER AND APPROVE 12-MONTH SERVICE CONTRACT FOR PETROLEUM PRODUCTS (BID #PP-15-08-13)

MR. VALDEZ'S Tabulation Summary showed only one bid proposal from Oil Patch Fuel and Supply Inc. with a total amount of \$1.8624 / \$1.8540 for the 12-month Service Contract for Petroleum Products.

A motion was made by **MR. FRIEDMAN** to approve 12-month Service Contract Bid for Petroleum Products (Bid #PP-15-08-13), seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #15 CONSIDER AND APPROVE 24-MONTH SERVICE CONTRACT FOR ASPHALT PAVING AND REPAIRS PROJECT (BID #APR-15-08-133)

MR. VALDEZ'S Tabulation Summary showed only one bid proposal from G & T Paving, LLC for the Asphalt Paving and Repairs Project.

A motion was made by **MR. WELLS** to 24-month Service Contract for the Asphalt Paving and Repairs Project (Bid #APR-15-08-133), seconded by **MR. CANTU. MOTION CARRIED UNANIMOUSLY.**

ITEM #16 CONSIDER AND APPROVE 24-MONTH SERVICE CONTRACT FOR SLUDGE MANAGEMENT SERVICES (BID #SMS-15-08-135)

MR. VALDEZ'S Tabulation Summary showed only one bid proposal from Denali Water Solutions with a total amount of \$1,025.00/container for Sludge Management Services.

A motion was made by **MR. THOMAS** to approve 24-month Service Contract for Sludge Management Services (Bid #SMS-15-08-135), seconded by **MR. WELLS. MOTION CARRIED UNANIMOUSLY.**

ITEM #17 CONSIDER AND APPROVE SERVICE CONTRACT TO PROVIDE CHLORINE DIOXIDE (BID #WP-15-09-1)

MR. ORTIZ'S Tabulation Summary showed having only received two bids and recommending award to Evoqua Water Technologies, LLC with a resubmitted revision on cost for an amount not to exceed \$299,984.00 for Chlorine Dioxide.

A motion was made by **MR. FRIEDMAN** to approve Service Contract to provide Chlorine Dioxide (Bid #WP-15-09-1), seconded by **MR. WELLS** with **MR. THOMAS abstaining. MOTION CARRIED UNANIMOUSLY.**

ITEM # 18 CONSIDER AND APPROVE FINANCIAL STATEMENTS FOR THE MONTH OF AUGUST 2015

A motion was made by **MR. WELLS** to approve Financial Statements for the month of August 2015 as submitted, seconded by **MR. CANTU. MOTION CARRIED UNANIMOUSLY.**

ITEM #19 CONSIDER AND APPROVE DISBURSEMENTS

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

ITEM #21 ADJOURNMENT

There being no further business the **CHAIRMAN** adjourned the meeting at **7:05 pm.**

JEFF KEPLINGER, CHAIRMAN

MARTIN CANTU, JR. SECRETARY

MINUTES APPROVED THIS _____ DAY OF _____ 2015.