

MINUTES
Regular Meeting
Laguna Madre Water District
Board of Directors
Wednesday, October 23, 2024
5:30 PM – 6:50 PM
Board Room
105 Port Rd. Port Isabel, TX 78578

1. The Chairman calls the meeting to order, determines the presence of a quorum, and notices that the meeting has been duly posted as required by law.

Chairman S. Friedman, with his facilitation, commenced the meeting by establishing a quorum. Three members were present, affirming the meeting's official status.

PRESENT

Scott Friedman, Chairman
Adam Lalonde, Vice-Chairman
Jason Starkey, Secretary

ABSENT

William "Bill" Donahue, Director
Dave Boughter, Director

LMWD STAFF

Carlos J. Galvan, Jr., General Manager
Daisy Martinez, Executive Secretary
Robert Gomez, Director of Operations
Charles Ortiz, District Engineer
Eduardo Salazar, Director of Finance
Enrique Samaniego, Purchasing Agent
Brandon Edge, Information Tech Specialist
Noe Cantu, Superintendent of Water
Santiago Ochoa, IV, Superintendent of Wastewater
Mary Gamboa, Human Resources
Brian Hansen, Attorney



2. Pledge of Allegiance and Invocation

The meeting began with the Pledge of Allegiance. General Manager C. Galvan led the Invocation.

3. Invitation to the Audience for Public Comments

No Comments.

4. Consider and discuss for possible approval of the Minutes from the Regular Meeting on September 25, 2024. (C. Galvan) 💧

The minutes were provided to the Board for review.

Moved By A. Lalonde, Seconded By J. Starkey.

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

5. General Manager's Report

- Reservoir Levels -

- The combined storage levels for Amistad and Falcon Lake were at 20.7% (copy attached)
- The District's Drought Management remains in Stage 3 to conserve water.
- C. Galvan noted that we continue to hope for more rain in the watershed

6. Director of Operation's Report 💧

- Monthly Report- Service Orders and Callouts for September 2024

- The comparison is from September to August
- The Distribution Department showed a decrease in September (223) compared to August (279)
- The Collection Department showed an increase in September (46) compared to August (44)
- The Pre-Treatment and Lift Stations showed an increase in September (46) compared to August (43)
- A breakdown was given for each department.

7. District Engineer's Report 💧

- Declaration of Administrative Completeness of Discharge Permit Application for Seawater Desalination Plant –

- TCEQ received Industrial Discharge Permits as they were declared administratively complete. The permit will proceed with a Technical Review
- The notice is required to be published in the newspaper. The District advertised the Discharge Permit in the newspaper, and the full permit is available for public viewing upstairs in the General Manager's Office.

- Submission to Desalination Construction Program –

- Reclamation received the District's submittal on September 28, 2024.
- The final number requested for the grant is \$17.5 Million estimate
- Eligible pre-award costs associated with the project must be incurred after the date of Reclamation's feasibility study review findings. The District expects to receive this finding in November, so 75/25 cost share is based on invoices paid from December 2024 thereafter

- New Water Supply for Texas Fund –

- For New Water Supply for Texas Fund, \$250 million for financial assistance is to be determined upon the Texas Water Development Board's adoption of rules by winter 2024-2025
- A more likely scenario is that local construction matching funds will be obtained through the State Water Implementation Fund for Texas (SWIFT) in 2025, similar to the current \$10 Million loan we obtained through SWIFT

- Proceed with Bond Planning Committee –

- The first meeting was on October 9, along with financial meetings
- 5 Members have participated so far
- Members gave positive feedback
- Norrisleal is still working on the presentation
- The Chairman suggested a calendar with a timeline of the schedule for presentations.

8. Discuss and take action on a Resolution Authorizing the Issuance of Laguna Madre Water District Unlimited Tax Bonds, Series 2024; Awarding Sale of the Bonds to the Texas Water Development Board; Authorizing Other Matters Related to the Issuance of the Bonds; and Providing for an Immediate Effective Date (Resolution No. 219-10-2024). (C. Ortiz) 💧

Isaiah Huerta with Estrada Hinojosa gave a PowerPoint presentation (copy attached) on the Pricing Results for the Unlimited Tax Bonds, Series 2024 (TWDB SWIFT), relating to the General Obligation Debt and Tax Rate Impact: Post 2024 TWDB SWIFT Loan, followed by questions and answers.

The Board approved the Resolution.

Moved By A. Lalonde, Seconded By J. Starkey

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

9. Consider and discuss for possible approval of Proposal and Agreement with McCall Parkhurst & Horton to Provide Bond Counsel Services to the Laguna Madre Water District. (C. Ortiz) 💧

District Engineer C. Ortiz recommended approval of a new engagement letter with Bond Counsel.

The Board approved the Agreement with McCall Parkhurst & Horton.

Moved By A. Lalonde, Seconded By J. Starkey

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

10. Consider and discuss for possible approval of Budget Amendment for Seawater Desalination Plant Unlimited Tax Bonds, Series 2024. (C. Ortiz) 💧

District Engineer C. Ortiz noted that this amendment formally adds \$10 million to the revenue.

The Board approved.

Moved By J. Starkey, Seconded By A. Lalonde

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

11. Consider and discuss for possible approval of Work Order No. 5 Environmental Study Addendum 1. (C. Ortiz) 

District Engineer C. Ortiz noted that the work order was previously approved; this is an additional request for a field survey. The request for the Seagrass and Oyster Survey is an extra \$30,800.00 to the environmental work order.

The Board approved.

Moved By A. Lalonde, Seconded By J. Starkey

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

12. Consider and discuss for possible approval of Work Order No. 6 for Seawater Desalination Pilot Plant Operations. (C. Ortiz) 


District Engineer C. Ortiz requested formal approval of operations for \$849,320.00, which includes 5 months of operations. C. Ortiz also mentioned that depending on the TCEQ requirements, it could run for additional months, possibly up to 7 months, and each added month, as required, is \$150,000.00.

The Board approved.

Moved By A. Lalonde, Seconded By J. Starkey

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

13. Consider and discuss for possible approval of Work Order No. 7 for Seawater Plant Design Services (full-scale). (C. Ortiz) 

District Engineer C. Ortiz noted that the plant design cost is \$5,250,000.00.

The Board approved.

Moved By J. Starkey, Seconded By A. Lalonde

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

14. Consider and discuss for possible award of Construction Contract(s) for CID 03 – Water Plant No. 1 Elevated Storage Tank No. 6 (Bid # EST-10-24-01). (C. Ortiz) 💧

District Engineer C. Ortiz noted that one bid was received from Landmark Structures for \$5,977,000.00, which includes the demolition of one steel elevated storage tank and two steel ground storage tanks and recommended approval.

The Board approved.

Moved By A. Lalonde, Seconded By J. Starkey

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

15. Consider and discuss for possible approval of Construction Materials Observation and Testing Services with Raba Kistner for EST#6. (C. Ortiz) 💧

District Engineer C. Ortiz requested approval for \$33,625.20.

The Board approved the proposal for this project.

Moved By J. Starkey, Seconded By A. Lalonde

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

16. Director of Finance Report 💧

• Investment Update

- E. Salazar gave details on the results of Valley View Consultant's solicitation requesting rates for maturing CDARS account.

• Audit Engagement Letter

- The letter of engagement from the new CPA- Adrian Webb, CPA was provided to the Board for review.

17. Consider and discuss for possible approval of Bad Debt Write-offs for the Fiscal Year Ending 9-30-2024. (E. Salazar)

Director of Finance E. Salazar presented the write-off amount of \$3,325.80 for utilities and \$1,281.21 for Miscellaneous Invoices.

The Board approved.

Moved By A. Lalonde, Seconded By J. Starkey

Motion: Move to Approve Write-off.

THE MOTION CARRIED UNANIMOUSLY

18. Consider and discuss for possible approval of a Resolution Adopting the Investment Policy for the Fiscal Year 2024-2025 (Resolution No. 218-10-2024). (E. Salazar)

Director of Finance E. Salazar presented the policy with the updates and recommended approval.

The Board approved the Investment Policy as presented.

Moved By J. Starkey, Seconded By A. Lalonde

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

19. Consider and discuss for possible approval of a Lease/Purchase Agreement to Finance a Vacuum Truck from Doggett Freightliner of South Texas, LLC. (E. Salazar)

Director of Finance E. Salazar presented the agreement. E. Salazar mentioned it was a budgeted item, and many banks solicited the best financing for the \$368,230.00 vehicle. The best proposal was from Amegy Bank, with 4.5% interest for 10 years, and approval was recommended.

The Board approved the lease.

Moved By A Lalonde, Seconded By J. Starkey

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY


20. Consider and discuss for possible approval of Financial Reports for August 2024. (E. Salazar) 

Director of Finance E. Salazar noted that revenues were down compared to last year.
The Board approved as presented.

Moved By J. Starkey, Seconded By A. Lalonde

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

21. Consider and discuss for possible approval the Quarterly Investment Report for the quarter ending September 2024. (E. Salazar) 

Director of Finance E. Salazar noted that this was the last quarterly report for the fiscal year; the quarter yield was 5.06%, and the Fiscal year was 4.90%.
The Board approved.

Moved By A. Lalonde, Seconded By S. Friedman

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

22. Consider and discuss for possible ratification of the Purchase of Uniform Work Shirts and Work Pants for Employees in all Departments. (E. Samaniego) 

Purchasing Agent E. Samaniego requested to ratify the purchase in the amount of \$16,947.35 to Rock Point Marketplace for the work shirts and \$11,801.41 for work pants from Dickies.
The Board approved approved the purchase.

Moved By J. Starkey, Seconded By A. Lalonde

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

23. Consider and discuss for possible approval of Annual Contract for Asphalt Paving and Repairs Projects.
(E. Samaniego) 


Purchasing Agent E. Samaniego recommended board approval and award the contract to 365 builders for an annual asphalt paving and repair services contract.

The Board approved.

Moved By A. Lalonde, Seconded By J. Starkey

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

24. Consider and discuss for possible ratification for the Purchase of Microsoft Office 365 for all Departments.
(E. Samaniego) 


Purchasing Agent E. Samaniego requested the Board to ratify the purchase of \$19,749.60 for the Microsoft Office 365 Plan.

The Board approved.

Moved By J. Starkey, Seconded By A. Lalonde

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

25. Consider and discuss for possible approval for the Purchase of 8 Cameras for Warehouse Buildings, IT Department. (E. Samaniego) 

Purchasing Agent E. Samaniego requested approval and award the purchase to GTS Technologies Solutions, Inc. for \$12,738.00.

The Board approved.

Moved By J. Starkey, Seconded By A. Lalonde

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

26. Consider and review Expenditures from September 16, 2024, to September 30, 2024. (C. Galvan)

The Expenditures were provided for review and acknowledged by the Board.

Moved By J. Starkey, Seconded By A. Lalonde

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

27. EXECUTIVE SESSION permitted by the Open Meeting Act, V. T. C. A., Government Code Section 551.001 Et. Seq., under Section 551.071, Consultation with Attorney; under Section 551.072, Deliberations about Real Property:

Discussion and possible action concerning negotiations with Hess Corporation and Port Isabel-San Benito Navigation District for the Seawater Intake Structure and Pipeline.

S. Friedman, Chairman of the Board of Directors of Laguna Madre Water District, hereby did the following:

That an Executive Session was on the agenda for said meeting duly posted at the office of the District;

Which authorizes the holding of such closed or Executive Session:

Upon a motion by J. Starkey and seconded by A. Lalonde, the Board convened into Executive Session at 6:25 PM, and upon motion by J. Starkey and seconded by A. Lalonde, Executive Session ended at 6:49 PM.

The only matters described in the Executive Session were discussed by the Board of Directors, who took action on the next item below;

28. Consideration and action on EXECUTIVE SESSION item(s), if necessary.

As discussed in the executive session, the Chairman declared no action.

29. Adjournment

There was no further business; the meeting adjourned at 6:50 PM.



SCOTT FRIEDMAN, CHAIRMAN



JASON STARKEY, SECRETARY

MINUTES APPROVED THIS 13TH DAY OF NOVEMBER 2024.