

**MINUTES**  
Regular Meeting  
Laguna Madre Water District  
Board of Directors  
Wednesday, February 12, 2025  
5:30 PM – 6:42 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 initiated the meeting by confirming the presence of a quorum. With four members in attendance, the official status of the meeting was established.

**PRESENT**

Scott Friedman, Chairman  
Adam Lalonde, Vice-Chairman, departed the meeting at 5:50 PM. A quorum was maintained.  
Jason Starkey, Secretary  
Dave Boughter, Director

**ABSENT**

William "Bill" Donahue, 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

The agenda items were discussed in a manner that deviated from the established sequence.

**2. Pledge of Allegiance and Invocation**

The meeting commenced with the Pledge of Allegiance. District Engineer C. Ortiz led the invocation.

**3. Invitation to the Audience for Public Comments**

- The Chairman thanked the Bond Committee members at the meeting for their time and service.
- Director of Operations R. Gomez announced that Justin Flores, an employee in the Collection Department, has earned his B License in Wastewater.

4. **Consider and discuss for possible approval the Minutes from the Regular Meeting on January 22, 2025.**  
(C. Galvan) ♦

The minutes were submitted to the Board for review.

The Board formally approved the minutes as presented.

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

**Motion: Move to Approve.**

**THE MOTION PASSED UNANIMOUSLY**

5. **Presentation of the Letter of Recommendation from the Bond Planning Committee proposing a Tax Bond Election on May 3, 2025.** (R. Garcia, Chairman of Bond Planning Committee) ♦

Mr. Rudy Garcia, Chair of the Bond Committee, formally presented the committee's recommendation and respectfully requested the Board's consideration for a Tax Bond Project in the forthcoming election. Mr. Garcia emphasized the critical necessity of establishing a sustainable water source for our community.

6. **Consider and discuss the possible approval of the Engineering Feasibility Report for the Port Isabel Seawater Desalination Treatment Facility.** (C. Ortiz) ♦

District Engineer C. Ortiz submitted a formal request to approve the Feasibility Report prepared by NorrisLeal. The Bureau of Reclamation had previously authorized the report, which is needed to support the order calling a bond election.

The Board unanimously agreed to approve the Engineering Feasibility Report.

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

**Motion: Move to Approve.**

**THE MOTION PASSED UNANIMOUSLY**

7. **Presentation by Estrada Hinojosa, Financial Advisor, for proposed Bond Election for the Seawater Desalination Treatment Facility.** ♦

Mr. Isaiah Huerta from Estrada Hinojosa Investment Bankers presented an overview of the Bond Election (copy attached). He was committed to addressing questions from both the Board and the audience.

Topics discussed:

- o General Obligation Debt
- o Seawater Reverse Osmosis Funding Summary
- o Tax Rate Impact
- o Timetable of May Bond Election

## 8. Consideration and approval of an Order Calling a Bond Election to be held on May 3, 2025. (C. Galvan) 📌

The General Manager, C. Galvan, requested that the Board undertake the review and grant approval for the following items:

- The Order Calling for a Bond Election for May 3, 2025;
- C. Galvan provided the Cameron County Elections Department invoice (copy attached) and indicated that the total amount is \$18,910.10, with 60% (\$11,346.06) due on February 14, 2025, along with sharing the supporting contract for the review of Election Services with the Cameron County Elections Department (copy attached).

Vice Chairman A. Lalonde formally presented a motion to approve an order for calling a bond election and the necessary costs to cover the expenses for the Cameron County Elections Department to conduct the election, which was duly seconded. Subsequently, the Board reconvened to revisit agenda item #8, aiming to clarify and amend the previous motion to include the costs related to the order to call a bond election for the seawater desalination facilities. Upon a motion by D. Boughter, seconded by J. Starkey, the Board reopened the meeting to amend the motion at 6:41 PM.

As a result, the motion was amended to also include the following:

The Order calling a Bond Election related to Laguna Madre Water District Proposition A for the issuance of bonds in the amount of \$59,000,000 for seawater desalination facilities and the levy of taxes sufficient to pay the principal and interest on the bonds.

The Board unanimously approved the amended motion, which included the Order Calling for a Bond Election as referenced and the allocation of funds to Cameron County for election services. The motion was approved as follows:

**Moved By D. Boughter, Seconded By J. Starkey.**

**Motion: Move to Approve.**

**THE MOTION PASSED UNANIMOUSLY**

## 9. General Manager's Report

- Reservoir Levels
  - The Amistad and Falcon Lake's combined storage levels are 20.8%.
- 2<sup>nd</sup> Meeting in February
  - C. Galvan noted that a couple of board members and staff are attending a conference during the next meeting on February 26, 2025. He suggested canceling the February 26 meeting.
  - **The Board agreed to cancel the Regular Meeting scheduled for February 26, 2025.**
  - C. Galvan mentioned the next Regular Meeting is on March 12, 2025.

## 10. Director of Operation's Report 📌

- Monthly Report- Santiago Ochoa, Wastewater Superintendent, gave the presentation for January.
  - The comparison spans for the month of January compared to December.
  - The Distribution Department reported an increase in January, with a total of 324 compared to 278 in December.
  - The Collection Department increased in January, recording 81 compared to 47 in December.
  - The Pre-Treatment and Lift Stations experienced a decrease in January, showing 45 compared to December's 47
  - A detailed analysis of each department was given.

**11. Consider and discuss for possible approval of surveying the proposed Seawater Desalination Route. (C. Ortiz) ♦**

District Engineer C. Ortiz formally requested that the Board review and consider a proposal for a topographic survey totaling \$17,695.42 submitted by Vasquez Surveying Inc. for design services with Norrisleal.

Additionally, C. Ortiz presented a second invoice (copy attached) for consideration and approval. This second invoice was for another topographic survey necessary for the raw water pipeline, totaling \$7,885.69.

C. Ortiz noted that the total amount requested for surveying services is \$25,581.11.

The Board officially accepted and approved the surveying proposals:

**Moved By J. Starkey, Seconded By D. Boughter**

**Motion: Move to Approve.**

**THE MOTION PASSED UNANIMOUSLY**

**12. Consider and discuss for possible approval a Resolution Amending the District's Water Conservation & Drought Contingency Plan (Resolution Number 220-02-2025). (C. Galvan) ♦**

District Engineer C. Ortiz proposed an amendment, stating that the Water Conservation Plan required revision (copy attached). According to the Texas Commission on Environmental Quality (TCEQ), the District must comply with rule 288.7. C. Ortiz highlighted the amendment's importance, stating that it is needed to request new state water and clarify how a seawater project aligns with the District's water conservation efforts.

The Board adopted the resolution to amend the District's Water Conservation and Drought Contingency Plan.

**Moved By D. Boughter, Seconded By J. Starkey**

**Motion: Move to Approve.**

**THE MOTION PASSED UNANIMOUSLY**

**13. Director of Finance Report ♦**

- **Investment Update** – E. Salazar shared details about the solicitation of Valley View Consultants for approximately \$2.3 million in investments, specifically requesting rates set to mature in December.
  - LMWD deposited \$2.3 million into a Certificate of Deposit Account Registry Service (CDARS) Money Market Account (MMA) at NexBank, with an initial interest rate of 4.55%.
  - Additionally, for Universal Tax Bond Reserves, LMWD placed \$803,340 in a new Money Market Account (MMA) at an interest rate of 4.58%.
  - E. Salazar also provided an update on the 2022 Series Tax Bond Funds:
    - East West CD – matured balance of \$1,069,133
    - Bank OZK CD – matured balance of \$5,466,446.
    - Both matured in December and were deposited into the Plains Capital Bank ICS account for ongoing project expenses related to this bond. The rate with Plains Capital Bank ICS is 4.15%.

**14. Consider and discuss for possible approval the Financial Reports for November 2024.** (E. Salazar) ♦

E. Salazar, the Director of Finance, pointed out that water and sewer service consumption was particularly low in October and November. Since then, both services have recovered, and the District's expenditures are still on track.

The Board approved November's Financials.

**Moved By D. Boughter, Seconded By J. Starkey**

Motion: Move to Approve.

**THE MOTION PASSED UNANIMOUSLY**

**15. Consider and discuss for possible approval the Quarterly Investment Report for the quarter ending December 2024.** (E. Salazar) ♦

Director of Finance E. Salazar pointed out that this marked the first quarter of the fiscal year, which ended on December 31, 2024. He highlighted that the entire portfolio achieved a return of 4.5%, with total cash and investments amounting to \$72.9 million, while the quarterly interest earned was \$763,000.

The Board approved the Quarterly Investment Report for the quarter that ended on December 31, 2024.

**Moved By J. Starkey, Seconded By D. Boughter**

Motion: Move to Approve.

**THE MOTION PASSED UNANIMOUSLY**

**16. Consider and review Expenditures from January 16, 2025, to January 31, 2025.** (C. Galvan) ♦

The Board received the submitted Expenditures for review and approved them.

**Moved By D. Boughter, Seconded By J. Starkey**

Motion: Move to Approve.

**THE MOTION PASSED UNANIMOUSLY**

**17. EXECUTIVE SESSION permitted by the Open Meetings Act, VTCA, Government Code Section 551.001 Et. Seq., Under Section 551.071, Consultation with Attorney; under Section 551.072, Deliberation about Real Property:**

**Discussion and possible action concerning the negotiations with Port Isabel Navigation District for the Seawater Reverse Osmosis (SWRO) Facility.**

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

That an Executive Session was included on the agenda for the said meeting, which was duly posted at the office of the District, authorizing the holding of such closed or Executive Session:

D. Boughter moved, with J. Starkey seconding, to convene the Executive Session at 6:05 PM. Following this, D. Boughter made a motion, which J. Starkey seconded, to adjourn the Executive Session at 6:36 PM.

The only matters discussed in the Executive Session were addressed by the Board of Directors, who then proceeded to the next item.

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

S. Friedman, the Chairman of the Board, initiated the motion to proceed as directed, as previously discussed during the Executive Session.

**Moved By J. Starkey, Seconded By D. Boughter**

**Motion: Move to Approve.**

**THE MOTION PASSED UNANIMOUSLY**

**19. Adjournment**

No additional business remained; the meeting was adjourned at 6:42 PM.



**JASON STARKEY, SECRETARY**



**SCOTT FRIEDMAN, CHAIRMAN**

**MINUTES APPROVED THIS 12<sup>TH</sup> DAY OF MARCH 2025.**