

MINUTES

Regular Meeting
Laguna Madre Water District
Board of Directors
Wednesday, October 22, 2025
5:30 PM – 6:38 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 all members in attendance, the official status of the meeting was established.

PRESENT

Scott Friedman, Chairman
Adam Lalonde, Vice-Chairman arrived @ 5:32
Jason Starkey, Secretary arrived @ 5:31
David "Dave" Boughter, Director
William "Bill" Donahue, Director

LMWD STAFF

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

2. **Pledge of Allegiance and Invocation**

The meeting commenced with the Pledge of Allegiance. The Superintendent of Water, N. Cantu, led the invocation.

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

- Laguna Madre Water District Safety Officer, Joel Lopez, thanked the Board for approving and passing the Budget for Fiscal Year 2025-2026
- Secretary, J. Starkey congratulated the Port Isabel Tarpons football team on their recent victory.

4. **Consider and discuss for possible approval the Minutes of the Workshop Meeting held on September 23, 2025, the Regular Meeting held on September 24, 2025, and the Regular Meeting on September 30, 2025. (C. Galvan)** 🗣️

The minutes were submitted to the Board for Review. The Board formally approved the minutes as presented.

Moved By B. Donahue, Seconded By D. Boughter.

Motion: Move to Approve

THE MOTION PASSED UNANIMOUSLY

5. Director of Operations Report 🗣️

• Monthly Report

- On the water side, on October 2nd, Water Plant #2 experienced a power outage at the chemical building. In-house electricians quickly installed a temporary above-ground cable fix. The permanent fix was received and is pending AEP job to complete the repair.
- On October 14th, the Lift Station department performed a confined space entry to repair a leak on the Force Main at Lift Station #20 on South Padre Island. Images were shown and distributed to the Board.
- Two of the three new blowers for Isla Blanca STP were installed through a combined effort by the Wastewater and Construction/Maintenance crews.

6. District Engineer's Report

• Purchase of 2.3 Acre Tract & Easements from HESS Corporation

The purchase of the 2.3-acre tract and easement has successfully closed, and the documents are recorded.

• Status of Long Island Village Sewer & Water Improvements

Project Engineer Jacob Castaneda (SWG Engineering) provided an update. The contractor has completed nearly all water line installations, with only a few long services remaining in areas awaiting sewer line installation. Sewer trench compaction on Avalon and Bonnet passed density testing, and four crews are active on site. Pressure testing on East Oyster is scheduled for October 23, followed by paving once all testing and sewer videotaping are complete. The team continues to push the contractor to expedite testing and paving in response to resident complaints about dirt and mud. Two crews are performing point repairs on West Sand Dollar and Sundial, addressing defects in existing sewer lines. Work on both lift stations will begin soon. Current Completion percentages are approximately 98% for water lines, 30% for sewer lines, and 5% for lift stations. The project remains on schedule for completion by the end of June, with additional crews being added to maintain progress. Questions followed and were addressed by District Engineer Charles Ortiz. A Town Hall meeting is scheduled for October 30th to encourage residents to set up individual accounts for the new meter system. The transition to new meters is expected to begin as early as December.

• Status of Water System Improvements

A meeting with ARIA Filter is set for November 10th to schedule performance testing and commissioning. C. Ortiz stated the elevated storage tank and raw water improvements are progressing as planned. AEP is currently relocating overhead power lines, a necessary step before construction can begin on the new pump for Reservoir No. 3. The Water Plant No. 2 High Service Pump Station project is currently out for bid, with the opening scheduled for November 4th. The engineer's estimate for the project is \$2.7 million, and the available unencumbered SRF funds total approximately \$2.5 million, leaving a narrow budget margin. C. Ortiz recommends tabling action item number 8 until bids are reviewed.

7. Discuss and Take Action on a Resolution Authorizing the Issuance of Unlimited Tax Bonds, Series 2025; 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. 227-10-2025). (C. Galvan) 🗣️

Noel Hinojosa commended the District, noting that this marks a major milestone not only for Laguna Madre Water District but also for the State of Texas, as it represents the first true desalination water treatment plant to be funded in Texas. The proposed facility will have a capacity of 5 million gallons per day (MGD). The 2025 loan package presented includes the issuance of a Limited Tax Bond, Series 2025, in the amount of \$64,655,000. Hinojosa explained that the District will remain below its pledged seven-cent tax increase, and instead will be at 6.4 cents. The interest rate secured for the financing is 3.82%. He noted that the District carries approximately \$107 million in property tax-supported debt and \$23 million in water and sewer revenue debt, totaling around \$150 million when combined with the new desalination loan. Mr. Hinojosa emphasized the importance of developing reserve policies and financial safeguards for potential natural disasters or unforeseen events. Mr. Hinojosa noted the District maintains a strong credit rating of AA3 from Moody's and A+ from S&P, reflecting sound fiscal management. Following Mr. Hinojosa's presentation, Isaiah Huerta provided an overview of the financing timeline.

Moved By A. Lalonde, **Seconded** By J. Starkey
Motion: Move to Approve.
THE MOTION PASSED UNANIMOUSLY

8. **Consider and discuss for possible approval of Amendment No. 8 with Freese and Nichols, Inc. for Water for System Improvements. (C. Ortiz)** 💧

The item was requested to be tabled pending the results of the November 4th bid opening.

Moved By D. Boughter, **Seconded** By B. Donahue.
Motion: Move to Table.
THE MOTION PASSED UNANIMOUSLY

9. **Consider and discuss the possible approval of a resolution amending Laguna Madre Water District Rate Schedules for Water, Wastewater, and Raw Water. (Resolution No. 228-10-2025) (E. Salazar)** 💧

The rate increase was included in the recently approved budget and requires a resolution for official action

Moved By A. Lalonde, **Seconded** By D. Boughter.
Motion: Move to Approve.
THE MOTION PASSED UNANIMOUSLY

10. **Consider and discuss approval of Bad Debt Write-offs for the Fiscal year ending 9-30-2025. (E. Salazar)** 💧

Staff reported that, as required annually, the District must write off amounts determined to be uncollectible after multiple collection efforts have been made. The total amount to be written off is \$6,403.03, consisting of \$2,191.12 in utility bills and \$4,211.91 in miscellaneous invoices.

Moved By J. Starkey, **Seconded** By B. Donahue.
Motion: Move to Approve.
THE MOTION PASSED UNANIMOUSLY

11. **Consider and discuss the possible approval of additional paid holidays to the personnel policy. (E. Salazar)** 💧

E. Salazar stated staff conducted an in-house survey of 20 local governments and found that the average number of holidays observed is 15.5, compared to the District's 10. Staff recommended adding President's Day and converting Christmas Eve and New Year's Eve from half days to full holidays.

Moved By J. Starkey, **Seconded** By D. Boughter.
Motion: Move to Approve.
THE MOTION PASSED UNANIMOUSLY

12. Consider and discuss the purchase of two (2) 2026 model year pick-up trucks. (E. Samaniego) 🍷

Purchasing agent E. Samaniego recommended awarding the purchase to Caldwell Country Chevrolet for a total of \$105,354.00.

Moved By B. Donahue, **Seconded** By J. Starkey.

Motion: Move to Approve.

THE MOTION PASSED UNANIMOUSLY

13. Consider and discuss for possible approval the purchase of Microsoft 365, all departments. (E. Samaniego) 🍷

Staff is recommending Board Approval and award the purchase of Microsoft Office 365 to Lift Off LLC for \$22,353.60

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

Motion: Move to Approve.

THE MOTION PASSED UNANIMOUSLY

14. Consider and approve the purchase of a radiator for Lift Station #19. (E. Samaniego) 🍷

Staff is recommending Board approval and award the purchase of radiator to Waukesha-Pearce Industries, LLC for \$10,871.98.

Moved By B. Donahue, **Seconded** By J. Starkey.

Motion: Move to Approve.

THE MOTION PASSED UNANIMOUSLY

15. Consider and discuss the purchase of (8) video intercom readers. (E. Samaniego) 🍷

E. Samaniego is recommending Board approval and award the purchase of (8) video intercom readers to GTS Technology Solutions, Inc. for \$17,423.12.

Moved By J. Starkey, **Seconded** By B. Donahue.

Motion: Move to Approve.

THE MOTION PASSED UNANIMOUSLY

16. Consider and discuss the purchase of 5/8" meters. (E. Samaniego) 🍷

Staff is recommending Board approval and award the contract to Water Works Metrology for the purchase of (40) 5/8" water meters for \$13,472.00

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

Motion: Move to Approve.

THE MOTION PASSED UNANIMOUSLY

17. Consider and discuss for possible approval of Financial Reports for August 2025. (E. Salazar) 🗣️

The Financial Reports were submitted to the Board for review. The Board formally approved the Financials as presented.

Moved By D. Boughter, **Seconded** By A. Lalonde.

Motion: Move to Approve.

THE MOTION PASSED UNANIMOUSLY

18. Consider and review Expenditures from September 16, 2025, to October 15, 2025. (C. Galvan) 🗣️

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

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

Motion: Move to Approve.

THE MOTION PASSED UNANIMOUSLY

19. 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 the Port Isabel-San Benito Navigation District for the Seawater Intake Facilities.

S. Friedman, Chairman of the Laguna Madre Water District's Board of Directors, took the following action: that an Executive Session be included on the agenda for the said meeting, which was duly posted at the office of the District, authorizing the holding of such a closed or Executive Session.

The Chairman entertained the motion to enter into Executive Session. Dr. Lalonde moved, with Mr. Boughter seconding, to initiate the **Executive Session** at **6:16 PM**. Dr. Lalonde put forth a motion, seconded by J. Starkey, to adjourn the **Executive Session** at **6:36 PM**. The only matters discussed during the Executive Session were addressed by the Board of Directors, who then proceeded to the next agenda item

20. Consider and action on EXECUTIVE SESSION item(s), if necessary.

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

Motion: Move to Approve to Proceed as Directed

THE MOTION PASSED UNANIMOUSLY

21. Adjournment

No additional business remained; the meeting was adjourned at **6:38 PM**.


SCOTT FRIEDMAN, CHAIRMAN
WILLIAM DONAHUE, DIRECTOR

MINUTES APPROVED THIS 12TH DAY OF NOVEMBER 2025.