

MINUTES

Workshop Meeting
Laguna Madre Water District
Board of Directors
Wednesday August 12, 2026
4:34 PM – 5:15 PM
Board Room
105 Port Rd. Port Isabel, TX 78578

1. **The Vice-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.**

Vice-Chairman A. Lalonde initiated the meeting by confirming the presence of a quorum. With all members in attendance the official status of the meeting was established.

PRESENT

Adam Lalonde, Vice-Chairman
William "Bill" Donahue, Director
David "Dave" Boughter, Director

ABSENT

Scott Friedman, Chairman
Jason Starkey, Secretary

LMWD STAFF

Noe Cantu, Jr., Interim General Manager
Brian Hansen, Attorney
Eduardo Salazar, Director of Finance
Enrique Samaniego, Purchasing Agent
Mary Gamboa, Human Resources
Joel Lopez, Superintendent
Brandon Edge, Information Tech Specialist
Ana Lopez, Executive Secretary

virtually via ZOOM

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2. **Pledge of Allegiance and Invocation**

The meeting commenced with the Pledge of Allegiance. Director David Boughter led the invocation.

3. **Discuss Budget – General Fund 2026-2027**

The Board discussed the proposed budget, which includes the following highlights:

- Discuss on Revenue Projections

E. Salazar explained that projected revenues are approximately \$500,000 less than last years. The reduction is primarily driven by two factors: sewer services and declined water consumption. The revenue from other sewer services caused a decrease of approximately of \$100,000. Secondly, a significant loss from Isla Blanca Park renovations impacting water consumption of approximately \$150,000 as well as lower industrial consumption from customers like Texas Pack.

- No Rate Increases: The budget avoids increasing water and sewer rates.
- Budget Expense Summary

The proposed budget includes cuts to salaries, operations, and administration to offset lower revenue. However, certain costs are increasing significantly, such as Electricity, Insurance and uniforms. Electricity costs will rise due to the new contact moving rates. Property and windstorm insurance for the new facility is expected to reach \$791,000 next

year. Uniforms show an increase of nearly \$60,000 because of scheduled biennial replacements for uniforms and boots.

- Capital Outlay: \$548,000 proposed for capital outlay expenses.

\$757,661.90 of capital outlay was denied due to funding limitations.

- No Rate Increases: The budget avoids increasing water and sewer rates.

Director Donahue requested a comprehensive comparison of rates with surrounding municipalities such as East Rio Hondo and Los Fresnos.

- Discuss on Declined Capital Outlay Requests

Mr. Cantu and E. Salazar emphasized the need for a healthy capital schedule ideally around \$712,000 to avoid expensive emergency repairs on lift stations and aging machinery/vehicles. Discussion included using existing surplus funds from previous rate increases to address high-priority infrastructure needs without immediate rate hikes.

- Cybersecurity

The Board discussed potential vulnerabilities regarding cybersecurity following reports of municipal hacks and requested formal report via executive session if needed.

- Rate Adjustments

The Board requested that staff present several options at the next meeting involving a potential 2% cost of living (COLA) for employees and perhaps a 4% or 5% rate increase to fund approximately \$321,000 in necessary capital projects (such as the left station wet wells).

4. Adjournment

No additional business remained; the meeting was adjourned at 5:15 PM.



ADAM LALONDE, VICE-CHAIRMAN



DAVID BOUGHTER, DIRECTOR

**SIGN
HERE**

MINUTES APPROVED THIS 26th DAY OF AUGUST 2026.