


**MINUTES**  
 Regular Meeting  
 Laguna Madre Water District  
 Board of Directors  
 Wednesday, March 13, 2024  
 5:32 PM – 6:14 PM  
 Board Room  
 105 Port Rd. Port Isabel, TX 78578


1	<p>Vice-Chairman A. Lalonde facilitated the meeting, and the following present constituted a quorum:</p> <p><b><u>PRESENT</u></b></p> <p>Adam Lalonde, Vice-Chairman          William "Bill" Donahue, Director          Dave Boughter, Director</p> <p><b><u>ABSENT</u></b></p> <p>Scott Friedman, Chairman          Jason Starkey, Secretary</p> <p><b><u>LMWD STAFF</u></b></p> <p>Carlos J. Galvan, Jr., General Manager          Robert Gomez, Director of Operations          Charles Ortiz, District Engineer          Eduardo Salazar, Director of Finance          Enrique Samaniego, Purchasing Agent          Brandon Edge, Information Tech Specialist          Santiago Ochoa, IV, Superintendent of Wastewater          Noe Cantu, Superintendent of Water          Mary Gamboa, Human Resources          Brian Hansen, Attorney</p> <p style="text-align: right;">Virtually through ZOOM</p>	
2	<p><u>Pledge of Allegiance and Invocation.</u></p> <p>The meeting began with the Pledge of Allegiance. E. Salazar said the Opening Prayer.</p>	
3	<p><u>Invitation to the Audience for Public Comments</u></p> <p>Comments:</p> <ul style="list-style-type: none"> <li>• No questions or comments from the audience or Staff</li> </ul>	PUBLIC COMMENTS
4	<p><u>Consider and discuss the possible approval of the Minutes from the Regular Meeting on February 28, 2024. (C. Galvan) 🗨️</u></p> <p>Discussion: The Board approved the Minutes as presented.</p> <p style="text-align: center;"><b><u>The motion carried unanimously:</u></b></p> <p style="text-align: center;"><b>MOVED BY W. DONAHUE, SECONDED BY D. BOUGHTER.</b></p> <p style="text-align: center;"><b>MOTION: MOVE TO APPROVE.</b></p>	MOTION CARRIED

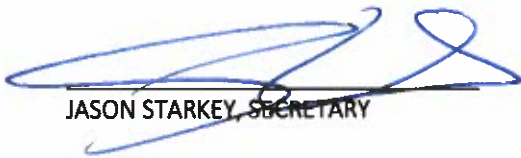
5	<p><u>General Manager's Report</u></p> <p>Mr. Galvan reported on:</p> <p><u>Reservoir Levels</u> - C. Galvan reported the water supply slightly increased to 22.4%. The District's Drought Management remains in Stage 3. C. Galvan noted possible Stage 4 if water levels drop under 15%, which involves more water restrictions.</p> <p><u>Update on April's Schedule for Meetings</u> - The Board discussed the schedule for April. The schedule is as follows:</p> <ul style="list-style-type: none"> <li>• March 27, 2024, Regular Meeting established</li> <li>• April 10, 2024 – Regular Meeting Canceled. The Board and Staff Travel – Texas Water Conference</li> <li>• April 24, 2024 – Workshop Meeting at 4 PM and Regular Meeting at 5:30 PM</li> </ul>	GENERAL MANAGER'S REPORT
6	<p><u>Director of Operation's Report</u> 💧</p> <p><u>Monthly Report</u> - February's comparison to January illustrated a decrease for the Distribution Department. The Collection Department went up. The Pre-Treatment and Lift Stations Department had a slight decline. Mr. Gomez gave a breakdown of each department.</p> <p>An update followed by a discussion on the issues with meters: Staff reported it is an ongoing issue but is keeping up with it. The meters manufactured from 2017 to 2018 are going bad, but we are seeing some improvement in the new meters that have been installed. The Staff has regular meetings with Mueller and makes sure the inventory stays at the appropriate level to maintain enough stock to replace the meters that go bad.</p>	DIRECTOR OF OPERATION'S REPORT
7	<p><u>District Engineer's Report</u> 💧</p> <p>Mr. Ortiz reported on:</p> <p><u>Unlimited Tax Bonds, Series 2022 Balance</u> – Update the status for the 26.23 million:</p> <ul style="list-style-type: none"> <li>• Starting balance for this fiscal year – 20.5 million</li> <li>• The expenses through March 1, 2024, have been 1.5 million</li> <li>• 16 Million encumbered includes some of the actions on the agenda below for the Seawater</li> <li>• The balance is about 3 million available to apply to future work</li> </ul> <p><u>Bond Application Report for Proposition 2 – Seawater Desal</u> - Proposed funding:</p> <ul style="list-style-type: none"> <li>• An initial request for 3.25 million for the Seawater Desalination Facility Feasibility Study (estimated cost of \$450,000) and Seawater Plant-Pilot Study (estimated cost of \$2,586,150)</li> <li>• Total Study and Pilot phase cost of \$3,036,150</li> <li>• Total Non-Construction Costs \$213,850</li> <li>• Total Bond Issue \$3,250,000</li> </ul> <p>A meeting is scheduled for Tuesday, March 19, with the Financial Advisor and Bond Counsel for an in-house discussion to ensure everyone is on the same page with this approach. Then, possibly set a meeting with TCEQ before making the submittal so the review process can begin with Proposition 2.</p> <p>David Pettry, with NorrisLeal Representative, was present at the meeting and described details of the Pilot Study process, followed by comments and questions.</p>	DISTRICT ENGINEER'S REPORT

8	<p><u>Discuss and take action on a Resolution Expressing Official Intent to Reimburse Costs related to Purchasing, Constructing, Acquiring, Owning, Operating, Repairing, Improving, Extending, or Paying for a Seawater Desalination Plant from Tax-Exempt Obligations and Other Matters related thereto (Resolution No. 209-03-2024). (C. Ortiz) 🔹</u></p> <p>Discussion: District Engineer C. Ortiz noted this is a request to make any expenses eligible for Proposition 2 for Seawater Funds to be available on a reimbursement basis at closing. Bond Counsel drafted this Resolution requesting an estimated amount not to exceed \$4 Million, which is the cost at the time of closing – it will reimburse for the expenses that occurred on Proposition 2. The Board resolved and adopted the Resolution presented.</p> <p style="text-align: center;"><u>The motion carried unanimously:</u>  <b>MOVED BY W. DONAHUE, SECONDED BY D. BOUGHTER.</b>  <b>MOTION: MOVE TO APPROVE.</b></p>	MOTION CARRIED
9	<p><u>Consider and discuss for possible approval of Work Order with NorrisLeal, LLC for Seawater Plant Pilot Protocol. (C. Ortiz) 🔹</u></p> <p>Discussion: District Engineer C. Ortiz noted this Work Order covers the protocol that establishes the methodology for what gets submitted to TCEQ. C. Ortiz requested approval of a Work Order amount not to exceed \$65,000. The Board approved the Work Order as presented.</p> <p style="text-align: center;"><u>The motion carried unanimously:</u>  <b>MOVED BY D. BOUGHTER, SECONDED BY W. DONAHUE.</b>  <b>MOTION: MOVE TO APPROVE.</b></p>	MOTION CARRIED
10	<p><u>Consider and discuss for possible approval of Work Order with NorrisLeal, LLC for Seawater Plant Pilot Plant Design. (C. Ortiz) 🔹</u></p> <p>Discussion: District Engineer C Ortiz described the work order for the seawater plant-pilot plant design as a proposal for negotiation to place the plant-pilot at the Texas Pack Property. The District is negotiating with Texas Pack to get that site for the Pilot portion of the work. Questions were asked and answered. The Board agreed and approved proceeding with the design recommendation and not exceeding the cost of \$172,000.</p> <p style="text-align: center;"><u>The motion carried unanimously:</u>  <b>MOVED BY D. BOUGHTER, SECONDED BY W. DONAUE.</b>  <b>MOTION: MOVE TO APPROVE.</b></p>	MOTION CARRIED

11	<p><u>Consider and discuss the possible approval of Financial Reports for November 2023. (E. Salazar) 💧</u></p> <p>Discussion: E. Salazar directed the Board to the Financial presentation that had been provided in the packet and highlighted that November was the first month of the rate increase, and revenues came in higher than expected for that first month. The Board approved the November Financials as presented.</p> <p style="text-align: center;"><u>The motion carried unanimously:</u>  <b>MOVED BY D. BOUGHTER, SECONDED BY W. DONAHUE.</b></p> <p style="text-align: center;"><b>MOTION: MOVE TO APPROVE.</b></p>	MOTION CARRIED
12	<p><u>Consider and discuss the possible approval of Windstorm, Hurricane, and Hail Insurance Coverage. (E. Samaniego) 💧</u></p> <p>Discussion: Purchasing Agent E. Samaniego noted the contract proposal for renewal was \$296,233.49 with Montalvo Insurance Agency. The Board informed Staff of concerns about how it was over budget and cautioned them to be careful with the next budget because insurance is still increasing. Director E. Salazar mentioned the rise in insurance caused by damages to the area last year. Discussion ensued.</p> <p>The representatives from the insurance agency were present at the meeting, gave details on the increasing costs of insurance and answered questions.</p> <p>Board Recommendation for next year - Insurance Bids need to be bid out better for next time to avoid surprising costs, calling attention to the increase of 56% last year and 26% this year, a costly \$60,000</p> <p>The Board agreed to accept the renewal for the Windstorm, Hurricane, and Hail Insurance Coverage as presented.</p> <p style="text-align: center;"><u>The motion carried unanimously:</u>  <b>MOVED BY D. BOUGHTER, SECONDED BY W. DONAHUE.</b></p> <p style="text-align: center;"><b>MOTION: MOVE TO APPROVE.</b></p>	MOTION CARRIED
13	<p><u>Consider and discuss the possible approval of the Air Supply Line for the Wastewater Plant. (E. Samaniego) 💧</u></p> <p>Discussion: Purchasing Agent E. Salazar described the aeration line at the Andy Bowie Wastewater Treatment Plant as damaged and not in good condition (patchwork was also done in the past). The Board accepted the proposal.</p> <p style="text-align: center;"><u>The motion carried unanimously:</u>  <b>MOVED BY W. DONAHUE, SECONDED BY D. BOUGHTER.</b></p> <p style="text-align: center;"><b>MOTION: MOVE TO APPROVE.</b></p>	MOTION CARRIED

12	<p><u>Consider and review Expenditures from February 16, 2024, to February 29, 2024. (C. Galvan) </u></p> <p>Discussion: The Board accepted the expenditures as presented.</p> <p style="text-align: center;"><u>The expenditures acknowledged by:</u> W. DONAHUE, D. BOUGHTER, and A. LALONDE.</p>	ACKNOWLEDGED
13	<p><u>Adjournment</u></p> <p>There was no further business; the meeting was adjourned.</p>	<p>MEETING ADJOURNED @ 6:14 PM</p>

  
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SCOTT FRIEDMAN, CHAIRMAN

  
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JASON STARKEY, SECRETARY



MINUTES APPROVED THIS 27<sup>TH</sup> DAY OF MARCH 2024.