

12 February 2025

Attention to: The Laguna Madre Water District Board of Directors

Re: LETTER OF RECOMMENDATION FROM BOND COMMITTEE TO PROPOSE TAX BOND ELECTION

Best Board of Directors

The Bond Committee hereby finds sufficient cause for and thus our recommendation to approve the Tax Bond Project for the upcoming election 3 May 2025.

As the Falcon & Amistad Reservoir System continues to have capacity at historic lows, the Laguna Madre Water District intends to **Address an Alternative Supply to the Rio Grande by Constructing a Seawater Desalination Facility.**

In 2011, a majority of voters approved a \$15,655,000 Tax Bond for Seawater Desalination. In November 2024, Laguna Madre Water District issued \$10,000,000 of bonds to complete Planning, Acquisition, Pilot Study, and Design. Remaining existing authority is \$5,655,000.

Upon thorough examination by the Bond Committee, in conjunction with the staff at Laguna Madre Water District and engineering firm NorrisLeal, LLC, project summary follows:

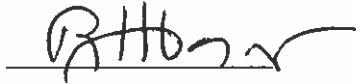
1. Implement a Seawater Desalination Treatment Facility as a modification to Water Treatment Plant No. 1, located in Port Isabel.
2. Produce up to 5 Million Gallons per Day (MGD) of Potable Water from Raw Seawater Intake.
3. Locate Proposed Intake Structure at the Port Isabel Turning Basin, sized to handle up to 20 MGD of raw water, which allows for a future plant expansion to produce up to 7.5 MGD of potable water.
4. Obtain Water Rights Permit to divert new appropriation of water from the Port Isabel Channel Turning Basin, Nueces-Rio Grande Coastal Basin for municipal use in Cameron County.
5. Obtain Industrial Wastewater Discharge Permit for RO Concentrate disposal that will come along with existing outfall extension for Port Isabel Wastewater Treatment Facility & Texas Pack.

Projected **community investment** is as follows:

ITEM NO.	DESCRIPTION	COMMUNITY INVESTMENT
1	Remaining Existing Authority	(\$5,655,000)
2	Seawater Intake at Turning Basin	\$18,000,000
3	Raw Water Pipeline	\$1,200,000
4	Reverse Osmosis Plant	\$37,500,000
5	Waste Discharge Pump Station	\$3,000,000
6	Environmental Mitigation	\$1,000,000
7	Construction Management	\$2,000,000
8	Non-Construction Costs	\$1,955,000
REQUESTED AMOUNT FOR 3 MAY 2025 BOND ELECTION		\$59,000,000

Requested funds "Not to Exceed" additional \$0.07000 per \$100 of taxable property value.

PROPERTY VALUE	FAMILY INVESTMENT
\$125,000	\$87.50 / year
\$250,000	\$175.00 / year
\$500,000	\$350.00 / year



Rudy Garcia, Chair of Bond Committee



Jerry McDonald, Vice Chair of Bond Committee

Martin Cantu, Jr; Jim Fuller, Jr; Teresa Bryant