

MINUTES
Regular Meeting
Laguna Madre Water District
Board of Directors
Wednesday, November 13, 2024
5:30 PM – 7:48 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, with his facilitation, commenced the meeting by establishing a quorum. Four members were present, affirming the meeting's official status.

PRESENT

Scott Friedman, Chairman
Adam Lalonde, Vice-Chairman arrived at 5:35 PM
William "Bill" Donahue, Director
Dave Boughter, Director

ABSENT

Jason Starkey, Secretary



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

2. Pledge of Allegiance and Invocation

The meeting began with the Pledge of Allegiance. Director Operations R. Gomez led the Invocation.

3. Invitation to the Audience for Public Comments

No Comments.

4. Consider and discuss for possible approval of the Minutes from the Regular Meeting on October 23, 2024. (C. Galvan)

The minutes were provided to the Board for review.

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

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

5. Administer the Oath of Office for the Newly Relected Board of Directors. (C. Galvan)

Judge Bo Ochoa, IV swore in the three newly relected Board of Directors:

- Scott Friedman, Place 2
- William Donahue, Place 3
- Dave Boughter, Place 4

6. Consider and approve the Reorganization of the Officers. (C. Galvan)

The Board agreed and approved for the Organization of Officers to remain the same as follows:

- Chairman, Scott Friedman
- Vice-Chairman, Adam Lalonde
- Secretary Jason Starkey
- Director William "Bill" Donahue
- Director Dave Boughter

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

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

7. Consider and approve the Reorganization of the Committees Lists. (C. Galvan) 💧

The Board agreed and approved for the Committee's List to remain the same as follows:

- Audit Committee
 - Scott Friedman
 - Adam Lalonde
- Budget Committee
 - William Donahue
 - Adam Lalonde
- Insurance Committee
 - William Donahue
 - Scott Friedman
- Professional Services Committee
 - Dave Boughter
 - Jason Starkey
- Annexation Committee
 - Dave Boughter
 - Jason Starkey

Moved By A. Lalonde, Seconded By W. Donahue.

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

8. General Manager's Report

- Reservoir Levels - C. Galvan gave an update:
 - The combined storage levels for Amistad and Falcon Lake were at 20.7% (copy attached)
 - The District's Drought Management remains in Stage 3 to conserve water.
 - C. Galvan noted that he requested a date for when water will be released to the U.S. from Mexico, but no date has been set. It will be soon, but not a lot.
- Employees Awards Banquet Dinner – C. Galvan announced:
 - The Awards Banquet is on Saturday, December 7, 2024
- 2nd meeting in November – C. Galvan noted that the second meeting would be held the day before Thanksgiving and checked with staff; nothing needs immediate attention; therefore, he recommended no meeting on November 27. The Board determined as follows:
 - There will be no meeting on November 27 because of the Thanksgiving Holiday.
 - For December - one meeting only on December 11

9. Director of Operation's Report 💧

- Monthly Report- Service Orders and Callouts for October 2024
 - The comparison is from October to September
 - The Distribution Department showed an increase in October (330) compared to September (223)
 - The Collection Department showed an increase in October (72) compared to September (46)
 - The Pre-Treatment and Lift Stations showed an increase in October (49) compared to September (46)
 - A breakdown was given for each department.
- Lead Service line Inventory Update
 - N. Cantu, Superintendent of Water, mentioned that in March 2023, the EPA mandated that the District look at individual service lines for lead. The Distribution Department verified over 7,770 accounts. On October 16, the District reported to TCEQ that the majority of the accounts were cleared, and 54 were unknown. Out of the 54 unknowns, nine have been removed as cleared. The lead service line resistance study will be an annual update provided to TECQ and a continual investigation.

10. District Engineer's Report 💧

- Water System Improvements Schedule - C. Ortiz presented a chart of the schedule, and the following were discussed:
 - Raw Water Transfer Pump Station – Reservoir #3 to Reservoir #1
 - The current schedule has a completion date of September 9- We have already received the MF equipment. We are confident that we can beat the schedule.
 - The Installation of the Ground Storage Tank piers and subgrade is complete. Preload will mobilize in December 2024 to complete the prestressed concrete tank by April 2025
 - David Pettry with NorrisLeal gave an update on the Seawater Project, followed by questions and answers.
 - Jacob Castaneda, from SWG Engineers, updated us on the Long Island Village Project for the Sanitary, Water, and Paving Improvements. Photos of the site inspection were provided (copy attached)

11. Consider and discuss for possible approval of Budget Amendment for Long Island Village Water and Sewer Improvements. (C. Ortiz) 

District Engineer C. Ortiz requested a budget increase of \$67,841.40 to be added for the construction materials testing and observation services and tracer wire to the water main.

The Board approved.

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

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY


12. Consider and discuss for possible approval of Change Order No. 1 with Southern Trenchless Solutions for Tracer Wire Installation on all watermains. (C. Ortiz) 

The Board approved.

Moved By A. Lalonde, Seconded By W. Donahue.

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

13. Consider and discuss for possible approval of Change Order No. 4 with Ferguson Service Systems, Inc. for Water Plant 1 Construction. (C. Ortiz) 

District Engineer C. Ortiz requested approval of an \$18,538.09 increase for an NSF-approved coating required for the reservoir.

The Board approved.

Moved By A. Lalonde, Seconded By W. Donahue.

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

14. Director of Finance Report 💧

- Credit Rating Update – E. Salazar gave an update on credit analysis from Moody’s Ratings. On October 28, 2024, the District downgraded the GOULT rating to Aa3 from Aa2 and affirmed the A1 revenue rating. The District has posted general fund deficits for the past two years largely due to capital outlay, and this has brought the available general fund balance down to 40.9% of revenue; the fund balance was over 60% of revenue from 2019-2021.
 - Financial Advisor Noe Hinojosa from Estrada Hinojosa, who was virtually through ZOOM, presented detailed credit considerations and answered questions regarding Moody’s Ratings.
 - N. Hinojosa suggested developing a line of credit (\$5- \$10 million) and building our reserves over time.
 - A. Lalonde requested information on raising our reserves and what we should raise our reserves to.

15. Consider and review Expenditures from October 1, 2024, to October 31, 2024. (C. Galvan) 💧

The Expenditures were provided for review and acknowledged by the Board.

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

Motion: Move to Approve.

THE MOTION CARRIED UNANIMOUSLY

16. EXECUTIVE SESSION permitted by the Open Meetings Act, V. T. C. A., Government Code Section 551.001 Et. Seq., under Section 551.071, Consultation with Attorney; under Section 551.072, Deliberations about Real Property: 💧

Discussion and possible action concerning negotiations with Hess Corporation and Port Isabel-San Benito Navigation District for the Seawater Intake Structure and Pipeline.

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

That an Executive Session was on the agenda for said meeting duly posted at the office of the District;

Which authorizes the holding of such closed or Executive Session:

Upon a motion by A. Lalonde and seconded by D. Boughter, the Board convened into Executive Session at 6:23 PM, and upon motion by D. Boughter and seconded by A. Lalonde, the Executive Session ended at 7:47 PM.

The only matters described in the Executive Session were discussed by the Board of Directors, who took action on the next item below;

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

The Chairman noted that, as discussed in the executive session, entertained the motion to proceed as directed.

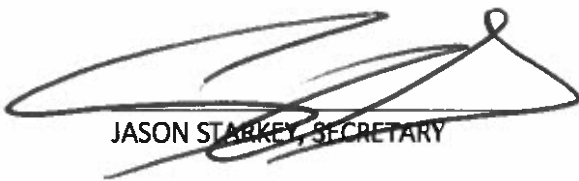
Moved By A. Lalonde, Seconded By W. Donahue.

Motion: Move to Approve.

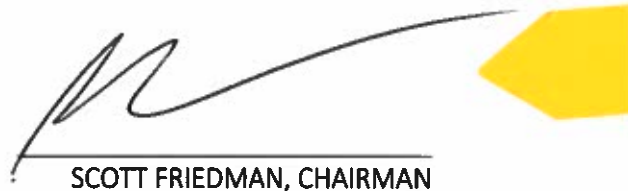
THE MOTION CARRIED UNANIMOUSLY

18. Adjournment

There was no further business; the meeting adjourned at 7:48 PM.



JASON STARKEY, SECRETARY



SCOTT FRIEDMAN, CHAIRMAN

MINUTES APPROVED THIS 11TH DAY OF DECEMBER 2024.