

**NOTICE OF BOND ELECTION
TO BE HELD BY THE LAGUNA MADRE WATER DISTRICT**

Below is a copy of the Order Calling a Bond Election to be held on Tuesday, November 7, 2017, in the Laguna Madre Water District, which serves as the notice of such election required by Section 4.003 of the Texas Election Code.

ORDER CALLING A BOND ELECTION FOR THE LAGUNA MADRE WATER DISTRICT AND MAKING PROVISIONS FOR CONDUCTING SUCH ELECTION AND OTHER PROVISIONS INCIDENTAL AND RELATED THERETO

WHEREAS, the Laguna Madre Water District (the "*District*"), duly operates as a conservation and reclamation district under and essential to accomplish the purposes of Section 59, Article XVI of the Texas Constitution; and

WHEREAS, the District currently operates pursuant to Chapters 49 and 54, Texas Water Code, as amended; and

WHEREAS, the Board of Directors of the District (the "*Board*") deems it advisable to call the election hereinafter ordered; and

WHEREAS, there has been approved the date hereof and filed in the office of the District, open to inspection by the public, an engineer's report covering the facilities to be voted including the works, improvements, facilities, land, plants, equipment and appliances to be purchased, acquired and constructed by the District and the property, contract rights, rights of use and interests in property to be purchased or acquired as well as the estimated cost of all the foregoing, together with maps, plats, profiles and data showing and explaining the report, and the report has been carefully considered by the Board and has been fully approved by the Board; however, the engineer's report is not part of the proposition to be voted on or a contract with the voters; and

WHEREAS, said works, improvements, facilities, land, plants, equipment, appliances, property, contract rights, rights of use and interests in property are designed and intended to expand and improve the waterworks and wastewater system for properties inside and outside the District; and

WHEREAS, the engineer's report heretofore filed and approved contains an estimate of the cost of the purchase, acquisition and construction of the proposed works, improvements, facilities, land, plants, equipment, appliances and an estimate of the District's cost due or to become due under contracts and the cost of purchasing and acquiring such property, contract rights, rights of use and interests in property, administrative facilities and expenses incident thereto, as generally follows:

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Proposition A Construction Costs	Total Estimated Costs
Water Plant 2 – New Sludge Drying Basins & Backwash Waste Pump Station	\$1,535,150
Port Isabel Wastewater Treatment Plant (WWTP) Sludge Holding Tank	\$1,642,000
Lift Station Rehabilitation	\$4,904,750
Isla Blanca WWTP Aeration Basin Hydraulic Improvements	\$986,700
Andy Bowie Wastewater Treatment Plant New Headworks for Grit Removal	\$2,006,750
Andy Bowie Wastewater Treatment Plant Energy Efficiency Improvements	\$2,178,100
Isla Blanca Wastewater Treatment Plant Grit Removal and Headworks	\$2,526,550
TOTAL PROPOSITION A CONSTRUCTION COSTS	<u>\$15,780,000</u>
Non-Construction Costs	
Legal:	
Bond Counsel	\$83,900
Attorney General	\$9,500
Verification Agent:	
Paying Agent Registrar (Prepaid Fees)	\$500
Rating Agencies:	
MAC Fee	\$1,978
Travel	\$3,500
Texas Commission on Environmental Quality Bond Issuance Fee [0.25%]	\$39,450
Postage and Federal Express	\$2,500
Miscellaneous	\$10,902
Financial Advisory Fee	\$155,610
Texas Water Development Board Origination Fee [2.2%]	\$347,160
TOTAL PROPOSITION A NON-CONSTRUCTION COSTS	<u>\$655,000</u>
TOTAL PROPOSITION A BOND ISSUE REQUIREMENTS	<u>\$16,435,000</u>

WHEREAS, the Board finds that the above estimate of \$16,435,000 is reasonable and proper and hereby approves the same and all items thereof but reserves the right to authorize amendments to the engineer's report and to reallocate costs and make such other changes as necessary to meet the changing requirements of the District's system; and

WHEREAS, Section 54.505, Texas Water Code, provides that bonds payable wholly or partially from ad valorem taxes shall not be issued until authorized by a majority vote of the resident electors of the District voting in an election called and held for that purpose; and

WHEREAS, the District desires to conduct the election hereinafter ordered as a joint election in conjunction with the elections to be held on the same date by Cameron County and other political subdivisions within Cameron County; and

WHEREAS, pursuant to Chapter 271, Texas Election Code, the District shall enter into a joint election agreement with Cameron County (the "**Joint Election Agreement**") to hold such elections jointly in the election precincts that can be served by common polling places (subject to Section 271.003, Texas Election Code, which permits the regular Cameron County polling places to be used for a common polling place in a joint election and further permits the use of a common polling place that is located outside the boundary of the election precinct of the District if the location can adequately and conveniently serve the affected voters and will facilitate the orderly conduct of the election); and

WHEREAS, the Board wishes to proceed with the ordering of said election;

BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE LAGUNA MADRE WATER DISTRICT THAT:

Section 1. The matters and facts set out in the preamble of this order are hereby found and declared to be true and complete.

Section 2. The engineering report estimates of costs hereinabove mentioned is hereby approved; provided, however, the District reserves the right to authorize amendments to the engineer's report and to reallocate costs and make such other changes as necessary to meet the changing requirements of the District.

Section 3. An election is hereby ordered and shall be held within the District on **November 7, 2017**, between the hours of 7:00 a.m. and 7:00 p.m..

For the purpose of holding said election the District is divided into two election precincts, each of which is composed of the territory included in certain Cameron County election precincts as shown below. The Cameron County election precincts included in each election precinct of the District and the polling place for each election precinct of the District shall be as follows:

PRECINCTS	LOCATION	ADDRESS	CITY
<i>Parts 1, 59, 67, 83</i>	<i>Port Isabel City Hall</i>	<i>305 E. Maxan St.</i>	<i>Port Isabel</i>
<i>Part 52</i>	<i>South Padre Island City Hall</i>	<i>4601 Padre Blvd.</i>	<i>South Padre Island</i>

The Presiding Judge, Alternate Presiding Judge and election clerks for each of the election precincts and the polling places shall be appointed by Cameron County pursuant to the Joint Election Agreement.

Section 4. The following proposition shall be submitted to the resident electors of the District:

LAGUNA MADRE WATER DISTRICT PROPOSITION A

SHALL THE BOARD OF DIRECTORS OF THE LAGUNA MADRE WATER DISTRICT BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF \$16,435,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING TWENTY (20) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, OPERATING, REPAIRING, IMPROVING, EXTENDING, OR PAYING FOR INSIDE AND OUTSIDE THE DISTRICT'S BOUNDARIES, ANY DISTRICT WORKS, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT, APPLIANCES AND ALL COSTS NEEDED TO ACCOMPLISH THE PURPOSES OF THE DISTRICT AUTHORIZED BY ARTICLE 16, SECTION 59 OF THE TEXAS CONSTITUTION, THE TEXAS WATER CODE OR ANY OTHER LAW, TO PROVIDE THE WORKS, IMPROVEMENTS, FACILITIES, PLANTS,

EQUIPMENT AND APPLIANCES TO EXPAND AND IMPROVE THE DISTRICT'S WATERWORKS SYSTEM AND SANITARY SEWER SYSTEM, INCLUDING, BUT NOT LIMITED TO, ALL ADDITIONS TO SUCH SYSTEMS AND ALL WORKS, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT, APPLIANCES, INTERESTS IN PROPERTY, AND CONTRACT RIGHTS NEEDED THEREFOR, ADMINISTRATION, INTEREST AND OPERATING COSTS DURING CONSTRUCTION, FUNDING A CONTINGENCY FUND, AND ADMINISTRATIVE FACILITIES NEEDED IN CONNECTION THEREWITH, AND TO REFUND ANY BONDS OR OTHER EVIDENCES OF INDEBTEDNESS ISSUED BY THE DISTRICT FOR ANY OF THE FOREGOING PURPOSES OR REFUNDING PURPOSES IN ANY AMOUNT NOT TO EXCEED ONE AND ONE-HALF TIMES THE AMOUNT OF BONDS OR OTHER EVIDENCES OF INDEBTEDNESS ISSUED BY THE DISTRICT AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS NOW OR HEREAFTER AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

Section 5. Voting in the election for the proposition shall be by the use of electronic or paper ballots which shall show the proposition in both English and Spanish and which shall conform to the requirements of federal law, including the Help America Vote Act, and the Texas Election Code, as amended. The order for items on the ballot shall be in accordance with the Texas Election Code. The ballots used in the election shall contain the following:

LAGUNA MADRE WATER DISTRICT PROPOSITION A

- () FOR THE ISSUANCE OF \$16,435,000 BONDS AND THE LEVY OF TAXES IN PAYMENT OF THE BONDS.
- () AGAINST

Each voter shall vote on the proposition by placing an "X" in the square beside the statement indicating the way he or she wishes to vote.

Section 6. Oral assistance in Spanish shall be made available to all persons requiring such assistance. Any person requiring oral assistance in Spanish should contact the presiding judge or the early voting clerk.

Section 7. Any qualified voter for this election may vote early by personal appearance at the early voting polling locations, dates, and times set forth in the attached **Exhibit A**.

Persons voting by mail may send their request and voted ballots to the Cameron County Elections Department, P.O. Box 3587, Brownsville, Texas 78522.

The Early Voting Clerk shall be appointed by the Elections Administrator and pursuant to the Joint Election Agreement. An Early Voting Ballot Board will be created by Cameron County pursuant to the Joint Election Agreement to process early voting results.

Section 9. The election shall be held and conducted and returns shall be made to the Board in accordance with state and federal law, including the Federal Help America Vote Act and the Texas Election Code as modified by Chapters 49 and 54, Texas Water Code. The General Manager or the Director of Finance are each hereby authorized and instructed to enter into the Joint Election Agreement with Cameron County for the purposes of carrying out the purposes of this section.

Section 10. General Statements. In accordance with the provisions of Section 3.009(b), Texas Election Code, it is hereby found and determined that:

(a) The proposition language that will appear on the ballot is set forth in Section 5 hereof.

(b) The purpose for which the bonds are to be authorized is set forth in Section 4 hereof.

(c) The principal amount of the debt obligations to be authorized is set forth in Sections 4 and 5 hereof.

(d) As set forth in Sections 4 and 5 hereof, if the bonds are approved by the voters, the Board will be authorized to levy annual ad valorem taxes, on all taxable property in the District, sufficient, without limit as to rate or amount, to pay the principal of and interest on the bonds and the cost of any credit agreements executed in connection with the bonds.

(e) Based upon the bond market conditions at the date of adoption of this Order, the maximum interest rate for any series of the bonds is estimated to be 5% as calculated in accordance with applicable law. Such estimate takes into account a number of factors, including the issuance schedule, maturity schedule and the expected bond ratings of the proposed bonds. Such estimated maximum interest rate is provided as a matter of information, but is not a limitation on the interest rate at which the bonds, or any series thereof, may be sold.

(f) As set forth in Section 4 hereof, if the bonds are approved, they may be issued in one or more series, to mature serially, over a period not to exceed 20 years.

(g) The aggregate amount of the outstanding principal of the District's debt obligations, through respective maturity, (all of which are secured by an unlimited tax levied for debt service purposes) as of the beginning of the District's 2016-17 fiscal year is \$16,835,000.00.

(h) The aggregate amount of the outstanding interest of the District's debt obligations (all of which are secured by an unlimited tax levied for debt service purposes) as of the beginning of the District's 2016-17 fiscal year is \$5,563,502.88.

(i) The ad valorem debt service tax rate for the District for the 2016-17 fiscal year is \$0.045 per \$100 of taxable assessed valuation.

Section 11. All qualified resident electors of the District shall be entitled to vote in the elections.

Section 12. The District shall cause a copy of this Order (in English and Spanish) to be posted and published as notice of the election ("Notice") required by Sections 4.003(a)(1)(A), (b) and (f), Texas Election Code. The General Manager and the Director of Finance are authorized to correct, complete and revise the Notice to conform to changes required by the Joint Election Agreement or that occur subsequent to the passage of this Order.

Section 13. Immediately after the election, the officers holding same shall make and deliver returns of the results thereof to the Secretary of the Board, who shall safely keep them and deliver same to the Board, at which the Board shall canvass the returns and declare the results of the election pursuant to 49.101 of the Texas Water Code and Section 67.003, Texas Election Code, as amended.

Section 14. The Chairman and Secretary are authorized and directed to take any action necessary to carry out the provisions of this Order.

Section 15. It is hereby found that the meeting at which this Order has been considered and adopted is open to the public, as required by law, and that written notice of the time, place, and subject matter of said meeting, and to the proposed adoption of this Order, was given as required by 49.063, Texas Water Code, as amended. The Board further ratifies and confirms said written notice and the contents and posting thereof.

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PASSED AND APPROVED this 21st day of August, 2017.

LAGUNA MADRE WATER DISTRICT

By: _____
Chairman, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors

EXHIBIT A

Early voting by personal appearance will be conducted at the following locations, dates, and times:

LOCATION	ADDRESS	DATES	TIMES
Main Office (Former Elections Dept.)	Cameron County Courthouse 954 E. Harrison St. Brownsville, TX	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
		Saturday, Oct. 28	10:00 a.m. to 2:00 pm
		Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
		Thursday, Nov. 2 and Friday, Nov. 3	8:00 a.m. to 8:00 p.m.
Brownsville Public Library	Main Branch 2600 Central Blvd. Brownsville, Texas	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
		Saturday, Oct. 28	10:00 a.m. to 2:00 pm
		Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
		Thursday, Nov. 2 and Friday, Nov. 3	8:00 a.m. to 8:00 p.m.
Cameron County Harlingen Annex Bldg.	3302 Wilson Rd. Harlingen, Texas	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
		Saturday, Oct. 28	10:00 a.m. to 2:00 pm
		Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
		Thursday, Nov. 2 and Friday, Nov. 3	8:00 a.m. to 8:00 p.m.
San Benito Community Building	210 E. Heywood St. San Benito, Texas	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
		Saturday, Oct. 28	10:00 a.m. to 2:00 pm
		Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
		Thursday, Nov. 2 and Friday, Nov. 3	8:00 a.m. to 8:00 p.m.
Los Fresnos Community Building	204 N. Brazil St. Los Fresnos, Texas	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
		Saturday, Oct. 28	10:00 a.m. to 2:00 pm
		Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
		Thursday, Nov. 2 and Friday, Nov. 3	8:00 a.m. to 8:00 p.m.
La Feria Fire Station	200 E. Business 83 La Feria, Texas	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
		Saturday, Oct. 28	10:00 a.m. to 2:00 pm
		Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
		Thursday, Nov. 2 and Friday, Nov. 3	8:00 a.m. to 8:00 p.m.
South Padre Island City Hall	4601 Padre Blvd. South Padre Island, TX	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
		Saturday, Oct. 28	10:00 a.m. to 2:00 pm
		Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
		Thursday, Nov. 2 and Friday, Nov. 3	8:00 a.m. to 8:00 p.m.

LOCATION	ADDRESS	DATES	TIMES
Port Isabel City Hall	305 E Maxan St. Port Isabel, TX	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
		Saturday, Oct. 28	10:00 a.m. to 2:00 pm
		Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
		Thursday, Nov. 2 and Friday, Nov. 3	8:00 a.m. to 8:00 p.m.
Santa Rosa Maria Luisa Ruiz Guerra County Annex Bldg.	116 Santa Vista Ave. Santa Rosa, Texas	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
		Saturday, Oct. 28	10:00 a.m. to 2:00 pm
		Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
		Thursday, Nov. 2 and Friday, Nov. 3	8:00 a.m. to 8:00 p.m.
Bob Clark Social Service Center (formerly Browne Road Social Service Center	9901 California Rd. Brownsville, Texas	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
		Saturday, Oct. 28	10:00 a.m. to 2:00 pm
		Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
		Thursday, Nov. 2 and Friday, Nov. 3	8:00 a.m. to 8:00 p.m.
Rio Hondo City Hall	121 N. Arroyo Blvd. Rio Hondo, Texas	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
		Saturday, Oct. 28	10:00 a.m. to 2:00 pm
		Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
		Thursday, Nov. 2 and Friday, Nov. 3	8:00 a.m. to 8:00 p.m.
Valley Baptist Medical Center	2101 Pease St. Harlingen, Texas	Monday, Oct. 23 thru Wednesday, Oct. 25	9:00 a.m. to 6:00 p.m.
Valley Regional Medical Center	100A E. Alton Gloor Blvd. Brownsville, Texas	Thursday, Oct. 26 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.
Valley Baptist Medical Center	1040 W. Jefferson St. Brownsville, Texas	Monday, Oct. 30 thru Wednesday, Nov. 1	9:00 a.m. to 6:00 p.m.
Santa Maria ISD Administrative Bldg. Board Room	11119 Old Military Hwy 281 Santa Maria, Texas	Monday, Oct. 23 thru Friday, Oct. 27	9:00 a.m. to 6:00 p.m.