

NOTICE OF ELECTION

TO THE RESIDENT, QUALIFIED VOTERS OF THE
LONG ISLAND VILLAGE DEFINED AREA OF THE
LAGUNA MADRE WATER DISTRICT

TAKE NOTICE that an election will be held in the Long Island Village Defined Area of the Laguna Madre Water District on May 7, 2022 concerning the issuance of bonds in accordance with an order that reads substantially as follows:

ORDER CALLING A BOND ELECTION IN THE LONG ISLAND VILLAGE DEFINED AREA OF 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, pursuant to Sections 54.801 and 54.805 of the Texas Water Code, the District has designated the “Long Island Village Defined Area” (the “*Designation Order*”) to receive services and improvements that benefit the designated area rather than the District as a whole; and

WHEREAS, the Designation Order contains a metes and bounds description of the property within the Long Island Village Defined Area, which is also described as the boundaries of the Long Island Village, a condominium association operating pursuant to Chapter 82 of the Texas Property Code, as amended; and

WHEREAS, the District may issue bonds if the resident, qualified voters of the Long Island Village Defined Area approve the same;

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 system and sewer system for properties inside the Long Island Village Defined Area; 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:

Proposition A Construction Costs	Total Estimated Costs
Water System Improvements	7,765,000
Sewer System Improvements	11,960,000
TOTAL PROPOSITION A CONSTRUCTION COSTS	<u>\$19,725,000</u>
Non-Construction Costs	
Legal:	
Bond Counsel	\$ 200,500
Attorney General	19,000
Paying Agent Registrar/Escrow Agent	9,000
CUSIPs:	2,000
MAC Fee	5,000
Travel	1,500
Texas Commission on Environmental Quality Bond Issuance Fee [0.25%]	50,000
Postage and Federal Express	1,500
Miscellaneous	6,500
Financial Advisory Fee	270,000
Texas Water Development Board Origination Fee [2.00%]	410,000
Contingencies	100,000
TOTAL PROPOSITION A NON-CONSTRUCTION COSTS	\$1,075,000
TOTAL PROPOSITION A BOND ISSUE REQUIREMENTS	<u>\$20,800,000</u>

WHEREAS, the Board finds that the above estimate of \$20,800,000 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 Long Island Village Defined Area; and

WHEREAS, Section 54.805, 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 Long Island Village Defined Area 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 “*Code*”), the District shall enter into a joint election agreement (the “*Joint Election Agreement*”) with Cameron County 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; now therefore,

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 Long Island Village Defined Area.

Section 3. An election is hereby ordered and shall be held within the District on **May 7, 2022**, between the hours of 7:00 a.m. and 7:00 p.m. The Election is to be conducted by Cameron County, as provided by the Code and the Joint Election Agreement. Voting for the Election on Election Day and Early Voting shall occur on the dates and during the hours and at the designated polling places as set forth in Exhibit A attached hereto, which exhibit is hereby made a part hereof for all intents and purposes. **Exhibit A** shall be modified to include additional or different Election Day polling places required to conform to the Code and the Joint Election Agreement. 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 Long Island Village Defined Area:

LAGUNA MADRE WATER DISTRICT PROPOSITION A
FOR LONG ISLAND VILLAGE DEFINED AREA

SHALL THE LONG ISLAND VILLAGE DEFINED AREA BE DESIGNATED, SHALL THE BOARD OF DIRECTORS OF THE LAGUNA MADRE WATER DISTRICT BE AUTHORIZED TO ISSUE BONDS FOR THE LONG ISLAND VILLAGE DEFINED AREA IN ONE OR MORE ISSUES OR SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF \$20,800,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING THIRTY-FIVE

(35) 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 DISTRICT WORKS, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT, AND APPLIANCES TO BENEFIT THE LONG ISLAND VILLAGE DEFINED AREA, 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 SEWER SYSTEM WITHIN THE LONG ISLAND VILLAGE DEFINED AREA, 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 LEVY AND PLEDGE, AND CAUSE TO BE ASSESSED AND COLLECTED, ANNUAL AD VALOREM TAXES, ON ALL TAXABLE PROPERTY IN THE LONG ISLAND VILLAGE DEFINED AREA, SUFFICIENT, WITHOUT LIMIT AS TO RATE OR AMOUNT, TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS?

Section 5. Voting in the election for the propositions 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 ballot used in the election shall contain the following:

LAGUNA MADRE WATER DISTRICT PROPOSITION A
FOR LONG ISLAND VILLAGE DEFINED AREA

- | | | |
|-----|---------|--|
| () | FOR | DESIGNATION OF LONG ISLAND VILLAGE DEFINED AREA AND THE ISSUANCE OF \$20,800,000 IN BONDS TO EXPAND AND IMPROVE THE DISTRICT'S WATERWORKS |
| () | AGAINST | SYSTEM AND SEWER SYSTEM IN THE LONG ISLAND VILLAGE DEFINED AREA; TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE IMPOSED. |

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**. 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 8. 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 9. General Statements for Proposition A. 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 Long Island Village Defined Area of 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 4.00% 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 35 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 date of this order is **\$11,705,000.**

- (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 date of this order is \$2,446,834.
- (i) The ad valorem debt service tax rate for the District for the 2021-2022 fiscal year is \$0.038201 per \$100 of taxable assessed valuation.
- (j) Additional information can be found on the voter information document incorporated herein as Exhibit B.

Section 10. All qualified resident electors of the District shall be entitled to vote in the elections.

Section 11. 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 12. 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 13. The Chairman and Secretary are authorized and directed to take any action necessary to carry out the provisions of this Order.

Section 14. 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.

PASSED AND APPROVED this 16th day of February, 2022.

EXHIBIT A

District’s website: <https://www.lmwd.org/>
County’s website: <https://www.cameroncountytexas.gov/elections/>

EARLY VOTING BY PERSONAL APPEARANCE

April 25-April 29, 2022 9:00 am – 7:00 pm
April 30, 2022 10:00 am – 5:00 pm
May 2-May 3, 2022 9:00 am – 7:00 pm

Cameron County Courthouse Judicial Complex, 954 E. Harrison St., Brownsville, TX 78520
(main location)

- Brownsville Public Library, 2600 Central Blvd., Brownsville, TX 78520
- Southmost Public Library, 4320 Southmost Rd., Brownsville, TX 78521
- Texas Southmost College, TSC Youth Center, 80 Fort Brown, Brownsville, TX 78250
- Brownsville Navigation District, Board Room, 1000 Foust Rd., Brownsville, TX 78526
- Harlingen County Annex Bldg., 3302 Wilson Rd., Harlingen, TX 78552
- San Benito Community Bldg., 210 E. Heywood St., San Benito, TX 78586
- Los Fresnos Community Center, 204 N. Brazil St., Los Fresnos, TX 78566
- Port Isabel City Hall, 305 E. Maxan St., Port Isabel, TX 78578
- American Legion Hall, 219 E. Commercial Ave., La Feria, TX 78559
- Rio Hondo Municipal Civic Center, 121 N. Arroyo Blvd., Rio Hondo, TX 78583
- Los Indios Community Center, 309 Heywood St., Los Indios, TX 78586
- City of Primera City Hall, 22893 Stuart Place Rd., Primera, TX 78552
- Combes Community Center, 21646 Hand Rd., Combes, TX 78552
- Harlingen Cultural Arts Center, 576 “76” Dr., Harlingen, TX 78550
- Town of Rancho Viejo City Hall, 3301 Carmen Ave., Rancho Viejo, TX 78575
- Bob Clark Social Services Center, 9901 California Rd., Brownsville, TX 78521
- Santa Maria ISD Administrative Bldg., Board Room, 11119 Military Hwy 281, Santa Maria, TX 78592
- Harlingen Convention Center, 701 Harlingen Heights Dr., Harlingen, TX 78552
- Harlingen City Hall, Town Hall Meeting Room, 502 E. Tyler Ave., Harlingen, TX 78550

Applications for voting by mail should be received no later than the close of business on April 26, 2022. Applications should be sent to Early Voting Clerk Remi Garza, mailing address: P. O. Box 3587, Brownsville, Texas 78523; physical address: 1050 E. Madison St., Brownsville, Texas 78520; phone: (956) 544-0809; fax: (956) 550-7298; email: elections@co.cameron.tx.us.

ELECTION DAY

May 7, 2022 • 7:00 am — 7:00 pm

<i>District Precinct</i>	<i>County Precinct</i>	<i>Polling Location</i>
1	59 (part)	Port Isabel City Hall, 305 E. Maxan St., Port Isabel, TX 78578

EXHIBIT B

VOTER INFORMATION DOCUMENT

Laguna Madre Water District Proposition A for Long Island Village Defined Area:

<input type="checkbox"/> FOR	DESIGNATION OF LONG ISLAND VILLAGE DEFINED AREA AND THE ISSUANCE OF \$20,800,000 IN BONDS TO EXPAND AND IMPROVE THE DISTRICT'S WATERWORKS SYSTEM AND SEWER SYSTEM IN THE LONG ISLAND VILLAGE DEFINED AREA; TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE IMPOSED.
<input type="checkbox"/> AGAINST	

principal of debt obligations to be authorized	\$20,800,000
estimated interest for the debt obligations to be authorized presuming an interest rate of 4%	\$14,612,892
estimated combined principal and interest required to pay on time and in full the debt obligations to be authorized amortized over 30 years	\$35,412,892
as of the date the election was ordered, principal of all outstanding debt obligations for the Water District; however, there is no outstanding debt attributable solely to the designated area	\$11,705,000
as of the date the election was ordered, the estimated interest on all outstanding debt obligations for the Water District; however, there is no outstanding debt attributable solely to the designated area	\$2,446,834
estimated combined principal and interest required to pay on time and in full all outstanding debt obligations amortized over 30 years	\$49,564,726
estimated maximum annual increase in the amount of taxes on a residence homestead with an appraised value of \$100,000 to repay the debt obligations to be authorized, if approved	\$1,016

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