STATE OF TEXAS }
COUNTY OF WILLACY }

THE BOARD OF SUPERVISORS OF THE PORT MANSFIELD PUBLIC UTILITY DISTRICT met in Regular Session at the Harbor Office, 630 Laguna Drive, Port Mansfield, Texas, on Tuesday, August 18, 2026 at 9:00 a.m., with the following members present:

SUPERVISORS PRESENT:	DOUG TRAPP	PRESIDENT
	DAVID ALANIS	SECRETARY
	SCOTT HESS	VICE PRESIDENT
	MARIO GARCIA	MEMBER
	NEIL MACHEN	MEMBER
ALSO PRESENT:	OSCAR MONTOYA	GENERAL MANAGER
	VIRGINIA LOMAS	BUSINESS MANAGER/HUMAN RESOURCES
	FRANK VASQUEZ	PORT SUPERINTENDENT
	WILLIAM McCORMICK	ATTORNEY

Scott Hess, Vice President called the meeting to order at 9:03 a.m., upon conclusion of roll call it was ascertained that a quorum was present.

Doug Trapp, President excused him self from the meeting at approximately 9:05 a.m.

Item No. 1: *REVIEW & CONSIDERATION OF PREVIOUS BOARD MEETING MINUTES*: After reviewing of previous board meeting minutes, Supervisor Machen made the motion to approve the the July 07, 2026 regular board meeting minutes. The motion was seconded by Supervisor Alanis and motion carried.

Item No. 2: *PUBLIC COMMENT(S)*: None.

Item No. 3: *DISCUSSION OF CAPITAL IMPROVEMENTS EXPENDITURES:* Board discussed the definition of capital improvements, emphasizing their use for major projects like infrastructure repairs and replacements. The current budget relies heavily on capital improvement funds for operational expenses, which is not sustainable. A rate study is underway to determine appropriate rates for water, sewer, and garbage services, ensuring sufficient funding for both operations and capital improvements. The capital improvement fee is not used for maintenance and operations. A workshop is planned for late September to address this issue.

Item No. 4: *DISCUSSION, POSSIBLE ACTION TO UNSEAL AND ACCEPT BIDS FOR EQUIPMENT:* The board discussed and unsealed one (1) bid that was received in the amount of $10,000, from Eric Kennedy. After review and discussion, the Board determined that the bid was acceptable and awarded. Supervisor Garcia made the motion to accept the bid in the amount of $10,000. The motion was seconded by Secretary Alanis and the motion carried.

Item No. 5: *DISCUSSION AND POSSIBLE ACTION TO REVISIT THE CAPITAL IMPROVEMENT FEE FOR THE RV AND DUPLEX:* The board discussed the need for a fair and transparent approach to setting fees for RV parks, considering the varying sizes and capacities of the parks.

After discussion regarding the capital improvement fee for the RV and Duplex, Supervisor Garcia made the motion to table this item for discussion on October. The motion was seconded by Supervisor Machen and motion carried.

Item No. 6: *DISCUSS AND POSSIBLE ACTION TO APPROVE THE INVESTMENT POLICY:* After review and discussion Supervisor Garcia made the motion to adopt the investment policy. The motion was seconded by Secretary Alanis and motion carried.

Item No. 7: *REVIEW, DISCUSS AND APPROVE THE TEXPOOL RESOLUTION:* After review and discussion regarding the TexPool Resolution, which is required to be reviewed annually, Supervisor Garcia made the motion to approve the TexPool Resolution. The motion was seconded by Secretary Alanis and motion carried.

Item No. 8: *DISCUSSION AND POSSIBLE ACTION REGARDING THE ACCEPTANCE OF OWNERSHIP OF THE PRIVATE LIFT STATION LOCATED ON BLOCK 16, OF THE LAGUNA MADRE SUBDIVISION:* The lift station is oversized, designed for a flow rate of 38 gallons per minute with a safety factor of five, but the actual flow rate is only 13 gallons per minute. There is a disagreement between engineers regarding responsibility for a current system. After discussion Secretary Alanis made the motion to accept the variance contingent on a warranty agreement and a cost of at least 2 pumps. The motion was seconded by Supervisor Machen and motion carried.

Item No. 9: *REVIEW AND CONSIDERATION OF APPROVAL OF THE AUDITOR, CARR RIGGS & INGRAM ADVISORS ENGAGEMENT LETTER:* Secretary Alanis made the motion to approve Carr Riggs & Ingram Advisors engagement letter. The board discussed on planning to seek proposals for new auditor next year. The motion was seconded by Supervisor Machen and motion carried.

Item No. 10: *DISCUSSION AND POSSIBLE ACTION AUTHORIZING GENERAL MANAGER TO SEEK PROPOSAL REQUESTS FOR BOND COUNCIL AND FINANCIAL ADVISORS*: After discussion regarding proposal requests for bond council and financial advisors, Supervisor Garcia made the motion to authorize the general manager's request to seek proposals for financial advisors to help align charges, investments, and prepare for potential bond issuance. The motion was seconded by Supervisor Machen and motion carried.

Item No.11: *DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF AIR CONDITIONING ON BIG/NEW GARBAGE TRUCK (REQUESTED BY MARIO GARCIA):* After discussion, Supervisor Garcia made the motion to replace the air conditioning in a garbage truck, with the cost estimated at around $1,000.00. The motion was approved, and the truck will be taken to a repair shop for diagnosis and repair. The motion was seconded by Supervisor Machen and motion carried.

Mr. Trapp joined the meeting at approximately 10:33 a.m.

Item No. 12: *DISCUSSION OF QUESTIONABLE ACTION BY A BOARD MEMBER AND POSSIBLE ACTION ON REPLACEMENT OR DISMISSAL OF A BOARD MEMBER. (REQUESTED BY MARIO GARCIA):* This discussion will be moved to a closed session to address the replacement or dismissal of a board member.

Item No. 13: *PORT SUPERINTENDENTS REPORT*: Frank Vasquez, Port Superintendent reported on the following:

- Sewer: none

•Water: on the current water restrictions, which are at level three, and mentioned that the PUD will follow North Alamo's water restrictions policy.

•Garbage: none

Item No. 14: *GENERAL MANAGER REPORT*:

•Update on rate study for water, sewer and garbage: the study will be done by the end of September, 2026.

•Update on TCEQ Violation: we continue to be in violation with TCEQ. By the time the water connects to ours, it's already at the lowest level. So, when we put it in our pipe and it sits in our pipe, the chlorine is deteriorating causing gases.

Item No. 15: *REVIEW AND CONSIDERATION OF CHECKS & VOUCHERS*: After review of checks and vouchers Supervisor Machen made the motion to approve the transactions dated July 08, 2026 through August 18, 2026 as presented. The motion was seconded by Supervisor Garcia and vote carried.

Close Session at approximately 10:35 a.m.

Item No. 16: CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.074 TO HEAR COMPLAINT OR CHARGE AGAINST AN OFFICER (BOARD MEMBER) AND DELIBERATE DISMISSAL THEREOF:

Reconvene in Open Session at approximately 11:41 a.m.

Mr. Trapp has chosen to step down as President of the Port Mansfield Public Utility District Board and will now serve as a regular member. Scott Hess, will now be President of the Board of Port Mansfield Public Utility District Board.

Item No. 17: ADJOURN: meeting adjourned at 12:10 p.m.