

**Hidalgo County Water Improvement District Number Three
Board of Directors' Meeting
December 14, 2022**

Call to Order:

President Othal Brand, Jr. called regular meeting to order at the District Office located at 1325 Pecan Blvd, McAllen, Texas 78501. The meeting began by reciting the pledge of allegiance. President Othal Brand, Jr. gave the prayer invocation.

Board Members Present:

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| Othal Brand, Jr. | President |
| Mark Freeland | Secretary |
| WD Moschel | Director |
| Lance Neuhaus | Director |

Absent:

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| Chris Burns | Vice-President |
|-------------|----------------|

Others Attending:

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| Macarena Ortiz | Attorney |
| Randy Whittington | Attorney |
| Frank Ferris | Ferris & Flinn & Medina |
| Jim Hall | |
| Raquel Espinoza | |
| Tomas De Leon | |
| Jose R. De Leon | |
| Norma Branscum | Vexus Fiber |
| Travis Sanders | Engineering for Vexus Fiber |

Consideration and possible action regarding the approval of the Minutes for the Regular Board Meeting on November 16, 2022.

A Motion was made by Lance Neuhaus and seconded by W.D. Moschel regarding the approval of the Minutes for the Regular Board Meeting on November 16, 2022.

Mark Freeland Abstained.

Motion Carried.

Consideration and possible action regarding the approval of the financial reports and Account payable checks.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to approve the financial reports and the account payable checks.

Motion Carried

General Report by President

No General Report by President was presented.

Engineering Report

Engineer Frank Ferris reported the District began the month with a usable balance of 4,640 acre feet, 54 percent of the annual water right, and 34% of the Storage Balance. An additional 5.9 percent allocation was granted for the October period. The US share has risen to 32 percent as of December 3, 2022.

Main Canal Piping at Airport

Engineer Frank Ferris reported on the pipe installation project in the Main Canal at the airport. There hasn't been much progress since the last Board Meeting. Approval of the submittal for the rebar at the north end. The sewer line crossing is complete, and the crew is laying pipe from that location south to the Main Canal. The crew still has to complete the south end headwall and the north end well.

Consideration and possible action regarding to amend Employee Manual Policy in reference to sabbatical on the policy.

A Motion was made by W.D. Moschel and seconded by Lance Neuhaus to amend Employee Manual Policy to allow employees to take leaves of absence. The specific language would be approved at the next Board Meeting.

Motion Carried.

Consideration and possible action regarding to amend the HCWID#3 Utility License Guidelines and Fee Schedule.

A Motion was made by Lance Neuhaus and Mark Freeland to table this item.

Item Tabled.

Consideration and possible action to allocate water to active accounts.

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to approve another allocation by filling all the accounts to (3) three irrigations and to deplete the account until the District has another allocation to refill. The District has enough water to fill active accounts with sufficient remaining balance for lawn water and operation in accordance with the policy.

Motion Carried.

Consideration and possible action to install a pipeline across Lot 11 Section 2, Hidalgo Canal Company Subdivision, utilizing 25 foot right-of-way reserved in Volume Y, pg 27, Hidalgo County Deed Records, and determination of contribution by requestor.

A Motion was made by Lance Neuhaus and seconded by W.D. Moschel to approve the installation of a pipeline to provide water to Emila Luebbert's property across the south eastern 8.40 acres on Lot 11 Section 2, Hidalgo Canal Company Subdivision and have the Property owner pay for the material at a cost of \$16,000.00 plus labor at a cost of \$4,000.00, for a total cost of \$20,000.00.

Wednesday, December 14, 2022 at 12:00 p.m.

Motion Carried.

Consideration and possible action regarding request from Vexus Fiber to install a fiber New optic line in existing conduit across District property.

No Action Taken.

Executive Session pursuant to Sections 551.071 and 551.072, Texas Government Code, to consult with Attorney and to deliberate regarding (i) pending eminent domain proceeding in Cause No. CCD-0517-D styled "Hidalgo County Water Improvement District No. 3 vs. Hidalgo County Irrigation District No. 1" or the acquisition of an easement interest in real property from Hidalgo County Irrigation District No. 1, (ii) petition for review in Supreme Court of Texas relating to order granting plea to jurisdiction in Cause No. CCD-0517-D, (iii) Cause No. C-0937-20-A styled "Hidalgo County Irrigation District No. 1 vs. City of McAllen vs. Hidalgo County Water Improvement District No. 3," (iv) McAllen Public Utility petition filed with the Public Utility Commission of Texas appealing wholesale Water Rates of Hidalgo County Water Improvement District No. 3, and (v) Cause No. C-1601-22-1 styled "McAllen Public Utility vs Othal Brand, Jr., in his official capacity, et al".

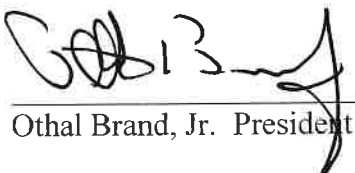
CLOSED SESSION: PURSUANT TO ARTICLE 551.071 AND 551.072, TEXAS GOVERNMENTAL CODE.

The Board went into closed session from 12:57 p.m. through 2:22 p.m.

Adjourn

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to adjourn the Board Meeting at 2:35 p.m.

Motion Carried.



Othal Brand, Jr. President



Mark Freeland, Secretary