

**Hidalgo County Water Improvement District Number Three  
Board of Directors' Meeting  
February 16, 2022**

**Call to Order:**

President Othal Brand, Jr. called a regular meeting to order at Trophy Towers located at 4800 N. 23<sup>rd</sup>, McAllen, Texas 78504. The meeting began by reciting the pledge of allegiance. President Othal Brand, Jr. gave the prayer invocation.

**Board Members Present:**

Othal Brand, Jr.	President
Chris Burns	Vice President
Mark Freeland	Secretary
Lance Neuhaus	Director

**Absent:**

W.D. Moschel	Director
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**Others Attending:**

Frank Ferris	District Engineer
Macarena Ortiz	Attorney
Jim Hall	Accountant
Randy Whittington	Attorney
Raquel Espinoza	
Tomas De Leon	
Jose R. De Leon	

**Consideration and possible action regarding the approval of the Minutes for the Regular Board Meeting held on January 17, 2022.**

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to approve the Minutes of the Regular Board Meeting held on January 17, 2022.

Motion Carried.

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

A Motion was made by Chris Burns and seconded by Lance Neuhaus to approve the Account Payable Checks provided there is a correction made on the Financial Reports by Ewing & Lara to have different general ledger codes for different legal expenses to clarify their description.

Motion Carried

**General report by President**

**Office Construction**

President Othal Brand, Jr. reported on the District Office building construction. He stated that the work will be completed before the beginning of early voting for the May 2022 election.

**River Channel**

Engineer Frank Ferris discussed placing a wire fence on the District’s property by the river channel edge on the embankment to keep trespassers out of the District’s property. The District will acquire a State permit and insurance coverage for this purpose.

**Engineering Report**

**Water Report**

Engineer Frank Ferris informed the Board of the possibility of an allocation for the January period. The usable balance is 4,590 acre feet which is 53% of the annual water right and 38% of the storage balance. The U.S. share is steady at 36.8 % as of February 5.

**Steve Spoor Request to relocate Lateral F.**

Engineer Frank Ferris informed the Board that he reviewed Engineer Steve Spoor’s request to relocate Lateral F. The exhibit shows the existing 3.305 acre Lateral F that would become surplus and could be exchanged for a 1.349 acre tract of land 25 foot wide easement along FM 1016. The Hidalgo County Appraisal District (HCAD) valuations for the two tracts are attached showing that the property north of the existing canal is valued at \$30,000 an acre and the property south of the canal is valued at \$27,000 an acre. If the Board were to consider these values accurate, and assuming an average value for the existing canal right-of-way, the net value of the property exchange would be as follows:

	Tract Acreage	HCAD Value/Acre	% of Fee Value	Tract Value
Lateral F Canal Row to Sell	3,305	\$30,000	100 %	\$99,150
25’Easement to Acquire	1,349	\$28,500	50%	(\$19,223)
				<u>Net Property Exchange Value</u> <u>\$79,927</u>

Engineer Frank Ferris estimates the current material cost for this project is \$211,876.00, and added a few comments for consideration by the Board:

- 1). A well should be installed to change the direction in the pipeline at the west end of FM 1016.
- 2). The depth of the line at the road crossing is very deep (approx. 8 feet). Final plans should show utility crossings to verify that depth is required.
- 3). Well and bedding details must be provided in the final plans.
- 4). Casing details including spacers and end seals must be provided.

As per the letter presented by the District’s Engineer Frank Ferris, the net property exchange value of the District’s Right-Of -Way in exchange of a 25-foot easement in favor of the District would be approximately \$79,927.00, which falls well below the estimated cost to the Developer for the

installation of the new line at \$211,876. Engineer Frank Ferris proposed for the District to consider a development contract whereby the property exchange can occur. In addition, Engineer Frank Ferris proposed for the deed of the sale of the District right-of-way to be held in trust until the new pipeline is constructed in accordance with plans approved by the District, construction to be witnessed by the District, the line to undergo a pressure test, and the construction to be accepted by the District.

### **Lateral G across Lot 11, Section 5 Hidalgo Canal Company Subdivision-Chedes Storage**

The aerial exhibit illustrates the potential for a .255-acre surplus property along the south boundary of the 3.00 acre tract, a .068-acre surplus right-of-way along the boundary of the Mama Chedes Subdivision adjacent to Lateral G, and a surplus 10-foot easement within Mama Chedes Subdivision. The values of the three surplus tract are estimated as follows:

- South of 3.00 acres: Acreage 0.255, at \$41,808/acre, value 100%=\$10,661
- Adjacent to Mama Chedes: Acreage 0.068, at \$30,484/acre, value 100%=\$2,073
- 10' Easement in Mama Chedes: Acreage 0.085, at \$30,484/acre, value 50%=\$1,296

**TOTAL SURPLUS PROPERTY VALUE \$14,030.**

The material cost to install a pipeline would be an estimated \$130,000.00.

The District may consider exchanging the potential surplus property for the material cost of the pipeline. The District would provide labor, equipment, engineering, and surveying to install the pipeline.

### **Quotation for new Rotork actuator for main control gate out of reservoir.**

Engineer Frank Ferris discussed with the Board the possible purchase of an Electric New Rotork Actuator for the Main Control gate entrance out of the District's Reservoir.

**Consideration and possible action pursuant to Section 49.226, Texas Water Code, to ratify and declare a 2016 Ford F150 pickup truck as surplus personal property of the District to be sold at either a public or private sale in exchange for like fair market value to be determined by the District.**

A Motion was made by Mark Freeland and seconded by Chris Burns to declare surplus personal property of the District consisting of a 2016 Ford F150 pickup truck and to ratify the sale of said surplus personal property to CarMax for \$9,600.00.

Motion Carried.

**Consideration and possible action regarding a request from the property owner Javier Garcia to lower the Flat Rate Assessment Amount on 6.85 acres described as Lots 7 & 8, Block 3, Hidalgo Canal Subdivision, Hidalgo County, Texas.**

No Action Taken.

The property owner was not present at the Board Meeting to explain his request.

**Consideration and possible action regarding the approval of a Resolution ordering the Election of three HCWID#3 Board of Directors in the election scheduled for May 7, 2022.**

A Motion was made by Chris Burns and seconded by Lance Neuhaus to approve the Resolution Ordering the Election of three HCWID# 3 Board of Directors in the election scheduled for May 7, 2022. (*Attachment A-Election Order*)

Motion Carried.

**Consideration and possible action regarding the appointment of election judges and clerks for the May 7, 2022 Board Election.**

A Motion was made by Chris Burns and seconded by Lance Neuhaus to approve the appointment of election judges and clerks for the May 7, 2022 Board Election as follows:

Eugene Gutierrez - Presiding Judge  
John Goolsby - Alternate Judge

The Presiding Judge shall appoint at least two (2) election clerks . Said officers are hereby designated to serve as the early voting ballot board for said election. The Presiding Judge designated for said election shall also serve as the presiding officer of said early voting ballot board.

Motion Carried.

**Consideration hearing and possible action regarding acceptance and approval of petitions for inclusion of property filed by (i) William F. and Roxanne L. Killian, (ii) David and Mary Chaffee, (iii) Sergio Garcia, (iv) Randy L. and Nancy M. Helmcamp, and (v) Xavier and Claudia Garcia to re-annex property into Hidalgo County Water Improvement District No. 3.**

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to accept and approve the five petitions from (i) William F. and Roxanne L. Killian, (ii) David and Mary Chaffee, (iii) Sergio Garcia, (iv) Randy L. and Nancy M. Helmcamp, and (v) Xavier and Claudia Garcia to re-annex property into Hidalgo County Water Improvement District No. 3 which had previously been excluded from the District in error.

Motion Carried.

**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. (v) possible dispute with telecommunication providers regarding encroachment of utility facilities into property of Hidalgo County Water Improvement District No. 3, and (vi) issues relating to qualifications of candidates for the office of director of water control and improvement districts.**

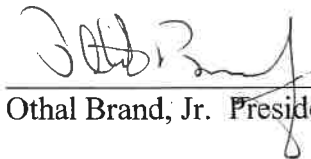
CLOSED SESSION: PURSUANT TO ARTICLE 551.071 AND 551.072, *TEXAS GOVERNMENT CODE*.

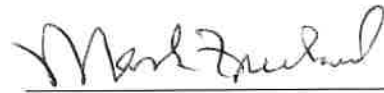
The Board went into closed session from 12:05 p.m. to 1:28 p.m.

**Adjourn**

A Motion was made by Chris Burns and seconded by Lance Neuhaus to adjourn the Board Meeting at 3:15 p.m.

Motion Carried.

  
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Othal Brand, Jr. President

  
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Mark Freeland, Secretary