

**Hidalgo County Water Improvement District Number Three
Board of Directors' Meeting
May 18, 2022**

Call to Order:

President Othal Brand, Jr. called regular meeting to order at the District Office located at 1325 Pecan Blvd, 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
W.D. Moschel	Director

Absent:

none

Others Attending:

Randy Whittington	Attorney
Macarena Ortiz	Attorney
Jim Hall	Ewing & Lara
Frank Ferris	Ferris & Flinn & Medina
Raquel Espinoza	
Tomas De Leon	
Jose R. De Leon	

Canvass of returns for May 7, 2022 election of Directors and report of the election results.

The canvass of returns for Early Voting and Election Day for May 7, 2022 of Directors and the report of the election results were as follows:

	<u>Early voting</u>	<u>Election Day</u>
Lance Neuhaus	48 votes	18 votes
Fidencio Guerra	6 votes	2 votes
Jesus Barba	17 votes	9 votes
Kevin Pagan	9 votes	7 votes
Chris Burns	50 votes	20 votes
W.D. Moschel	47 votes	17 votes

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Chris Burns, Lance Neuhaus, and W.D. Moschel won the Election for May 7, 2022.

Eight provisional votes were counted, 6 for early voting and 2 were counted for Election Day. The election officials rejected them for the reason that improper or no identification was provided by the voters. In addition, votes rejected were also associated with property that was outside the District map boundaries or the names were not on the list.

Presentation of certificates of election and administration of the oath of office to elected directors.

Notary Public Raquel Espinoza administered the oath for the three candidates Mr. Chris Burns, Mr. Lance Neuhaus and W.D. Moschel. *(See Attachment A-Election of officers Certificate, Attachment B-The State of Texas Certificate, and Attachment C-Oath of Office Certificates).*

Consideration and possible action regarding the Minutes for the Special Board Meeting on May 10, 2022.

A Motion was made by Mark Freeland and seconded by Lance Neuhaus to approve the Minutes for the Special Board Meeting on May 10, 2022.

Motion Carried.

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

A Motion was made by Chris Burns and seconded by W.D. Moschel to approve the financial reports and the account payable checks. A discussion was made to finalize the office expenses for the office building construction and repairs.

Motion Carried.

General Report by President

No General Report by President was presented.

Engineering Report

Engineer Frank Ferris reported to the Board that there was no allocation for the April period. The Watermaster depleted 15,000 acre feet of the 75,000 acre feet reserve to balance; losses were much higher than inflows. The Usable Balance at the beginning of May was 4,478 acre feet or 52 percent of the annual water right, and 37 percent of the Storage Balance. The U.S. share has fallen to 37.1 percent as of May 7. The District pumped over 3,000 acre feet for the April period.

Engineer Frank Ferris informed to the Board that they completed and filed the Water Conservation Plan Annual Report with the Texas Water Development Board.

Consideration and possible action to amend the Budget for the Year 2021-22 to reflect

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the change on the Maintenance Fringe Benefits.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to amend the Budget for the Year 2021-22 to reflect the change on the Maintenance Fringe Benefits. (*See Attachment D-2021-22 Amended Budget on the Maintenance Fringe Benefits*)

Motion Carried.

Consideration and possible action regarding the approval of a License to the City of McAllen for a pedestrian trail at Highland Avenue and the Main Canal, Hidalgo, County, Texas.

A Motion was made by Mark Freeland and seconded by Chris Burns to table this item to allow the applicant to provide a survey and legal description of the property.

Item Tabled.

Consideration and possible action to release a right-of-way for Lateral M3, out of Main Canal, adjacent to Tamarack to the City of McAllen in exchange for a new right-of-way of the main canal and an easement.

A Motion was made by Mark Freeland and seconded by Chris Burns to approve the release of right-of-way to the City of McAllen for Lateral M3 out of the Main Canal adjacent to Tamarack in exchange for a new right-of-way in a different location and an easement to the District. (*See Attachment "E" Deed and Easement documents*).

Motion Carried.

Consideration and possible action for the approval of the McAllen Temple Subdivision Being 10.615 acres out of Lot 16 Section 13 Hidalgo Canal Company Subdivision, Hidalgo County, Texas.

A Motion was made by Chris Burns and seconded by Mark Freeland to table this item.

Item Tabled.

Consideration and possible approval of a license to the McAllen Public Utility for a 12" waterline crossing of the main canal at Kendlewood Avenue.

A Motion was made by Chris Burns and seconded by Mark Freeland to authorize Engineer Frank Ferris to write a letter to the City of McAllen Engineer, Carlos Gonzalez, with the following comments:

1. The Waterline crosses over the District's pipeline which is not allowed by the District. Utility License Guidelines and Fee Schedule (Guidelines), Item (6) requires a public water utility to cross below the District's pipeline.

2. The Guidelines, Item (3)(h) has not been adequately addressed. The Utility's Engineer must certify the elevation and the diameter of the District's pipeline and whether it has been field verified at the exact crossing or interpolated.
3. The clearance between the top of the proposed utility casing and the bottom of the District's pipeline shall be either 2 feet or 5 feet, depending on the certification in Number 2 above.

Motion Carried.

Consideration and possible approval of a license to the McAllen Public utility for a 12" waterline crossing of the main canal at Hackberry Avenue.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to approve the release of a second letter by Engineer Frank Ferris to the City of McAllen Engineer. Carlos Gonzalez, with the following comments:

1. The waterline crosses over the District's pipeline which is not allowed by the District. Utility License Guidelines and Fee Schedule (guidelines), Item (6) requires a public water utility to cross below the District's pipeline.
2. The Guidelines, Item (3)(h) has not been adequately addressed. The Utility's Engineer must certify the elevation and the diameter of the District's pipeline and whether it has been field verified at the exact crossing or interpolated.
3. The clearance between the top of the proposed utility casing and the bottom of the District's pipeline shall be either 2 feet or 5 feet, depending on the certification in number 2 above.

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" on 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. C-0937-20-A styled "Hidalgo County Irrigation District No. 1 vs City of McAllen vs Hidalgo County Water Imp. 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. 1601-22I styled "McAllen Public Utility vs Hidalgo County Water Improvement District No. 3".

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

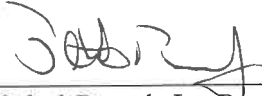
The Board went into closed session from 6:15 p.m. to 6:48 p.m.

Wednesday, May 18, 2022 at 5:00 p.m.


Adjourn

A Motion was made by W.D. Moschel and seconded by Mark Freeland to adjourn the Board Meeting at 6:49 p.m.

Motion Carried.



Othal Brand, Jr. President



Mark Freeland, Secretary