

**Hidalgo County Water Improvement District Number Three
Board of Directors' Meeting
September 21, 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. Vice-President Chris Burns gave the prayer invocation.

Board Members Present:

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| Othal Brand, Jr. | President- Meeting via Conference Call |
| Chris Burns | Vice-President |
| Mark Freeland | Secretary |
| WD Moschel | Director |

Absent:

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| Lance Neuhaus | Director |
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Others Attending:

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

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

A Motion was made by Mark Freeland and seconded by W.D. Moschel to approve the Minutes for the regular Board Meeting on August 17, 2022 subject to (2) two corrections, "Deed warranty" will be corrected to read "warranty deed" and "own" should be corrected to read "owned" by the District on that section of canal adjacent to Villa Norte Subdivision.

Motion Carried.

Consideration and possible action regarding the approval of the financial reports and 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.

Motion Carried

General Report by President

President Othal Brand Jr. discussed by conference call that he transferred \$200,000.00 from the Money Market account to the checking account to cover legal fees and invoices amounts

Wednesday, September 21, 2022 at 12:00 p.m.

billed by attorneys providing services to the District.

Engineering Report

Engineer Frank Ferris reported the usable balance at the beginning of September was 3,079 acre feet, being 36% of the annual water right, and 25% of the Storage Balance, after repayment of the negative allocation of about 342 acre feet. Recent rain in the watershed will result in repayment of the negative allocation, another possible additional allocation in the next few days and an allocation of 10-20% by mid-November. The US share has risen to 28.6 % as of September 10, 2022. The City has not taken any municipal water since June, but 4,039 acre feet remain on their contract this calendar year.

The District has irrigated 126 acres since implementing the allocation program. There is sufficient water in the District's adjudication account to meet the current allocation to the District's adjudication account to meet the current allocation to District users. The recent rains will likely result in additional allocation to District users, but the District will remain on allocation for the next few months.

Consideration and possible action regarding the approval of the plat of the McAllen Temple Subdivision, out of Lot 16 Section 13 Hidalgo Canal Company Subdivision, City of McAllen, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to approve the plat of the McAllen Temple Subdivision out of Lot 16 Section 13, Hidalgo Canal Company Subdivision subject to give the District the exclusive irrevocable easement exchange and to record it on the Mylar Plat.

Motion Carried.

Consideration and possible action regarding the approval of a license to the McAllen Public Utility for a 12" waterline crossing of the Main Canal at Kendlewood Avenue, City of McAllen, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to approve the License to the McAllen Public Utility for a 12" waterline crossing of the Main Canal at Kendlewood Avenue, subject to receipt by the District of a \$4,000.00 payment from the City of McAllen.

Motion Carried.

Consideration and possible action regarding the approval of a license to the McAllen Public Utility for a 12" waterline crossing of the Main Canal at Hackberry Avenue, City of McAllen, Hidalgo County, Texas

A Motion was made by Mark Freeland and seconded by W.D. Moschel to approve the license to the McAllen Public Utility for a 12" waterline crossing of the Main Canal at Hackberry Avenue, subject to receipt by the District of a \$4,000.00 payment from the City of McAllen.

Motion Carried.

Consideration and possible action regarding District interest in Lot 8, Floyd Bennett Subdivision, City of McAllen, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to table this item.

Item Tabled.

Consideration and possible approval of the World of 4 Subdivision out of Lot 14 Stewart's Addition Subdivision, City of McAllen, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to approve the World of 4 Subdivision out of Lot 14 Stewart's Addition Subdivision.

Motion Carried.

Consideration and possible action to approve right-of-way exchange with the City of McAllen at Lateral N-1 and the District's 200 foot Main Canal just north of Harvey Bridge, City of McAllen, Hidalgo County, Texas .

A Motion was made by Mark Freeland and seconded by W.D. Moschel to approve the right-of-way exchange with the City of McAllen at Lateral N-1 and the District's 200 foot Main Canal just North of Harvey Bridge, subject to legal council review of final instruments.

Motion Carried.

Consideration and possible action to declare as surplus Lots, 1,2,3,4 and 5 of the Newport Subdivision, City of McAllen, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to declare as surplus property and no longer needed real property of the District consisting of Lots 1, 2, 3, 4, 5 of the Newport Subdivision to be sold by public sale in exchange for like fair market value to be determined by the District.

Motion Carried.

Consideration and possible ratification of joint request by District and City of McAllen for one-year renewal and extension of letter of credit issued by Texas Regional Bank in connection with construction of Bicentennial Boulevard pipeline, City of McAllen, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to approve the ratification of joint request by District and City of McAllen for one year renewal and extension of letter of credit issued by Texas Regional Bank in the amount of \$800,000.00 in connection with the construction of Bicentennial Boulevard pipeline, City of McAllen, Hidalgo County, Texas.

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, and (v) Cause No. 1601-22-1 styled “McAllen Public Utility vs Hidalgo County Water Improvement District No. 3”.

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

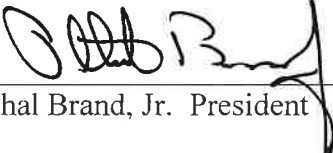
The Board went into closed session from 12:46 p.m. through 1:08 p.m.

No action taken.

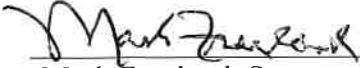
Adjourn

A Motion was made by Mark Freeland and seconded by W.D. Moschel to adjourn the Board Meeting at 1:55 p.m.

Motion Carried.



Othal Brand, Jr. President



Mark Freeland, Secretary