

**Hidalgo County Water Improvement District Number Three
Board of Directors' Meeting
June 21, 2023**

Call to Order:

President Othal Brand, Jr. called the regular meeting to order at the District's 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:

Othal Brand, Jr.	President
Mark Freeland	Secretary
W.D. Moschel	Director
Lance Neuhaus	Meeting Via Conference Call

Absent:

Chris Burns	Vice-President
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Others Attending:

Jim Hall	Ewing & Lara
Frank Ferris	Ferris & Flinn & Medina
Raquel Espinoza	
Jose R. De Leon	General Manager, HCWID3
Pierre Newkirk	Newkirk & Newkirk Insurance
Angelica Arredondo	Newkirk & Newkirk Insurance

Consideration and possible action regarding the approval of the Minutes for the Regular Board Meeting on May 17, 2023.

A Motion was made by W.D. Moschel and seconded by Othal Brand, Jr. to approve the Minutes for the regular Board Meeting on May 17, 2023.

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.

Wednesday, June 21, 2023 at 12:00 p.m.

Engineering Report

- (a) **Report on District account balances with the Rio Grande Water Master, status of Amistad and Falcon Reservoirs and District diversions year to date.**

Engineer Frank Ferris reported that the District began the month with a usable balance of 4,166 acre-feet after an allocation of 298 acre-feet, amounting to 49 percent of the annual water right, and 35 percent of the storage balance. The U.S. share is up to 31.3 percent as of June 10. District has diverted 2,255 acre-feet so far this year, including 23 acre-feet of no charge.

- (b) **Report on proposed hike and bike Trail Project from 10th Street to Conway.**

Engineer Frank Ferris reported on the proposed hike and bike Trail Project from 10th Street to Conway.

- (c) **Report on City Project to reroute District line at Harvey Road and the Main Canal.**

Engineer Frank Ferris reported on the City Project to reroute the District line at Harvey Road and the main canal.

Consideration and possible action regarding the renewal of the Health Insurance Coverage for District Employees.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to approve the TML Health Insurance Coverage based on the proposal renewal with a 13% percent increase.

Motion Carried.

Consideration and possible action to release irrigation line easement on Lot 1, OLS Parish Hall Subdivision and declare same surplus, McAllen, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by Othal Brand, Jr. not to release the irrigation line easement along the north property line on Lot 1, OLS Parish Hall Subdivision.

Motion Carried.

Consideration and possible action to refund costs for the 12" waterline crossing license Hackberry and the Main Canal as requested by McAllen Public Utility, Hidalgo County, Texas.

No Action Taken.

Consideration and possible action to approve McAllen Palms Business Park Subdivision, Hidalgo County, Texas.

No Action Taken.

Consideration and possible action concerning District interest in 3.31 acres of land out of

Wednesday, June 21, 2023 at 12:00 p.m.

Lot 7, Section 8, Hidalgo Canal Company's Subdivision, McAllen, Hidalgo County, Texas.

The Villages at Dallas Subdivision does not have any facilities or right of ways within the proposed plat boundary.

No Action Taken.

Consideration and possible action concerning District interest in Lot 18, Janice Addition Subdivision and Lot 9 Janice Addition Subdivision No. 2, McAllen, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to authorize Engineer Frank Ferris to send a letter to Engineer Steve Spoor to acknowledge the District's interest in Lot 18, Janice Addition Subdivision and Lot 9 Janice Addition Subdivision No. 2, McAllen, Hidalgo County, Texas.

Motion Carried.

Consideration and possible action concerning a request to release Lateral F across 15 acres out of Lots 10 & 15, Section 5 and open Lateral G, across 20.37 acres of Lots 9 and 10, Section 5 Hidalgo Canal Company Subdivision in exchange for a new pipeline and easement.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to authorize Engineer Frank Ferris write a letter to the developer to submit a deposit of \$5,000 to cover for the cost of an appraisal, engineering review and legal fees concerning a request for the District to release Lateral F across out Lots 10 & 15, Section 5 and open Lateral G, across 20.27 acres of Lots 9 and 10, Section 5, Hidalgo Canal Company Subdivision in exchange for a new pipeline and easement.

Motion Carried.

Consideration and possible action to allocate water to active accounts.

A Motion was made by Mark Freeland and seconded by W.D. Moschel to approve allocations and fill all active accounts.

Motion Carried.

Executive Session pursuant to Sections 551.071(1) and 551.072(2), Texas Government Code to consult with Attorney for Hidalgo County Water Improvement District No. 3 regarding matters, including each of those matters described below, in which the duty of the attorney for the District under the Texas disciplinary Rules of Professional Conduct of the state Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code and to seek the advice of the attorney for the District regarding (i) a 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". (ii) a pending petition for review in Supreme Court of Texas relating to order granting plea to jurisdiction in Cause No. CCD-0517-D, (iii) a pending lawsuit in 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) a Pending McAllen Public Utility petition filed with the Public Utility Commission of Texas Appealing wholesale water rates of Hidalgo County Water Improvement District No. 3

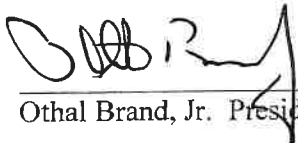
(v) a pending lawsuit in Cause No. C-1601-22-1 styled "McAllen Public Utility vs. Othal Brand, Jr. in his official capacity, et al", (vi) contemplated litigation relating to Compliance with City of McAllen payment obligations pursuant to *Permanent Water Supply and Delivery Contract*, as amended between Hidalgo County Water Improvement District No. 3 and City of McAllen, (vii) contemplated litigation relating to the enforcement of Proposed senate Bill 1056 and other bills relating to the dissolution of the District and transfer of its assets introduced and pending in 88th Texas legislature

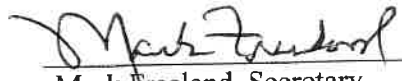
The Board did not enter into Executive Session.

Adjourn

A Motion was made by Mark Freeland and seconded by W.D. Moschel to adjourn the Board Meeting at 2:15 p.m.

Motion Carried.


Othal Brand, Jr. President


Mark Freeland, Secretary