

**Hidalgo County Water Improvement District Number Three
Board of Directors' Meeting
August 16, 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	Director

Absent:

Chris Burns	Vice-President
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Others Attending:

Jim Hall	Ewing & Lara
Frank Ferris	Ferris & Flinn & Medina
Macarena Ortiz	Attorney
Raquel Espinoza	
Jose R. De Leon	General Manager, HCWID3

Visitors:

Rick Flores	South Texas Real Estate
Elio Botello	MegaWare
Elio Botello, Jr.	MegaWare

Consideration and possible action regarding the approval of the Minutes for the Regular Board Meeting on July 21, 2023

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to approve the Minutes subject to the corrections made on items related to the Las Milpas Road Project, Lateral F and the letter of intent to lease changes made for the regular Board Meeting on July 21, 2023.

Motion Carried.

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

Wednesday, August 16, 2023 at 12:00 p.m.

A Motion was made by Mark Freeland and seconded by Lance Neuhaus to approve the financial reports and the account payable checks.

Motion Carried.

Consideration and possible action regarding the renewal of the District's contract with Ron Lewis & Associates.

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

Item Tabled.

Consideration and possible action to ratify Carr, Riggs & Ingram engagement letter.

A Motion was made by Mark Freeland and seconded by Lance Neuhaus to ratify Carr, Riggs & Ingram engagement letter subject to the changes made on the letter's applicable governing law and venue that should be corrected to Coffee County, State of Alabama.

Motion Carried.

Engineering Report

(a) Report on District allocation in the Falcon & Amistad Reservoir System.

Engineer Frank Ferris reported that the District began the month with a usable balance of 3,662 acre feet, amounting to 43 percent of the annual water right, and 30 percent of the storage balance. The U.S. share is down to 24.9 percent as of August 5. There was no allocation for the month of July down to 1,800 acre feet. District has diverted 2,800 acre feet so far this year, including 23 acre feet of no charge.

(b) Report on McAllen South Industrial Park relocation of Lateral "F".

Engineer Frank Ferris discussed with the Board the letter to Engineer Steve Spoor with the redline construction plans for the relocation of Lateral F through the future site of McAllen South Industrial Park.

(c) Report on Las Milpas Roadway Project.

No revised plans on Las Milpas Roadway Project by Engineer Frank Ferris.

Consideration and possible action to declare as surplus property a 8.16 acre-tract of land out of the District's canal right-of-way located on Lot 39, CE Hammond Subdivision, Hidalgo Canal Subdivision, Hidalgo County, Texas.

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to declare as surplus property and no longer needed by the District a 8.16 acre tract of land out of District's canal right-of-way located on Lot 39, CE, Hammond Subdivision, Hidalgo Canal Subdivision, in Hidalgo County, Texas, subject to a 60-foot exclusive easement to be dedicated to the District.

Wednesday, August 16, 2023 at 12:00 p.m.

Motion Carried.

Consideration and possible action regarding a request by the City of Hidalgo for the approval of a License for retail public water or sewer crossing(s) across Lateral "A" on Lot 7, Section 2, Hidalgo Canal Company Subdivision.

No Action Taken.

Consideration and possible action to declare as surplus property a 0.165 acre-tract of land out of 1.60 acre-tract of the District's Lateral "O", across Lot 13, Section 10, Hidalgo Canal Company Subdivision, Hidalgo County, Texas.

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to declare as surplus property and no longer needed by the District a 0.165 acre-tract of land out of 1.60 acre-tract of the District's Lateral "O", across Lot 13, Section 10, Hidalgo Canal Company Subdivision, Hidalgo County, Texas, and for the property to be sold by private sale, in exchange for payment to be the highest price between an appraisal valuation of the land and the property value as per the Hidalgo County Appraisal District.

W.D. Moschel abstained from all discussion and voting.

Motion Carried.

Consideration and possible action for the board to approve and execute a Deed Without Warranty related to the District's interest in a 7.93 acre-tract of land out of Lot 15, Section 7, Hidalgo Canal Company Subdivision, Hidalgo County, Texas.

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to approve the execution of a Deed Without Warranty prepared by District Counsel, Macarena Ortiz to release any interest in the property in exchange for \$63,000.00 plus additional legal fees.

Motion Carried.

Consideration and possible action to approve Uvalde Villas Subdivision being a 7.93 acre-tract of land out of Lot 15 Section 7, Hidalgo Canal Company Subdivision, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by Lance Neuhaus to approve the Uvalde Villas Plat subject to the signing and execution of the Deed Without Warranty prepared by District's Counsel, Macarena Ortiz, and the receipt by the District of consideration in the amount of \$63,000 plus additional legal fees.

Motion Carried.

Wednesday, August 16, 2023 at 12:00 p.m.

Consideration and possible action to declare as surplus property a .65 acre-tract of land out of the District's Lateral "G" across Lots 11 and 12, Section 5, Hidalgo Canal Company Subdivision, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by Lance Neuhaus to declare as surplus property and no longer needed by the District a 0.65 acre-tract of land out of the District's Lateral "G" across Lots 11 and 12, Section 5, Hidalgo Canal Company Subdivision, Hidalgo County, Texas, and for the property to be sold by private sale, in exchange for payment to be the highest price between an independent appraisal valuation and the value as per the Hidalgo County Appraisal District. The property owner will pay the cost of the appraisal.

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

CLOSED SESSION: PURSUANT TO SECTION 551.071 AND SECTION 551.072 OF THE TEXAS GOVERNMENT CODE FOR CONSULTATION WITH THE ATTORNEY.

The Board went into closed session from 2:56 p.m. to 3:34 p.m.

OPEN SESSION:

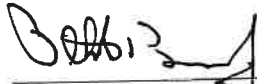
No Action Taken.

Adjourn


Wednesday, August 16, 2023 at 12:00 p.m.

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to adjourn the Board Meeting at 3:35 p.m.

Motion Carried.



Othal Brand, Jr. President



Mark Freeland, Secretary

Wednesday, August 16, 2023 at 12:00 p.m.