

**Hidalgo County Water Improvement District Number Three
Board of Directors' Meeting
September 20, 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. Secretary Mark Freeland gave the prayer invocation.

Board Members Present:

Othal Brand, Jr.	President
Chris Burns	Vice-President
Mark Freeland	Secretary
W.D. Moschel	Director

Absent:

Lance Neuhaus	Director
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Others Attending:

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

Visitors:

Thomas Rodriguez	Pulice Construction
Dan Paredes	HDR Engineering
Roman Navarro	HCRMA

Consideration and possible action regarding the approval of the Minutes for the Regular Board Meeting on August 16, 2023.

A Motion was made by Chris Burns and seconded by Mark Freeland to approve the Minutes for the regular Board Meeting on August 16, 2023.

Motion Carried.

Consideration and possible action regarding the approval of the Minutes for the Special Board Meeting on September 5, 2023.

A Motion was made by Chris Burns and seconded by Mark Freeland to approve the Minutes for the Special Board Meeting on September 5, 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.

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 3,440 acre feet, amounting to 40 % of the annual water right, and 29% of the storage balance. The US share is down to 23% as of September 9. There was no allocation for the August period. Unallocated water for the August period was up to 12,000 acre feet. District has diverted 3,080 acre feet so far this year, including 23 acre feet of no charge. The District currently has 4,388 acres of irrigation in the account balances, which equates to 2,925 acre feet of usable balance, so not enough in storage for an allocation with 1,000 acre feet of operating reserve.

A request for reinstatement from Francisco Guerra on behalf of property owner Gloria Brady for irrigation for 16.00 acres of pasture for in-District allocation would not be on the agenda for consideration and approval until posted for a future meeting.

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

The revised construction plans have been received that comply with the District's request for the McAllen South Industrial Park Lateral "F" Relocation.

Consideration and possible action to sell a 7.00 acre tract out of Lot 39, C.E. Hammond Subdivision, Hidalgo County, Texas and authorize the President of the Board to execute the conveyance deed.

A Motion was made by Mark Freeland and seconded by Chris Burns approve the sale surplus property no longer needed a 7.00 acre tract out of Lot 39, Block 3 C.E. Hammond Subdivision and authorize the President to execute the conveyance deed. Attorney Macarena Ortiz to prepare the draft contract subject to the reservation of a 60 ft. easement for any purpose the District considers necessary, in addition to the installation, maintenance, repair, etc., of a 60" water line. The easement will be 2.55 acres and 60' wide. The District will require an escrow account for any improvements to be done to 4th street with either pavement or concrete pad.

Motion Carried.

Consideration and possible action to sell a 4.27 acre tract of land out of that portion of canal recorded in Volume "R" Page 642-644, Deed Records Hidalgo County, Texas and authorize the President of Board to execute the conveyance deed.

A Motion was made by Mark Freeland and seconded by Chris Burns to approve the sale a 4.27 acre tract of land out of that portion of canal recorded in Volume "R" Page 642-644, Deed Records in Hidalgo County, Texas subject to the requirement that the property owner addresses issues brought up by the board and District's Engineer Frank Ferris revise existing survey and plans for Attorney Macarena Ortiz to draft Deed Without Warranty. The board authorized the President of the Board to execute the conveyance deed.

Motion Carried.

Consideration and possible action to approve revised construction plans for the construction of the SH 365 Project and approve an amendment to the Easement agreement for the project.

A Motion was made by Mark Freeland and seconded by Chris Burns to approve the revised Construction plans and the amendment to the Easement Agreement for the Construction of the SH 365 Project. Engineer Frank Ferris will issue a letter with his recommendations and revisions to the plans and notes on the HCRMA project. A shut down on the irrigation to change the gate is on the downstream end and the box is square with the downstream end (60" outlet). The shutdown will be coordinated by Joe R. De Leon and will last approximately 4 days.

Motion Carried.

Consideration and possible action to approve Limas Subdivision, a re-subdivision of Lot 14 Ebony Heights Citrus Groves Unit No. One Subdivision, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by Chris Burns to approved Limas Subdivision subject to revisions of the approval language and showing of the District's 40' Right-Of-Way.

Motion Carried.

Consideration and possible action to approve construction plans for Las Milpas roadway project.

A Motion was made by Mark Freeland and seconded by Chris Burns to table this item pending further required changes to the plans.

Item Tabled.

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) legal issues relating to proposed letter of intent between Hidalgo County Water Improvement District No. 3 and Santa Cruz Irrigation District No. 15, (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 Imp. 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" and pending interlocutory appeal in Case No. 13-23-00020-CV in the 13th Court of appeals, and (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 Imp. District No. 3 and City of McAllen.

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 1:37 p.m. to 2:51 p.m.

No Action Taken.

Consideration and possible approval of district map and legal description for filing with Hidalgo County Clerk and TCEQ as required by S.B. 1056.

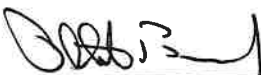
A Motion was made by Chris Burns and seconded by Mark Freeland to table this item for the next board meeting to allow the District's staff to finalize the map and legal description.

Item Tabled.


Adjourn

A Motion was made by Chris Burns and seconded by Mark Freeland to adjourn the Board Meeting at 2:52 p.m.

Motion Carried.



Othal Brand, Jr. President



Mark Freeland, Secretary