

**Hidalgo County Water Improvement District Number Three  
Board of Directors' Meeting  
October 18, 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. Director W.D. Moschel was appointed Secretary due to Mark Freeland being absent.

**Board Members Present:**

Othal Brand, Jr.	President
W.D. Moschel	Director
Lance Neuhaus	Director

**Absent:**

Chris Burns	Vice-President
Mark Freeland	Secretary

**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:**

Clint Brown	Diocese of Brownsville
Nathan Flores	Diocese of Brownsville
Carlos Garza	AEC Engineering
Gilbert Ortiz	Our Lady of Sorrows Church
Esteban Negrete	Negrete & Kolar Architect

**Consideration and possible action regarding the approval of the Minutes for the Regular Board Meeting on September 20, 2023.**

A Motion was made by Lance Neuhaus and seconded by Othal Brand, Jr. to approve the Minutes for the regular Board Meeting on September 20, 2023.

Motion Carried.

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

A Motion was made by Lance Neuhaus and seconded by Othal Brand, Jr. 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 Lance Neuhaus and Othal Brand, Jr. to table this item.

Item Tabled.

**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 3,255 acre feet, amounting to 38% of the annual water right, and 27% of the storage balance. The US share is down to 21.3% as of October 7. There was no allocation for the September period. Unallocated water for the August period was 0 acre feet and the operational reserve dropped to 42.758 acre feet, partly due to a 31,600 acre feet adjustments for sedimentation in reservoirs. The District currently has 4300 acres of irrigation in account balances which equates to 2.870 acre feet of usable balance, so not enough in the storage for an allocation with 1,000 acre feet operating reserve.

**(b) Las Milpas Road Project.** Information from the Developer and Engineer pending for Las Milpas Road Project.

**(c) HCRMA Project.** – Lateral C-1 has been tested and completed by IOC Subcontractors with no leaks for HCRMA roadway. The original irrigation line runs north and south of the new section that needs replacement later on in the future due to the shallow irrigation line that has been broken for years.

**Consideration and possible action to declare as surplus property and no longer needed by the District, Lateral "U" across a 3,723 acre tract of land out of Lot 14, Ebony Heights Citrus Groves, Unit No. 1 Subdivision, Hidalgo County, Texas.**

A Motion was made by Lance Neuhaus and seconded by W.D. Moschel to declare as surplus property and no longer needed by the District and appraised the surplus property at Lateral "U" across a 3.723 acre tract of land out of Lot 14, Ebony Heights Citrus Groves, Unit No. 1 Subdivision, Hidalgo County, Texas.

Motion Carried.

**Consideration and possible action to declare as surplus property and no longer needed by the District, a 1.608 acre tract of land Lateral "G", being out of a part or portion of Lots 9 and 10, Section 5, Hidalgo Canal Company, Hidalgo County, Texas.**

A Motion was made by Lance Neuhaus and seconded by W.D. Moschel to declare as surplus property and no longer needed by the District, a 1.608 acre tract of land Lateral "G", the developer paid the \$5,000 to the District for an appraiser subject to relocate Lateral, "F" and "G" being out of a part or portion of Lots 9 and 10, Section 5, Hidalgo Canal Company, Hidalgo County, Texas.

Motion Carried.

**Consideration and possible action to declare as surplus property and no longer needed by the District, a 0.588 acres tract of land, Lateral "F" being out of a part or portion Lot 10, and Lot 15, Section 5 Hidalgo Canal Company Subdivision, Hidalgo County.**

A Motion was made by Lance Neuhaus and seconded by Othal Brand, Jr. to declare as surplus property and no longer needed by the District, a 0.588 acres tract of land, Lateral "F" being out of a part or portion Lot 10, and Lot 15, Section 5 Hidalgo Canal Company Subdivision, Hidalgo County.

**Consideration and possible action to approve construction plans for the relocation of Lateral "F" across Lot 10 and Lot 15, Section 5 Hidalgo Canal Company Subdivision, Hidalgo County, Texas.**

No Action Taken.

**Consideration and possible action to declare as surplus property and no longer needed by the District certain easements across O.L.S. Parish Hall Subdivision, Hidalgo County, Texas.**

A Motion was made by Lance Neuhaus and seconded by W.D. Moschel to approve and declare the easement the North line by Diocese surplus property and no longer needed by the District across O.L.S. Parish Hall Subdivision. A request to abandoned 15' foot easement and need to show the dedicated easement on the survey and have it recorded.

Motion Carried.

**Consideration and possible action to approve Retiree Haven No. 2 Lot 82A and Lot 97A Subdivision, Hidalgo County, Texas.**

A Motion was made by Lance Neuhaus and second by Othal Brand, Jr. to table this item.

Item Tabled.

**Consideration and possible action and to declare as surplus property and no longer needed by the District, a 0.65 acre tract of land, Lateral "G" being out of a part or portion of Lots 11 and 12, Section 5, Hidalgo Canal Company Subdivision, Hidalgo County, Texas.**

A Motion was made by Lance Neuhaus and seconded by Othal Brand, Jr. to declare as surplus property and no longer needed by the District, a 0.65 acre tract of land, Lateral "G" being out of a part or portion of Lots 11 and 12, Section 5, Hidalgo Canal Company Subdivision, Hidalgo County, Texas.

Motion Carried.

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

A Motion was made by Lance Neuhaus and seconded by W.D. Moschel to approve the District Map and legal description for filing with Hidalgo County Clerk and TCEQ as required by S.B. 1056.

Motion Carried.

**Consideration and possible action for the District's Board of Directors to approve and authorize President Othal Brand, Jr. together with the District's legal counsel and engineer, to negotiate a proposed consolidation agreement with Santa Cruz Irrigation District No. 15.**

A Motion was made by Lance Neuhaus and seconded by W.D. Moschel to approve and authorize President Othal Brand, Jr. together with the District's legal counsel and engineer, to negotiate a proposed consolidation agreement with Santa Cruz Irrigation District No. 15.

Motion Carried.

**Consideration and possible action authorizing President Othal Brand, Jr. and General Manager to sell surplus water for prices not less than the prevailing market price in the Rio Grande Valley Region.**

A Motion was made by Lance Neuhaus and seconded by W.D. Moschel authorizing President Othal Brand, Jr. and the General Manager to sell surplus water for prices not less than the prevailing market price in the Rio Grande Valley Region.

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) 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 13<sup>th</sup> 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 1:56 p.m. to 2:04 p.m.

No Action Taken.

**Consideration and possible action to approve of a proposal from Brierley Associates for plan, design and construction of a boring project.**

A Motion was made by Lance Neuhaus and seconded by W.D. Moschel to table this item.

Item Tabled.

**Adjourn**

A Motion was made by W.D. Moschel and seconded by Lance Neuhaus to adjourn the Board Meeting at 2:06 p.m.

Motion Carried.



Othal Brand, Jr. President



W.D. Moschel, Acting Secretary