

**Hidalgo County Water Improvement District Number Three
Board of Directors' Meeting
February 14, 2024**

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
Chris Burns	Vice-President
Mark Freeland	Secretary
W.D. Moschel	Director
Lance Neuhaus	Director

Absent:

None

Others Attending:

Jim Hall	Ewing & Lara
Frank Ferris	Ferris & Flinn & Medina
Macarena Ortiz	Attorney
Jose R. De Leon	HCWID#3 General Manager
Raquel Espinoza	
Chris Villarreal	

Visitors:

Everardo Balboa	Row & Damages Agent of the Texas Gas Service
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Consideration and possible action to approve the Minutes for the Regular Board Meeting on January 17, 2024.

A Motion was made by Mark Freeland and seconded by Chris Burns to approve the Minutes for the Regular Board Meeting on January 17, 2024.

Motion Carried.

Consideration and possible action regarding the review of Financial Reports and the approval of accounts payable checks.

A Motion was made by Chris Burns and seconded by Mark Freeland regarding the review of Financial Reports and the approval of Accounts 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 2,875 acre feet, amounting to 34% of the annual water right, and 24% of the storage balance. The US share is down to 21.9 % as of February 3rd.

The District currently has 4,055 acres of irrigation in account balances, which requires 2,703 acre feet of usable balance, so not enough in storage for an allocation with 1,000 acre feet operating reserve.

The Excerpts from an IBWC presentation identifying the US Penstock is out of commission forcing US to share the Mexican Penstock at a higher elevation, increasing the dead storage from 4,500 acre feet to 18,394 acre feet. Resulting reduction in the water for allocation is 14,000 acre feet. Schedule for repair for about 1 to 2 years.

b) Las Milpas Road –Currently no updates.

c) HCRMA Project- The work has been halted due to lack of materials and supplies.

d) McAllen South Industrial Park Lateral F Canal Relocation Project – Construction is ongoing.

e) City of McAllen South 10th Street Drainage Improvements – The work has not been completed.

Consideration and possible action to declare District Right of Way and Easement as surplus, and no longer needed by District 0.61 acres of Lateral U along the West Boundary of a 3.723 acre tract out of Lot 14, Ebony Heights Citrus Grove No. 1 Subdivision, Hidalgo County, Texas.

A Motion was made by Chris Burns and seconded by Mark Freeland to approve and to declare District Right of Way and Easement as surplus and no longer needed by District 0.61 of an acre of Lateral U along the West Boundary of a 3.723 acre tract out of Lot 14, Ebony Heights Citrus Grove No. 1 Subdivision, Hidalgo County, Texas.

Motion Carried.

Consideration and possible action to approve appraised value of District Right of Way or Easement, a 0.61 acre of Lateral U along the West Boundary of a 3.723 acres tract out of Lot 14, Ebony Heights Citrus Grove No. 1 Subdivision, Hidalgo County, Texas.

A Motion was made by Chris Burns and seconded by Mark Freeland to table this item.

Item Tabled.

Consideration and possible action to authorize President to execute a deed without Warranty for 0.61 of an acre tract of Lateral U along the West Boundary of a 3.723 acres tract out of Lot 14, Ebony Heights Citrus Grove No. 1, in a form prepared by District Counsel.

A Motion was made by Chris Burns and seconded by Mark Freeland to table this item.

Item Tabled.

Consideration and possible action to exchange a 0.28 acre tract out of Lateral F canal right of way along the West Boundary of 3.95 acres out of Lot 3, Section 4, Hidalgo Canal Company Subdivision for construction of a new underground pipeline.

A Motion was made by Lance Neuhaus and seconded by Chris Burns for HCWID #3 General Manager Joe De Leon and Engineer Frank Ferris to proceed and make the proposal as presented and place the pipeline into the adjacent right of way in exchange for the 0.28 acre tract out of Lateral F; canal right of way along the West Boundary of 3.95 acres out of Lot 3, Section 4, Hidalgo Canal Company Subdivision for construction of a new underground pipeline.

Motion Carried.

Consideration and possible action to sell municipal water allocations.

A Motion was made by Chris Burns and seconded by Lance Neuhaus to approve the sell from the allocated water of 5,000 ac. ft. of municipal water rights contract of wet water authorizing President Othal Brand, Joe R. De Leon, HCWID#3 General Manager, and Engineer Frank Ferris.

Motion Carried.

Consideration and possible action regarding the District to approve a request by Texas Gas Service Lease Agreement for 100' x 4500, Temporary Parking Workspace between Dicker Rd and Las Milpas Rd located in South McAllen, Hidalgo County, Texas.

A Motion was made by Chris Burns and seconded by Lance Neuhaus to approve a temporary workspace permit by the Texas Gas Service with the condition to use the West Front entrance only between Dicker Road and Las Milpas Road in the South McAllen, for the term of three (3) months starting April 1, 2024 thru June 30, 2024. Upon the termination of the Permit shall promptly clear the temporary workspace of trash, litter and debris and restore the surface of the ground, of any damages made to its condition as it was previously was.

Motion Carried

Executive Session pursuant to Sections 51.071(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 consolidation agreement 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

Wednesday, February 14, 2024 at 12:00 p.m.


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 to default by City of McAllen with respect to payment obligations pursuant to *Permanent Water Supply and Delivery Contract*, as amended, between Hidalgo County Water Improvement District No. 3 and City of McAllen.

The Board did not enter into executive session.

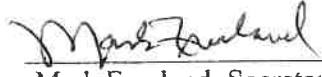
Adjourn

A Motion was made by Chris Burns and seconded by Lance Neuhaus to adjourn the Board Meeting at 1:10 p.m.

Motion Carried.



Othal Brand, Jr. President



Mark Freeland, Secretary