

**Hidalgo County Water Improvement District Number Three
Board of Directors' Meeting
January 17, 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. 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
Chris Villarreal	

Visitors:

None

Consideration and possible action to approve the Minutes for the Regular Board Meeting on December 20, 2023.

A Motion was made by Mark Freeland and seconded by Othal Brand, Jr. to approve the Minutes for the Regular Board Meeting on December 20, 2023.

Motion Carried.

Consideration and possible action to approve the Minutes for the Special Board Meeting on January 12, 2024.

A Motion was made by Chris Burns and seconded by Mark Freeland to approve the Minutes for the Special Board Meeting on January 12, 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 Mark Freeland and seconded by Chris Burns regarding the review of the 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 3,034 acre feet, amounting to 35% of the annual water right, and 25% of the storage balance. The US share is steady at 22% as of January 6th.

The District currently has 4,200 acres of irrigation in account balances, which requires 2,800 acre feet of usable balance, so not enough in storage for an allocation with 1,000 acre feet operating reserve. The District diverted 3,464 acre feet last year and charged 2,507 acre feet to its irrigation account.

b) Las Milpas Road – No updates project is on hold.

c) HCRMA Project- No updates. Still waiting on materials to schedule the main canal shutdown.

d) McAllen South Industrial Park Lateral F Canal Relocation Project - Construction still ongoing with the installation of the 24" inch line. No wells have been built as of yet.

e) City of McAllen South 10th Street Drainage Improvements – The 6' x 5' box culvert drainage has been installed crossing our LATERAL "G" 24RCP as per Mario Cruz, City of McAllen. Our line should be replaced at the end of January. A temporary repair was done to keep line active.

Consideration and possible action to declare as surplus property and no longer needed by the District, a District Right of Way and Easements across Lot 1, Villa Del Real Subdivision, Hidalgo County, Texas.

No Action Taken.

Consideration and possible action to approve appraised value of the District's Right of Way and Easements across Lot 1 Villa Del Real Subdivision, Hidalgo County, Texas.

No Action Taken.

Consideration and possible action to authorize President to execute a release of District's Right of Way and Easements across Lot 1, Villa Del Real Subdivision in a form approved by District Counsel.

No Action Taken.

Consideration and possible action to approve the appraised value of 0.65 acres out of Lots 11 and 12, Section 5, Hidalgo Canal Company Subdivision, a portion of Lateral "G".

A Motion was made by Chris Burns and seconded by Mark Freeland to approve and accept the appraisal value from Aguirre and Patterson, Inc. for the amount of \$69,500.00 and the sale of 0.65 of acre out of Lots 11 and 12, Section 5 Hidalgo Canal Company Subdivision, a portion of Lateral "G".

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 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.

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 12:18 p.m. to 1:03 p.m.

No Action Taken.

Consideration and possible action to authorize President to execute a Deed without Warranty for 0.65 acres out of Lots 11 and 12, Section 5, Hidalgo Canal Company Subdivision, a portion of Lateral "G", Hidalgo County, Texas in a form prepared by District Counsel.

A Motion was made by Mark Freeland and seconded by Chris Burns to approve District Counsel Macarena Ortiz to prepare a Deed without Warranty for the 0.65 acres out of Lots 11 and 12, Section 5 Hidalgo Canal Company Subdivision, Hidalgo County, Texas for the sale of the appraised value and to authorize President Othal Brand, Jr. to execute the Deed without Warranty.

Motion Carried.

Consideration and possible action regarding District interest in Lot 15, Section 3, Hidalgo Canal Company Subdivision, Hidalgo County, Texas.

A Motion was made by Chris Burns and seconded by Mark Freeland to authorize Engineer Frank Ferris to release Lateral B Exhibit to Engineer Mike Fabian for research done in Lot 15 Section 3, Hidalgo Canal Company Subdivision, Hidalgo County, Texas.

Motion Carried.

Consideration and possible action regarding District interest in 3.95 acres out of Lot 3, Section 4 Hidalgo Canal Company Subdivision, Hidalgo County, Texas.

A Motion was made by Chris Burns and seconded by Mark Freeland for permission to release the exhibit regarding District interest in 3.95 acres out of Lot 3 Section 4 Hidalgo Canal Company Subdivision, Hidalgo County, Texas to Rio Delta Survey.

Motion Carried.

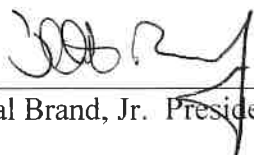
Consideration and possible action regarding District interest in Lot 15, Section 3 Hidalgo Canal Company Subdivision, Hidalgo County, Texas.

No Action Taken.


Adjourn

A Motion was made by Mark Freeland and seconded by Chris Burns to adjourn the Board Meeting at 2:05 p.m.

Motion Carried.



Othal Brand, Jr. President



Mark Freeland, Secretary