

**Hidalgo County Water Improvement District Number Three
Board of Directors' Meeting
March 20, 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
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
Jose R. De Leon	HCWID#3 General Manager
Raquel Espinoza	
Chris Villarreal	

Visitors:

Denny Meline	McAllen Parks & Recreation
Becky Salazar	City of McAllen for McAllen Industrial Park
Steve Spoor	Engineer
Bryan Spoor	
Ron Whitlock	

Consideration and possible action to approve the Minutes for the Regular Board Meeting on February 14, 2024.

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to approve the Minutes for the Regular Board Meeting on February 14, 2024 subject (2) two corrections to add the sale of municipal water allocations at \$80.00 per acre ft. and to include not less than \$75.00 per ac. ft. authorizing President Othal Brand, Jr. and Joe R. De Leon, HCWID #3 General Manager to complete the transaction. The second correction is to add in the Minutes the Texas Gas Service Lease Agreement Amount of \$5,000.00 for the (3) month term.

Motion Carried.

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

A Motion was made by Lance Neuhaus 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 received an allocation of 3.55 % acre feet for the February Period. The District began the month with a Usable Balance of 3.171 acre feet, amounting to 37 of the annual water right, and 26% of the storage balance. The US share is up to 22.3% as of February 3rd.

b) Las Milpas Road –Currently no updates.

c) HCRMA Project- No construction work has been done.

d) McAllen South Industrial Park-Irrigation lines have been installed and construction of the well have begun.

e) City of McAllen South 10th Street Drainage Improvements –Proceed with the repairs the next time the pipeline is utilized and seek to recover damages from the responsible party(ies).

f) Report on Repair of the Main Line Leak at Bicentennial and Savannah. - General Manager Joe De Leon presented photos and discussed the leak in the main line at Bicentennial and Savannah.

Consideration and possible action to approve appraised value of District Right of Way and Easements across 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, Hidalgo County, Texas.

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to approve the appraised value amount of \$159,500.00 of District Right of Way and Easements across 0.61 acres of Lateral U along the West Boundary of a 3.723 acre tract out of Lot 14, Ebony Heights Citrus Grove 1, Hidalgo County, Texas.

Motion Carried.

Consideration and possible action to authorize President to execute a Deed without Warranty for .61 of an acre of Lateral U along the West Boundary of a 3.723 acre tract out of Lot 14, Ebony Heights Citrus Groves Unit 1, in a form prepared by District Counsel.

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to approve and authorize President to execute a deed without Warranty for 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 Groves Unit 1 and have District Counsel Macarena Ortiz prepare the legal form.

Motion Carried.

Consideration and possible action to approve the plat of Limas Subdivision a re-subdivision of Lot 14 Ebony Heights Citrus Groves Unit 1 Subdivision, Hidalgo County, Texas.

A Motion was made by Mark Freeland and seconded by Lance Neuhaus to approve the plat of Limas Subdivision, a re-subdivision of Lot 14 Ebony Heights Groves Unit 1 Subdivision subject to closing deed and labeling document number for sale of right of way on the plat.

Motion Carried.

Consideration and possible action to approve a revision to the previously approved construction plans for the McAllen South Industrial Park Subdivision, Hidalgo County, Texas.

A Motion was made by Lance Neuhaus and seconded by Mark Freeland to approve the revision to the previously approved construction plans for the McAllen South Industrial Park Subdivision, and to increase the shutdown time to 2 weeks. If the contractors are not done within the time frame of two weeks, a \$5,000/a day penalty will be charged until done. Engineer Frank Ferris will write a letter to the Contractors.

Motion Carried.

Consideration and possible action concerning District interest in Lot 4A, Old Orchard Subdivision.

No Action Taken.

Consideration and possible action to designate Santa Cruz Irrigation No. 15 as a diverter for District Watermaster Accounts and authorize General Manager and President to sign the Agent Designation Form.

A Motion was made by Mark Freeland and seconded by Lance Neuhaus to authorize General Manager Joe R. De Leon and President Othal Brand, Jr. to sign the Agent Designation Form contingent with the terms, and send a monthly Diversion Report to TCEQ (Texas Commission On Environment Quality) and designate Santa Cruz Irrigation No. 15 as a diverter subject to a written agreement to pay upfront the rate of \$80.00 per ac. ft. for wet water from adjudication number 848-000.

Motion Carried.

Consideration and possible action regarding a request to renew Bicentennial Hike & Bike Trail Property Agreement by the City of McAllen Parks & Recreation, Hidalgo County, Texas.

Item Tabled.

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.

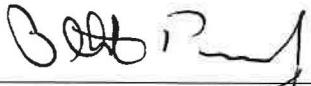
The Board went into closed session from 12:46 p.m. to 1:49 p.m.

No Action Taken.

Adjourn

A Motion was made by Mark Freeland and seconded by Lance Neuhaus to adjourn the Board Meeting at 2:15 p.m.

Motion Carried.



Othal Brand, Jr. President



Mark Freeland, Secretary