

December 18, 2023
San Benito, Texas

A meeting of the Board of Directors of Cameron County Drainage District No. 3 convened on December 18, 2023, at 2:00 p.m. at the office of the District, pursuant to notice duly given as required by law. Present were Ronaldo Garcia and Matthew McCarthy, Directors; Sonia Lambert, General Manager; Craig Harmon, Assistant General Manager; Freddie Ortega, Drain Supervisor; Jack Brown, Engineer; and B. R. Dossett, Attorney. President Garcia called the meeting to order and presided.

1. Minutes.
 - 1.1 The Minutes of the November 30, 2023 joint meeting with the Board of Directors of Cameron County Irrigation District No. 2 were presented and reviewed. The motion was made and seconded that the Minutes of the November 30, 2023 joint meeting with the Board of Directors of Cameron County Irrigation District No. 2 be approved. Following a discussion, the motion unanimously carried.
 - 1.2 The Minutes of the November 30, 2023 regular meeting were presented and reviewed. The motion was made and seconded that the Minutes of the November 30, 2023 regular meeting be approved. Following a discussion, the motion unanimously carried.
2. Public Comment Period. No one appeared. No written comments were received.
3. Subdivisions.
 - 3.1 Ochoa Subdivision, being the northeast 10 acres out of Block 93, San Benito Irrigation Company Subdivision. It was noted that this plat received preliminary approval at the November 30, 2024 meeting and that there are no District drains or facilities in the subject property. The motion was made and seconded that the District's General Manager be authorized to sign the plat if presented prior to the January 2024 Board meeting. Following a discussion, the motion carried.
 - 3.2 Triple Ranch Subdivision–Corrected Plat, being 5 acres out of Block 34, San Benito Land & Water Company. Plat not presented. No action.
4. Audit. Audit of Fiscal Year Ended September 30, 2022. Not presented.
5. Administration.
 - 5.1 Interlocal Cooperation Contract between Cameron County Irrigation District No. 2 and Cameron County Drainage District No. 3 Respecting the Joint General Manager, dated November 30, 2023. The proposed interlocal was presented and reviewed. The motion was made and seconded that the Interlocal Cooperation Contract between Cameron County Irrigation District No. 2 and Cameron County Drainage District No. 3 Respecting the Joint General Manager, dated November 30, 2023, be approved. Following a discussion, the motion carried.
 - 5.2 Interlocal Cooperation Contract between Cameron County Irrigation District No. 2 and Cameron County Drainage District No. 3 Respecting Equipment and Services Provided by One District to the Other, dated December 18, 2023. The proposed interlocal was presented and reviewed. The motion was made and seconded that the Interlocal Cooperation Contract between Cameron County Irrigation District No. 2 and Cameron County Drainage District No. 3 Respecting Equipment and Services Provided by One District to the Other, dated December 18, 2023, be approved. Following a discussion, the motion carried.
 - 5.3 Manager. Authority to execute documents. It was noted that pursuant to Water Code § 49.504(c), the Board can adopt a resolution authorizing the General Manager to execute all documents that the President can sign. Following a discussion, the Board

was of the opinion that the types of documents that can be executed should be listed and that the required resolution be adopted at the January 2024 Board meeting.

6. Annexation of Territory and Donation of Drains.

6.1 Annexation. The Petition of Rio Hondo Implement Co. Inc. that the District annex 1,197.92 acres out of Share 22, Espiritu Santo Grant was presented for the Board's consideration, the 1,197.92 acres being composed of:

Tract 1: 1,291.67 acres being the 1,202.12 acre tract conveyed by Patricia G. Sheka Trusts I, II, III, & IV, and Estate of Patricia G. Sheka, to Rio Hondo Implement Co., Inc., by Warranty Deed with Vendor's Lien dated July 25, 1996, recorded at Volume 3964, Pages 184-192, Official Records of Cameron County, Texas [corrected by Correction Warranty Deed with Vendors Lien recorded at Volume 4608, Pages 1-8, Official Records of Cameron County, Texas (metes and bounds description unchanged)], save and except 10.45 acres conveyed by Rio Hondo Implement Co., Inc. to Valeriana Flores by deed dated November 15, 2001, recorded at Volume 7659, Pages 208-211, Official Records of Cameron County, Texas.

Tract 2: 6.25 acres conveyed by Valeriana Flores to Rio Hondo Implement Company, Inc. by deed dated November 15, 2001, recorded at Volume 7659, Pages 212-214, Official Records of Cameron County

said 1,197.92 acres being described by metes and bounds and graphically depicted in exhibits attached to the Petition for Annexation [1202.12 - 10.45 + 6.25 = 1197.92].

After finding and determining that notice of the date, place, and subject of the meeting was posted in accordance with the terms and provisions of Section 551.043 of the Government Code for at least seventy-two (72) hours preceding the scheduled time of this meeting, a hearing was held on said Petition. At the conclusion of the hearing, the Board announced these findings:

1. Petitioner is the sole owner of the PROPERTY.
2. Pursuant to TEXAS WATER CODE §49.301, Petitioner requested that the PROPERTY be annexed to Cameron County Drainage District No. 3.
3. The PROPERTY is not within the boundary or territory of any drainage district.
4. The addition of the PROPERTY to the District is feasible, practicable, and to the advantage of the District and the District's drainage system and other improvements of the District, and can be added without injuring land already in the District.
5. The PROPERTY is presently assigned the following Geographic ID Numbers by the Cameron Appraisal District:

TRACT 1:

Property ID	170149	
Geographic ID:	79-2220-0260-0400-00	1,030.45 ac.*
*1,165.15 ac. calculated:	1202.12 [Deed]	
	- 22.88 ac. [PID 170201]	
	- 3.64 ac. [PID 170196]	
	<u>-10.45 ac. [Vol. 7659 pg. 208, OR]</u>	
		1165.15 ac.

Property ID	170201	
Geographic ID:	79-2220-0260-3040-00	22.88 ac.

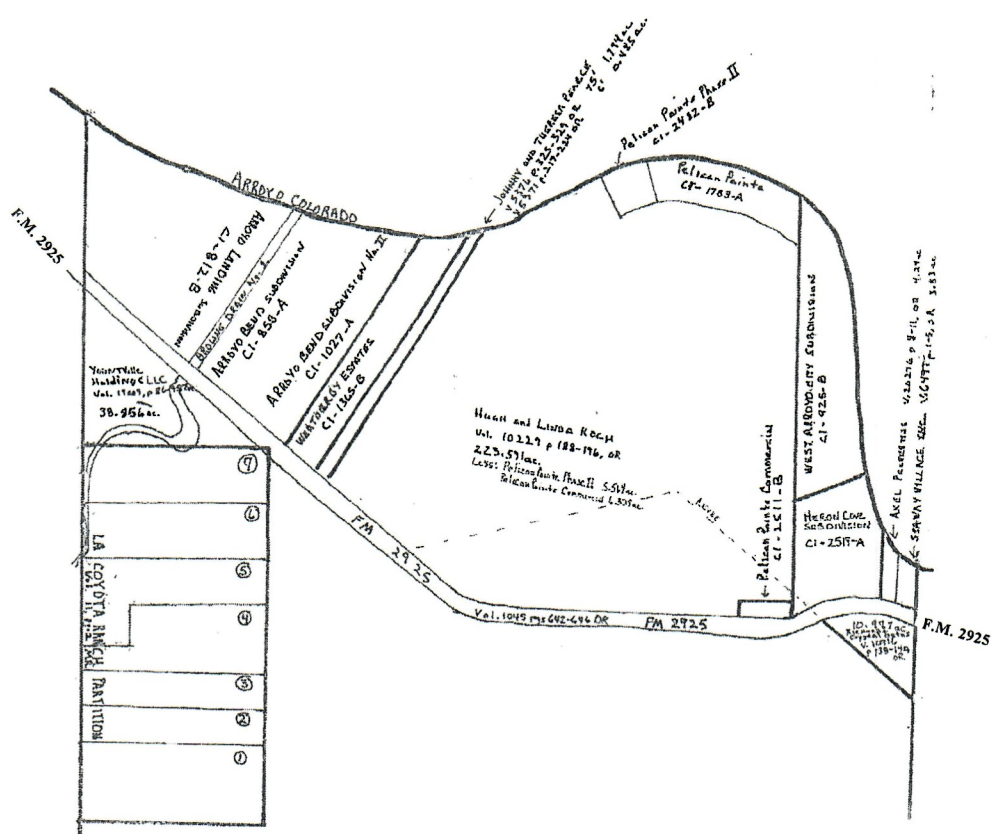
Property ID	170196	
Geographic ID:	79-2220-0260-3011-00	3.64 ac.

TRACT 2:

Property ID	170152	
Geographic ID:	79-2220-0260-0400-06	6.25 ac.

Whereupon, the motion was made and seconded that the Petition of Rio Hondo Implement Co., Inc. that the District annex said 1,197.92 acres out of Share 22, Espiritu Santo Grant, described by metes and bounds in said Petition, be annexed by, and added to, the District effective December 18, 2023. Following a discussion, the motion carried, whereupon President Garcia declared the 1,197.92 acres annexed by and added to Cameron County Drainage District No. 3 effective December 18, 2023.

6.2 Donation. The Donation Deed of Rio Hondo Implement Co., Inc. dated November



YOUNTVILLE HOLDINGS, LLC
 3,060.089 acres out of Share 22, Espiritu Santo Grant

RIO HONDO IMPLEMENT CO., INC.
 1,197.92 acres out of Share 22, Espiritu Santo Grant

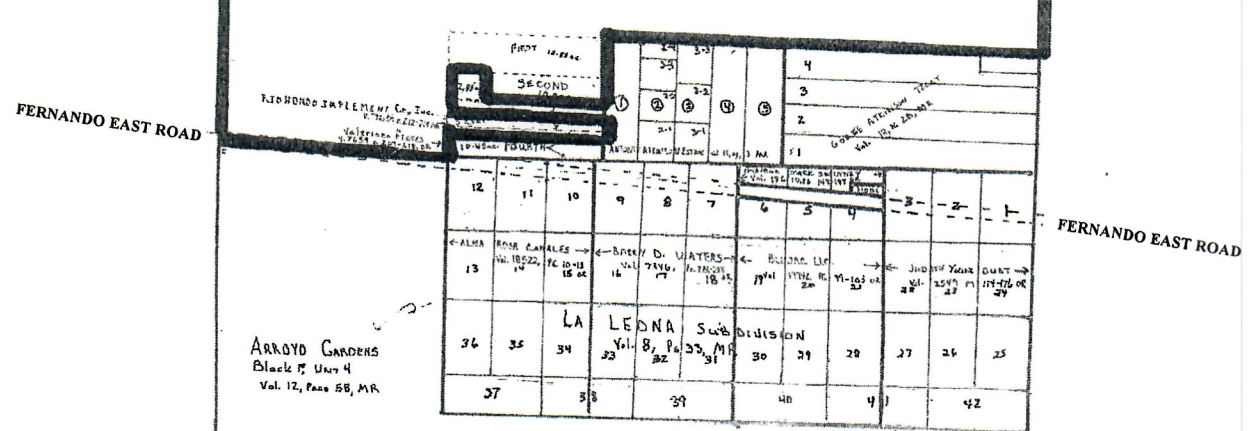


EXHIBIT 1

30, 2023, conveying 33.09 acres, described by metes and bounds description, out of the 1,197.92 acres out of Share 22, Espiritu Santo Grant, annexed by the District effective December 18, 2023 (Agenda Item 6.1), was presented for the Board's consideration. It was noted that the District has previously determined that it will accept the donation of the drains in the 33.09 acres. The motion was made and seconded that the donation of the 33.09 acres, described by metes and bounds in said Donation Deed, be accepted. Whereupon President Garcia signed the Acceptance in the Donation Deed.

- 6.3 Annexation. Yountville Holdings, LLC advised that it would petition the District annex to 3,060.089 acres out of Share 22, Espiritu Santo Grant, said 3,060.089 acres adjoining the 1,197.92 acres annexed in agenda item 6.1 to the north. However, no petition has been delivered to the District. The motion was made and seconded that a meeting be held at 9:00 a.m. on December 29, 2023 to consider the annexation petition of Yountville Holdings, LLC, but that if the petition is not delivered to the District prior to the close of business on December 28, 2023, the meeting shall be cancelled. Following a discussion, the motion carried.
- 6.4 Donation. Yountville Holdings, LLC had advised that it would donate to the District drains in the 3,060.089 acres. No donation deed executed by Yountville Holdings, LLC has been delivered to the District. No action.
- 6.5 Donations. Determination of value of donations for federal income tax purposes. It was noted pursuant to the Internal Revenue Code, donors are entitled to a credit for charitable donations. The motion was made and seconded that Attorney Dossett engage an appraiser to determinate the value for federal income tax purposes of the donation made by Rio Hondo Implement Co., Inc. by the Donation Deed dated November 30, 2023, and the donation by Yountville Holdings, LLC, in any. Following a discussion, the motion carried.
- 6.6 Browne Drain No. 1 / La Coyota Drain. Attorney Dossett (1) noted that the District's Browne Drain No. 1 meanders in and across the northwest corner of the 3,060.089 acres owned by Yountville Holdings, LLC, (2) noted there is no document filed of record that describes the District's right-of-way for Browne Drain No. 1 in the 3,060.089 acres by metes and bounds description, and (3) recommended that a surveyor be engaged to prepare a metes and bounds description. The Board was of the opinion that action on this recommendation be deferred until it is known whether Yountville Holdings LLC is going to donate the other drains in the 3,060.089 acres to the District.
7. Equipment. Excavator purchased at October 15, 2023, meeting. Delivery date is now mid-January, 2024.
8. Rancho Grande Diversion Project/Drain A Bypass Extension to River—Installation of Structure at Outfall. No report.
9. Projects.
 - 9.1 East Line Drain Relief Project 2012. No report.
 - 9.2 Drain B-2: Upgrade of Pennsylvania Boulevard Road Crossing.
 - (a) Status Report. Manager Harmon reported that the City of San Benito is ready to adjust the sewer line, but, because the sewer line serves one residence just north of the Pennsylvania Boulevard drain crossing, there are various issues that need to be resolved, some of which are caused by the plans for the new road crossing not having been finalized. A meeting has be set with the City to resolve the issues.
 - (b) Decisions Necessary. The motion was made and seconded that Scheibe Consulting, LLC finish the construction plans for the Pennsylvania Boulevard

drain crossing and put the project out for bid as soon as possible. Following a discussion, the motion carried.

- (c) Scheibe Consulting, LLC advised that the District is eligible to apply for a \$7.4 million grant, with the local match being 10%, to pay for the Drain B-2 improvements. The motion was made and seconded that Scheibe Consulting, LLC immediately begin preparation of the grant application, and that in addition to President Garcia, each of Managers Lambert and Harmon be authorized to sign the grant application and other required documents. Following a discussion, the motion carried.
 - (c) Drain B-1 and Drain B-2 Interconnect. Manager Harmon reported that Drain Supervisor Ortega brought to the attention of Manager Lambert and himself (1) that in Block 34, San Benito Land & Water Company Subdivision, a District drain that runs east from a point on Drain B-2, on or near the line common to the north and south halves of Block 34, to its upstream end at McCulloch Road, which is situated on east line of the Block 34 / west line of Block 33, also being Line 0; (2) that in Block 33, Drain B-1 is on the east side of, adjacent and parallel Cameron County Irrigation District No. 2's Canal A and that both are very close to Line 0 opposite the upstream end of the drain in Block 34; and (3) recommended that the District study the feasibility of connecting Drain B-2 and B-1 by reversing the flow of, and improving, said drain between Drain B-2 and McCulloch Road, and constructing a drain crossing under McCulloch Road and under Canal A, thereby possibility eliminating the need to improve Drain B-2 north of Pennsylvania Boulevard. This was brought to the attention of Scheibe Consulting, LLC which was of the opinion that, subject to confirmation, the interconnect does appear to be feasible and practical, and can be included in the grant application. The motion was made and seconded that Scheibe Consulting, LLC immediately begin if the interconnect is feasible, and if so begin preparing plans for interconnect, and include the interconnect in the grant application. Following a discussion, the motion carried.
10. Drain E between La Palma Street and Stenger Street. Notice of Drain Right-of-Way not completed.
 11. Rules Revision. Not ready for Board action.
 12. Reports.
 - 12.1 Financial.
 - (a) Financial Report for Month of November 2023. Presented and reviewed.
 - (b) Financial Report for Fiscal Year through November 30, 2023. Presented and reviewed.
 - 12.2 Manager. All matters discussed under other agenda items.
 - 12.3 Attorney. All matters discussed under other agenda items.
 - 12.4 Engineer. All matters discussed under other Agenda items.
 - 12.5 Drain Supervisor. Written report of work accomplished in the month of November 2023 presented.
 - 12.6 Report by Representative of City of San Benito. No one appeared regarding this Agenda item.
 13. *Cameron County Drainage District No. 3 and Cameron County Irrigation District No. 2, et al. vs. City of San Benito.* The proposed settlement agreement has been delivered to the City

Manager.

14. Payment of Accounts, Wages, and Directors' Services.

14.1 The motion was made and seconded that issuance of the following checks issued between the November 30, 2023 meeting and this meeting be ratified:

14702 : Federico Ortega	Reimbursement-Scissor Lift & Bulbs	\$803.02
14703 : James E. Robbins	Warehouse Lights	\$390.00
14704: Walmart	Thanksgiving Turkeys	\$1,543.47
14705 : Scheibe Consulting, LLC	TWDB Project	\$3,008.75
14706 : Texas Child Support SDU	Employee Wage Withholding-Child Support	\$794.78
14707 : Void		0.00
14708: Void		0.00
14709 : Void		0.00
14710 : First Community Bank	Petty Cash	\$486.18
14711 : Nelda Solorio	Reimbursement-Lambert Retirement:Flags & PA System	\$1,186.71
14712: Lucinda Trevino	Janitorial	\$120.99
14713 : Craig M. Harmon	Reimbursement-Health Insurance	\$3,153.18
14714 : Longhorn Restaurant	Lambert Retirement Party	\$3,534.34
14715 : Peggy's Cakes and More	Lambert Retirement Party	\$350.00
14716 : Texas Child Support SDU	Employee Wage Withholding-Child Support	\$397.39
TOTAL		<u>\$15,768.81</u>

Following a discussion, the motion unanimously carried.

14.2 The motion was made and seconded that the following checks be issued:

14717 : Anderson Equipment Co. Inc.	Machine Repairs	\$3,181.40
14718 : AFLAC	Health Insurance	\$249.84
14719 : AIM Media Texas	MS4 Compliance-Publication of Notice	\$1,472.25
14720 : Allstate Insurance Co.	Insurance	\$74.67
14721 : AT&T Mobility	Wireless Phone	\$244.67
14722 : Barrientos Plumbing	Warehouse Repair-plumbing	\$225.00
14723 : Cameron Appraisal District	Quarterly Assessment	\$15,573.75
14724 : Central Plumbing & Electric	Office Expense: Light ballasts	\$308.74
14725 : Charter Chemical Solutions	Machine Degreaser	\$250.00
14726 : Dainamik	GPS Monitoring	\$910.00
14727 : Daniel Diaz	Phone Allowance	\$45.00
14728 : East Rio Hondo Water Supply Corp.	Office/Shop/Warehouse: Water Bill	\$108.24
14729 : Humberto Eguia	Plumbing Repairs-Office	\$90.00
14730 : ESRI, Inc.	ARC-GIS-fee	\$3,633.50
14731 : Firestone	Machine Repairs-Tires	\$3,848.16
14732 : Gateway Printing	Office Supplies	\$513.88
14733 : Gigabit Communications	Uverse/Internet	\$200.00
14734 : Grajale's Tire Shop	Flat Repairs	\$106.00
17735 : Harlingen Irrigation District No. 1	Drain Repairs	\$400.00
14736 : Hollon Oil Company	Hydraulic Oil	\$1,076.00
14737 : Holt Company of Texas	Machine Repairs	\$7,216.33
14738 : John Deere Financial	Machine Repairs	\$3,014.03
14739 : Sonia Lambert	Phone Allowance	\$125.00
14740 : Matt's Cash & Carry	Tools	\$135.98
14741 : Nueces Power Equipment	Machine Repairs	\$1,135.36
14740 : Oil Patch Fuel	Off Road Diesel	\$15,768.13
14743 : O'Reilly Auto Parts	Machine Repairs	\$941.65
14744 : Ortega, Federico	Phone Allowance	\$131.53
14745 : PSI Petroleum Group	Fuel POD Repairs	\$323.00
14746 : RGV Pumps & Equipment	Fuel Pump Repairs	\$445.00
14747 : Rey's Tire Service	Flat Repairs	\$585.00
14748 : Sames Ford	Auto repair	\$1,409.06
14749 : Nelda Solorio	Janitorial	\$674.45
14750 : Texas Refinery Group	Machine Grease	\$3,016.50
14751 : Lucinda Trevino	Janitorial	\$413.47
14752 : UniFirst	Uniforms	\$716.90
14753 : Utility Trailer Sales	Trailer Repair	\$58.90
14754 : Wilcac Life Insurance	Insurance	\$21.67
14755 : Wylie Case	Machine Repairs	\$4,699.74
14756 : David Ybarra	Website Maintenance	\$250.00
14757 : Federico Ortega	Janitorial	\$110.76
14758 : David Ybarra	GIS Consulting	\$1,787.00
14759 : Dossett Law Office	Legal Fees	\$1,450.00

14760 : HEB Food Store	Christmas Turkeys	\$1,529.17
14761 : John Deere Financial	Machine Repairs	\$2,856.29
14762 : Luis Coronado	Machine Repairs-Welding	<u>\$280.00</u>
TOTAL		\$81,845.52

Following a discussion, the motion unanimously carried.

15. Adjournment. There being no further business, the meeting was adjourned.

approved and signed xxxxx 01/15/24

Ronaldo Garcia, President

approved and signed xxxxx 01/15/24

Matthew McCarthy, Vice President