

March 16, 2026
San Benito, Texas

A meeting of the Board of Directors of Cameron County Drainage District No. 3 convened on March 16, 2026, at 2:00 p.m. at the office of the District, pursuant to notice duly given as required by law. Present were Ronaldo Garcia, President; Jason Shafer, Secretary; Luis Barrera, Director; Ben Escobar, General Manager; and Fred Ortega, Maintenance Superintendent. President Garcia called the meeting to order and presided.

1. Minutes. The minutes for February 09 meeting and March 02, 2026 meeting were presented and reviewed. A motion was made and seconded that the Minutes of February 09, 2026 meeting and March 02, 2026 meeting be approved. Following a discussion, the motion unanimously carried.
2. Public Comment Period. No one appeared. No written comments were received.
3. Subdivision Approvals
 - 3.1. Promesa Subdivision, being 10.68 ac. out of Lot 23, 732 Subdivision No. 2. Owner Eugenio Vela, Plat preparer Montemayor, Hansen & Associates. The plat was presented and reviewed. The motion was made and seconded that the plat of Promesa Subdivision receive preliminary and final approval. Mylar was not presented for signature. The motion unanimously carried.
 - 3.2. Villas at Paso Real Subdivision, being 12.53 ac. out of Block 146, SBL&WCo, Owner HDP Paso Real, LLC, Nick Rhodes, Plat preparer Melden & Hunt. The plat was presented and reviewed. The motion was made and seconded that the plat of Villas at Paso Real Subdivision receive preliminary and final approval, the mylar was signed by President Garcia. The motion unanimously carried.
 - 3.3. Resaca Tracts Subdivision, being 41.92 ac. out of Blocks 189 & 190, SBICO, Owner Jay Humphreys, Plat preparer Moore Land Surveying. The plat was presented and reviewed. The motion was made and seconded that the plat of Resaca Tracts Subdivision receive preliminary and final approval, the mylar was signed by President Garcia. The motion unanimously carried.
 - 3.4. Elite Estates Subdivision, being 42.66 ac. out of Block 131, SBL&WCo Subdivision, Owner Elite Real Estate Investments LLC, Plat preparer Izaguirre Engineering. The plat was presented and reviewed. A pending License Agreement to discharge storm water into the District's drainage system is pending. The motion was made and seconded that the plat of Elite Estates Subdivision receive preliminary and final approval, the motion unanimously carried.
4. Annexation and Donation of Drains. Donation of segment of Lateral V north of Haine Drive and fix boundary of the drain. Attorney Dossett was not present. No update.
5. Projects.
 - 5.1. East Line Relief Drain Project. Engineer Brown received five sealed bids, were opened March 04, 2026 at the office of the District. He will now work on the bid tabulation for the District.
 - 5.2. Drain B-1 and Drain B-2 Interconnect. No change, still waiting on the funds.
 - 5.3. Drain B-2—Upgrade of Pennsylvania Boulevard Road Crossing. Funding still not available.
 - 5.4. Rancho Grande Diversion Project/Drain A Bypass Extension to River – Installation of Structure at Outfall. Engineer Brown had discussion with Rubicon, and will present revised cost estimate from them.
 - 5.5. Drain E-Notice of drain ROW in old CPL power plant property. There have been no updates. Attorney Dossett was not present. General Manager Escobar recommended on next meeting we discuss with Attorney Dossett to remove this item until further development.
6. Discussion and possible action with respect to ERHWSC ROW request near FM 2925. Attorney Dossett not present, table for next meeting.
7. Reports
 - 7.1 Financial.
 - 7.1.1 Financial Report for Month of February 2026. Presented and reviewed.
 - 7.1.2 Financial Report for Fiscal Year through February 28, 2026. Presented and reviewed.

7.2 Manager. All other matters discussed under other Agenda items.

7.3 Attorney. Not present.

7.4 Engineer. All other matters discussed under other Agenda items.

7.5 Drain Supervisor. All matters discussed for work done through the month of February 2026.

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

8.1 A motion was made and seconded to ratify the issuance of the following checks issued between February 09, 2026, meeting and this meeting, the motion was unanimously carried.

15983	Aflac	insurance	\$354.48
15984	Alamo Group	DD46 tractor	\$146,559.55
15985	Blackout Window Tint	DD46 tint	\$585.00
15986	Boswell-Elliff Ford	Unit 74 converter	\$7,394.80
15987	First Community Bank	petty cash	\$194.77
15988	Lincoln National	insurance	\$432.96
15989	New Horizon Publishers	East Line publication	\$350.00
15990	Rey's Tire Service	Flat repairs	\$285.00
15991	Scheibe Consultants	FIF grant project	\$33,521.62
15992	TX Child Support SDU	child support	\$397.39
15993	Scheibe Consultants	FIF grant project	\$3,724.63

Following a discussion, the motion was unanimously carried.

8.2 A motion was made and seconded to issue the following checks:

15994	Anderson Equipment	machine repairs	\$1,286.32
15995	Allegra Printing	office supplies	\$35.60
15996	AguaWorks Pipe & Supply	drain repairs	\$4,689.60
15997	AT&T Mobility	mobility GPS	\$2,063.72
15998	Cummins Southern Plains	machine repairs	\$1,796.87
15999	Cameron County Appraisal	qtrly fee	\$20,150.75
16000	Commercial Billing	machine repairs	\$573.01
16001	Diaz, Daniel	phone allowance	\$45.00
16002	Dossett Law Office	legal fees	\$3,100.00
16003	ERHWS Corp	water bill	\$118.31
16004	ESRI, Inc.	credits	\$475.56
16005	Hollon Oil Company	grease	\$833.80
16006	Holt Co. of Texas	machine repairs	\$639.61
16007	J & M Hydraulics	machine repairs	\$925.80
16008	John Deere Financial	machine repairs	\$3,258.36
16009	Kimball Midwest	machine repairs	\$217.00
16010	Luis Coronado	weld repairs	\$150.00
16011	Matt's Cash & Carry	drain repairs	\$96.48
16012	McCoy's	drain repairs	\$584.01
16013	New Horizon Publishers	East Line publishing	\$990.00
16014	Nueces Power Equipment	machine repairs	\$1,602.63
16015	OHC of the Southwest, P.A.	drug screen	\$38.00
16016	O'Reilly Auto Parts	machine repairs	\$2,287.06
16017	Ortega, Federico	phone allowance	\$45.00
16018	Pico Propane	O/R diesel	\$15,282.06
16019	Rio Grande Concrete	drain repairs	\$62.94
16020	Rio Hondo Lumber & Supply	drain repairs	\$59.06
16021	Rey's Tire Service	flat repairs	\$145.00
16022	Rio Grande Waste Co	septic clean up	\$1,050.00
16023	South Texas Bolt & Supply	machine repairs	\$37.12
16024	Solorio, Nelda	janitorial	\$414.28
16025	T & W Tire	flat repairs	\$341.25

16026	Trevino, Lucinda	janitorial	\$369.28
16027	Texas State Alarm	monitoring	\$69.98
16028	TWA Risk Management	seminar	\$404.00
16029	Tellus Equipment	machine repairs	\$11,349.99
16030	Wilcac Life Insurance	insurance	\$21.67
16031	Allstate	insurance	\$224.01
16032	Cameron County Elections Dept	election	\$39,377.29
16033	John Deere Financial	machine repairs	\$2,803.65
16034	Sun Valley Dusting Co	drain repairs	\$5,580.00
16035	Scheibe Consulting, LLC	east Line	\$3,125.00
16036	Triple S Steel	drain repairs	\$1,095.16
16037	TX Child Support SDU	child support	\$397.39

Following a discussion, the motion was unanimously carried.

9. Executive Session: The Board entered into executive session pursuant to Texas Government Code section 551.071 of the Governmental code to seek legal advice from counsel regarding Board compensation.

Returned to open session.

10. Director's Compensation and Reimbursement Policy. The Board entered into executive session pursuant to Texas Government Code section 551.071 to discuss Board compensation. A policy was presented outlining the Director's Compensation & Reimbursement. The motion was made and seconded that this Policy be adopted:

Director Compensation & Reimbursement Policy

Cameron County Drainage District No. 3

Adopted: March 16, 2026

1. Purpose

The purpose of this policy is to establish uniform rules for the statutory compensation and reimbursement of reasonable and necessary expenses incurred by directors in the performance of their official duties.

2. Authority

In accordance with Texas Water Code § 49.060 and any applicable state guidelines, directors may receive Fees of office in an amount not to exceed the maximum daily rate authorized by law, including the per-diem rate set by the Texas Ethics Commission for state legislators, provided that such compensation does not exceed \$7,200 annually. Directors may also be reimbursed for actual expenses incurred in the performance of official duties, subject to the guidelines set forth below.

3. Compensable Activities

A director may claim compensation and reimbursement only for activities involving substantive district business, which may include:

Board or Committee Meetings: Regular, special, or emergency board meetings; authorized meetings of a committee established by the Board (e.g., finance, operations, policy).

Conferences & Workshops: Attendance at conferences and workshops directly related to district operations; training; and other educational programs directly related to district operations.

Governmental Coordination: Participation in meetings and events that directly affect

district infrastructure, permits, drainage planning, flood control, or interlocal agreements.

Community Outreach: District representation at public events, stakeholder forums, or community meetings.

Legislative or Regulatory Engagement: Attendance at legislative hearings, regional water planning group sessions, or agency consultations where district input is required or invited.

Site Inspections or Field Visits: Inspection of canals, ditches, drainage works, pump stations, or other district facilities.

4. Fees of Office

Directors may receive a fee of office for each day they perform the substantive duties of office on behalf of the District as authorized by applicable law. The amount of the fee shall be established by Board resolution and shall not exceed the per diem amount authorized for members of the Texas Legislature by the Texas Ethics Commission. Total fees of office paid to a director shall not exceed \$7,200 in any calendar year in accordance with Chapter 49 of the Texas Water Code.

5. Travel, Meals and Lodging

5.2 Eligible Travel

A director may be reimbursed for travel, meals, and lodging only when the expense is incurred in connection with authorized District business, including board meetings held away from the District, approved training, conferences, legislative or regulatory meetings, intergovernmental meetings, site visits, emergency response activities, disaster response and other official duties within the scope of the director's responsibilities.

5.3 Travel by Personal Vehicle

When a director uses a personal vehicle for authorized District business, the District may reimburse mileage at the rate adopted by Board resolution, provided the rate does not exceed the then-current mileage reimbursement rate recognized by the Texas Comptroller or the Internal Revenue Service, unless otherwise specifically approved by the Board. Mileage reimbursement shall be based on actual miles traveled for District business and must be supported by a mileage log showing the date, origin, destination, purpose of travel, and total miles.

5.4 Commercial Transportation

If travel by air, bus, rail, rental vehicle, or other commercial transportation is necessary for authorized District business, reimbursement shall be limited to the actual reasonable cost incurred. Airfare should, when practicable, be obtained at the lowest reasonable available fare consistent with the business purpose and schedule.

5.5 Lodging

A director may be reimbursed for the actual cost of lodging reasonably necessary for authorized overnight travel on District business. Reimbursement should not exceed current Texas Comptroller or GSA lodging rates for key officials as the maximum allowable rate unless a higher amount is justified by availability, conference hotel requirements, emergency conditions, or other circumstances documented in writing. State travel guidance likewise limits reimbursement to actual lodging expenses up to the maximum rate for the location.

5.6 Meals

A director may be reimbursed for actual meal expenses reasonably necessary for authorized travel on District business. Meal reimbursement shall not exceed the current Texas Comptroller or GSA meal rates for key officials. Meal reimbursement shall be based on actual expenses incurred and shall not exceed the applicable rate unless approved by the Board for documented circumstances.

5.7 Non-Overnight Travel

Meal reimbursement for travel that does not involve an overnight stay should be limited and allowed only when the travel is authorized District business outside the director's normal local area or when attendance at a conference, training, or meeting makes the meal reasonably necessary to carry out the public purpose of the trip.

6. Cell Phone Reimbursement

The District recognizes that directors utilize their personal cell phones in the conduct of official District business. A director may choose either to use a personal cell phone and request reimbursement for the business-related portion of the expense, or to accept a District-issued cell phone for official District business. The District reserves the right to review, limit, or discontinue reimbursement or equipment issuance consistent with budgetary, administrative, and legal requirements.

6.1 Reimbursement

Directors may elect to receive a monthly reimbursement for the use of their personal cell phone for official district communications (calls, texts, emails, etc.). The amount shall be established by board resolution for each director and shall not exceed the current district rate for cell phone allowances offered to employees. The reimbursement shall be intended to offset the reasonable business-related use of the director's personal cellular service. Any such reimbursement shall comply with applicable law and may be treated as compensation if required for purposes of determining compliance with statutory compensation limitations.

6.2 District-Issued Phone

Alternatively, a District-issued cell phone can be provided for the convenience of conducting District business, always remains District property and must be returned upon end of service. Cell phones must be used in accordance with all applicable District policies.

7. Health Insurance Related Benefit Contributions for Directors

It is a policy of the District that, Chapter 172 of the Texas Local Government Code notwithstanding, Directors shall not participate in any plan of health or accident coverage offered by the District to its employees.

8. Receipts, Records & Submission

All reimbursement requests must be submitted within 30 days of the date the expense was incurred, unless good cause is shown and approved by the Board. Requests must also be accompanied by sufficient supporting documentation to show the business purpose and amount of the expense, including receipts, invoices, conference materials, agendas, itineraries, hotel folios, transportation receipts, and mileage logs, or other applicable records. Reimbursement requests will be presented to the Board as part of the monthly financial report for approval.

Fees of office under Texas Water Code sec. 49.060 shall be verified by a signed statement submitted within 30 days of the activity performed by the Director containing a general description of the duties performed for each day of service.

9. Approval

All reimbursements are subject to review and approval by the Board in the regular course of its financial oversight. A director requesting reimbursement shall abstain from voting on approval of that reimbursement except as permitted by applicable law. Approved reimbursements shall be reflected in the District's monthly financial report and remain subject to audit.

10. Exceptions

The Board may approve an exception to rate limits or documentation requirements when strict compliance is impracticable, and the expense is nonetheless shown to be reasonable, necessary, and incurred for a valid District purpose. Any exception shall be documented in the minutes or supporting records.

11. No Entitlement

Nothing in this policy creates an automatic entitlement to reimbursement. All reimbursements are subject to applicable law, budget availability, Board approval, and the requirement that the expense serve a legitimate District purpose.

12. Directors Compensation Disclosure and Review

Directors' compensation and reimbursements shall be publicly disclosed in the District's monthly expense reports and maintained as part of the District's official financial records. Such records shall be available for public inspection in accordance with applicable law. All compensation and reimbursements paid to Directors shall be subject to audit and periodic financial review. The Board of Directors shall review these payments annually as part of the District's budget process to ensure continued compliance with applicable law. All Director compensation and reimbursements must comply with the applicable provisions of the Texas Water Code, including Section 49.060, and any applicable limits established by the Texas Ethics Commission or other governing authority.

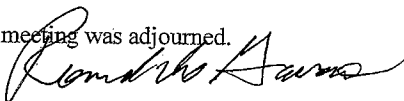
13. Reasonableness and Proper Use of Reimbursements

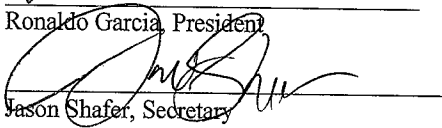
The District recognizes that Directors may incur expenses while performing authorized duties on behalf of the District. The Board of Directors intends to allow reasonable flexibility in reimbursable expenses when such expenses are incurred in good faith and are necessary for the conduct of legitimate District business. All expenses submitted for reimbursement must be reasonable, necessary, and directly related to the performance of official District duties. This flexibility shall not be interpreted as permission to incur excessive, unnecessary, or personal expenses, nor shall it be used in a manner that could reasonably be viewed as an abuse of the District's reimbursement policy. Requests for reimbursement must be supported by appropriate documentation, including receipts, invoices, or other records sufficient to demonstrate the nature, purpose, and amount of the expense. All reimbursement requests shall be subject to review and approval by the General Manager, Board President, or the Board of Directors as required by District policy. The District reserves the right to deny reimbursement for any expense that is determined to be unreasonable, insufficiently documented, or not directly related to official District business. All reimbursements shall comply with applicable provisions of the Texas Water Code, the Texas Local Government Code, and any other applicable state laws governing compensation, reimbursements, and expenditures by political subdivisions. Individuals requesting reimbursement are expected to exercise prudent judgment and responsible stewardship of public funds consistent with the fiduciary responsibilities owed to the District and its constituents.

14. Accuracy and Integrity of Reimbursement and Claims

All reimbursement requests submitted to the District must accurately reflect expenses actually incurred for legitimate District purposes. By submitting a request for reimbursement, the individual represents that the claim is truthful, complete, and supported by appropriate documentation. Any person who knowingly submits false, misleading, or improper reimbursement claims, or who receives reimbursement for expenses not eligible under this policy, may be required to reimburse the District for the full amount of such payment and may be subject to any additional action permitted by applicable law. The District reserves the right to review, audit, and verify any reimbursement request to ensure compliance with this policy and applicable state law.

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


Ronaldo Garcia, President


Jason Shafer, Secretary