

September 11, 2023
San Benito, Texas

The regular meeting of the Board of Directors of Cameron County Drainage District No. 3 convened on September 11, 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, Manager; Craig Harmon, Assistant/Trainee 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 August 11, 2023 joint meeting with the Board of Directors of Cameron County Irrigation No. 2 were presented and reviewed. The motion was made and seconded that the Minutes of the August 11, 2023 joint meeting be approved. Following a discussion, the motion carried.
 - 1.2 The Minutes of the August 14, 2023 regular meeting were presented and reviewed. The motion was made and seconded that the Minutes of the August 14, 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. Public Hearing on Proposed 2023 Tax Rate. President Garcia opened the public hearing on the 2023 Proposed Tax Rate. It was noted that the Notice of Public Hearing was published in the September 1, 2023 edition of the San Benito News and on the District's website. No one appeared. It was noted that the proposed budget requires the tax rate for calendar year 2023 be \$0.142210 per \$100 valuation. The motion was made and seconded to close the public hearing. Following a discussion the motion carried, and President Garcia declared the public hearing closed.
4. Budget for Fiscal Year Beginning October 1, 2023. The budget proposed at the August 14, 2023 meeting was presented. The motion was made by Matthew McCarthy and seconded by Ronaldo Garcia that the following Budget for the fiscal year beginning October 1, 2023 and ending September 30,2024, be adopted:

REVENUE:

3050	Current tax revenue		\$4,395,250.00
3051	Delinquent tax revenue		\$135,000.00
3052	Supplemental tax revenue		\$15,000.00
3060	Penalties and interest		\$100,000.00
3065	Less: NSF Chargeback	(\$4,400.00)	
3080	Less: Discounts	(\$83,000.00)	
3081	Less: Errors & adjustments	(\$24,500.00)	
3082	Less: Refunds	(\$15,500.00)	
3085	Less: Tax collection expense	(\$41,000.00)	
		<u>(\$168,400.00)</u>	<u>(\$168,400.00)</u>
	TOTAL TAX REVENUE		\$4,476,850.00

3090	Miscellaneous revenue	\$15,000.00
3093	Mowing Contract Services	\$180,000.00
3098	Interest on certificates of deposit	\$125,000.00
4820	Interest income	\$20,500.00
4860	Sale of Assets	\$5,000.00
	TOTAL REVENUE	\$4,822,350.00

Estimated Fund Balance October 01, 2023 \$7,748,800.00

AMOUNT AVAILABLE FOR APPROPRIATION \$12,571,150.00

EXPENSES:

Operating expenses		\$2,423,835.00
Capital Outlay:		
office equipment	\$6,000.00	
autos & trucks	\$50,000.00	
heavy equipment	\$1,000,000.00	
infrastructure projects	<u>\$8,485,315.00</u>	
	\$9,541,315.00	<u>\$9,541,315.00</u>
TOTAL EXPENSES		\$11,965,150.00

Estimated Fund Balance September 30, 2023 (3 mos operating exp) \$606,000.00

OPERATING EXPENSES

4010	Office Salaries	\$204,800.00
4020	Director's fees	\$21,600.00
4030	General Manager service	\$150,000.00
4050	Drafting Services	\$0.00
4060	Superintendent salary	\$0.00
4070	Other Salaries	\$793,525.00
4080	Social Security Taxes	\$72,550.00
4081	Medicare Expenses	\$17,000.00
4090	Unemployment Taxes	\$1,000.00
4100	Retirement System Expense	\$80,500.00
4110	Worker's Compensation	\$13,000.00
4115	Insurance Expense	\$21,000.00
4125	Health Insurance Expense	\$200,000.00
4130	Janitorial Service	\$8,000.00
4140	Audit Expense (FY ended 09/30/2023)	\$12,000.00
4150	Legal	\$28,000.00
4165	Appraisal District Fees	\$54,060.00
4175	Survey and Engineering	\$7,000.00
4180	Office Expense	\$14,500.00
4182	Physicals	\$500.00
4192	Chemicals/Operating Expense	\$2,500.00
4195	Safety Supplies	\$4,000.00
4200	Seminars and Training	\$5,200.00
4201	Member Dues	\$900.00
4220	Fuel -Autos	\$56,000.00
4230	Fuel - Equipment	\$240,000.00
4240	Repairs - Pipelines and Structures	\$40,000.00
4245	Uniforms	\$7,000.00
4250	Repairs - Autos	\$15,000.00
4260	Repairs - Equipment	\$220,000.00
4261	Tire Collection/Disposal	\$50,000.00
4262	GPS	\$14,000.00
4263	Machine Moves	\$40,000.00
4265	Tools - Warehouse	\$1,500.00
4270	Other Repairs	\$5,200.00
4290	Utilities	\$17,500.00
4330	Miscellaneous Expense	\$5,500.00
4370	ACH Direct Deposit Fees	<u>\$500.00</u>
		\$ 2,423,835.00

CAPITAL OUTLAY

4345	Office equipment	\$6,000.00
4344	Autos and Trucks	\$50,000.00
4343	Heavy Equipment	\$1,000,000.00

INFRASTRUCTURE PROJECTS

4342	Sites (office/warehouse site)	\$25,000.00
4347	Easements & ROW	\$100,000.00

4349	Storm Water Modeling	\$50,000.00
4350	Green Valley Farms Project	\$50,000.00
4356	Drain E -piping & lining	\$800,000.00
4357	Storm Permitting	\$3,665.00
4360	East Line Relief	\$5,256,650.00
4364	Drain B2 (at Pennsylvania Blvd. Crossing)	<u>\$2,200,000.00</u>
Total Infrastructure Projects		<u>\$8,485,315.00</u>

Following a discussion, the motion carried.

5. Tax Rate for Calendar Year 2023. The motion was made and seconded that BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CAMERON COUNTY DRAINAGE DISTRICT NO. 3 that a tax rate of \$0.142210 per \$100 valuation is adopted for Cameron County Drainage District No. 3 for the calendar year 2023. Following a discussion, the motion carried.
6. Subdivisions:
 - 6.1 Demarca Estates Subdivision, being 12 acres out of Lot 10, Heywood Loop Subdivision, Engineer: AGH Engineering. Plat not presented. No action.
 - 6.2 Grajales Estates, being 0.24 ac. out of Block 12, Lots 4 & 5, Evans Subdivision. This property drains into the City of San Benito storm drain system. The final plat was not presented. The motion was made and seconded that this plat receive preliminary approval. Following a discussion, the motion carried.
 - 6.3 Parra Estates, being 0.24 ac. out of Block 12, Lots 5 & 6, Evans Subdivision. This property drains into the City of San Benito storm drain system. The final plat was not presented. The motion was made and seconded that this plat receive preliminary approval. Following a discussion, the motion carried.
7. Audit of Fiscal Year Ended September 30, 2022. The engagement letter with Robert Lopez, CPA, has been finalized, and the audit has commenced.
8. Audit of Fiscal Year to End on September 30, 2023. The motion was made and seconded that Robert Lopez, CPA, be engaged to audit the District's fiscal year beginning October 1, 2022 and ending September 30, 2023, for a fee of \$12,000.00, and that either President Garcia or Manager Lambert is authorized to sign the engagement letter. Following a discussion, the motion carried.
9. Rancho Grande Diversion Project/Drain A Bypass Extension to River–Installation of Structure at Outfall. Jack Brown advised that recommendations will be presented to the Board at its November 11, 2023 meeting.
10. Resaca Vista Drain in Blocks 209 and 215, San Benito Land & Water Co.–Cameron County Irrigation District No. 2 Conveyance of Seep Ditch to Drainage District. The Resaca Vista Condominiums Homeowner's Association (HOA) met on July 13, 2023. There has been no response from the HOA. It was noted that there is no reason, presently, for the Drainage District to accept a conveyance of the seep ditch.
11. Russell Main Drain: Private Road Crossing in Block 4, Parker Tract Subdivision, Owned by Porfirio and Nicanor Vasquez and Respective Spouses. The landowners still have not upgraded the crossing. It was noted that the landowners have been told in writing that the license agreement requires the landowners to upgrade the crossing at their expense, and if they fail to upgrade the crossing, the District can and will remove the existing crossing when it becomes a bottle neck during a rain event. This item will be deleted from the agenda.
12. Projects.
 - 12.1 East Line Drain Relief Project 2012. No change in status since the last meeting. The letters to the landowners will be placed in the mail next week.

12.2 TWDB #40023 Flood Protection/Infrastructure Study-Hydrologic and Hydraulic Model Update. Scheibe Consulting, LLC is working on the Model Upgrade, which will now include the City of San Benito storm sewer system. September 2024 is the deadline for completion of the Model Update. Whether the City's match will be 20% instead of 10% has not been resolved.

12.3 Drain B-2: Upgrade of Pennsylvania Boulevard Road Crossing.

(a) Status Report.

i) Representatives of the City appeared respecting this item and advised that the City in the process of finalizing a contract for the removal of the sanitary sewer line that is blocking the culverts where the drain crosses Pennsylvania Boulevard. It was noted that except for the remote possibility of the Elizabeth Hernandez and Randy Hernandez property in Block 34, SBL&WCo. is being served by the sanitary sewer line, the subject sewer line serves no properties east of the Pennsylvania Boulevard crossing.

ii) Jack Brown noted that in 2015 the District issued a license to Elizabeth and Randy Hernandez for a road/driveway crossing of Drain B-2 in Block 34, SBL&WCo. downstream of, but near the Pennsylvania Boulevard road crossing. To avoid the cost of upgrading both the Pennsylvania Boulevard crossing and the Hernandez road / driveway crossing, the Pennsylvania Boulevard crossing will be moved east to a point east of the Hernandez road / driveway crossing. The utilities in the Pennsylvania Boulevard right-of-way have been spotted.

iii) Presently, the plan is to install two rows / barrels of 6 foot x 8 foot box culverts where Pennsylvania Boulevard crosses Drain B-2. It was noted that the impact downstream of the Pennsylvania Boulevard crossing must be considered. Only one 60 inch diameter culvert has been installed where Yost Road (at Line 4 / line common to Blocks 34 and 25, SBL&WCo.), Jay Street (in Block 25, SBL&WCo.), and McColloch Road (at Line 0 / east line of Block 25), each cross Drain B-2.

iv) It was noted that it is highly likely that the area upstream of the Pennsylvania Boulevard crossing road will rapidly be converted from agricultural use to residential subdivisions and that the conversion of undeveloped land to impervious surfaces with virtually no ability to absorb storm water will increase run-off entering District's drainage system. A discussion followed about how the District can fund the upgrade of its drainage system due to upstream development. The Attorney was directed to research whether the District can collect an impact fee.

(b) Grant Funding: DR-4705 Grant for Pennsylvania Boulevard Crossing Upgrade and Downstream Road Crossing Upgrades. The District's grant application has been submitted. The deadline for filing grant applications has not yet passed.

(c) Interlocal Cooperation Contract with City of San Benito for Removal of Sanitary Sewer Line. The City's contracting for the removal of the sewer line eliminates the need for the removal of the sewer line to be included in the District's plans.

(d) Other Decisions Necessary. It was noted that there is a old, now unused private road crossing in Block 34, SBL&WCo., east of, but relatively near the

Elizabeth and Randy Hernandez for a road / driveway crossing. The Board directed the Drain Supervisor to remove the crossing.

- 12.4 Drain B-2: Upgrade of Road Crossings Downstream from Pennsylvania Boulevard. Discussed under agenda item 12.3(a)(iii).
13. Agreements/Rights-of-Way/Permits/Interlocal Cooperation Contracts.
 - 13.1 Drain 382 in North 10 Acres of Block 382, SBIC: Request of Luis S. Lopez and Denise C. Lopez Revocable Living Trust for License Agreement to Install Livestock Crossing and Waterline Crossing. No change in status since the last meeting—License Agreement prepared and submitted to landowner. The Board was of the opinion the Board’s approval of the issuance of the license agreement should be rescinded if the landowners do not finalize the license agreement before the October Board meeting and all unlicensed crossings in the property, if any, be removed. Attorney Dossett and the Office Manager were directed to follow up with the landowners.
 - 13.2 Drain 382 in South 15 Acres of North 25 Acres of Block 382, SBIC: Request of Adrian and Cathy Coronado for Road and Utility Crossings. No change in status since the last meeting—License Agreement prepared and submitted to landowners. The Board was of the opinion the Board’s approval of the issuance of the license agreement should be rescinded if the landowners do not finalize the license agreement before the October Board meeting and all unlicensed crossings in the property, if any, be removed. Attorney Dossett and the Office Manager were directed to follow up with the landowners.
 - 13.3 Drain E in Block 22, San Benito Land & Water Company Subdivision—License Agreement to San Benito CISD for 4 down drains (for bus barn). No change in status since the last meeting—the School District paid the required fee but has not returned the signed License Agreement. Attorney Dossett and the Office Manager to contact the School District.
 - 13.4 Liberty Estates Phase II, being 10.64 Acres Out of Blocks 5, 6, 12, Cunningham’s Subdivision of Block 35, San Benito Land & Water Company Subdivision. No change in status since the last meeting. It was noted that there is no reason, presently, for the Drainage District to accept a conveyance of the seep ditch on the north side of, adjacent and parallel to Lateral A until the issues discussed under agenda item 12.3(a)(iv) have been resolved.
 - 13.5 Los Indios #2 Drain in Block 48, Los Indios Irrigated Land Co. Subdivision: Request of United States of America for Potable Water Line Crossing for FMSCA Inspection Facility Upgrade. No change in status since the last meeting. The request was for a waterline crossing for a fire suppression system for the facility. This item will be deleted from the agenda until such time as the USA decides it needs the waterline crossing.
 - 13.6 Drain D in Block 128, San Benito Land & Water Company Subdivision—Request for Down Drain License for Proposed 3C Subdivision. No change in status since the last meeting. This item will be deleted from the agenda until such time as the landowner decides to finalize the subdivision.
 - 13.7 Drain E-1: Relocation of SBCISD’s Down Drain Inlet on South Side of High School. No change in status since the last meeting. It was noted that this issue arose when the School District inquired about additional down drains in connection with the proposed improvement of the parking lot that adjoins Drain E-1 to the north. The School District has not constructed the parking lot improvements. This item will be removed from the agenda. In 2006, the District issued a License Agreement to the School District for a road crossing of Drain E-1 for ingress and egress from the Expressway 77/83/I-69 north frontage road to High School. Assistant Manager Harmon reported that he been contacted by school representatives about erosion at

the road crossing the need to repair the down drains installed in the road crossing. During that conversation he learned that the parking lot project may be revived.

- 13.8 Drain E Notice of Drain Right-of-Way. Notice of the location of the pipeline between La Palma Street and Stenger Street not completed. Should be completed before the next Board meeting.
14. Donation: Drains in Territory North of Arroyo Gardens (Shares 12 and 22, Espiritu Santo Grant). Rios Surveying has not delivered the metes and bounds descriptions of the 140 foot wide strips of land. Engineer Brown will contact Rios Surveying to discuss the time line for completing the descriptions.
15. Rules Revision. Not ready for Board action. Attorney Dossett anticipates the rules will be ready for the Board's consideration at the October Board meeting.
16. Reports.
 - 16.1 Financial.
 - (a) Financial Report for month of August 2023 presented and reviewed.
 - (b) Financial Report for fiscal year through August 31, 2023 presented and reviewed.
 - 16.2 Manager. Manager Lambert discussed tasks and actions that will be required of the Board to accomplish the transition of Craig Harmon from Assistant/Manager to the Manager effective January 1, 2024.
 - 16.3 Attorney. All matters discussed under other Agenda items.
 - 16.5 Engineer. All matters discussed under other Agenda items.
 - 16.6 Drain Supervisor. Written report of work accomplished in the month of July 2023 presented.
 - 16.7 Report by Representative of City of San Benito. No one appeared regarding this Agenda item.
17. *Cameron County Drainage District No. 3 and Cameron County Irrigation District No. 2, et al. vs. City of San Benito.*
 - 17.1 Status Report. No change in status since the July 10, 2023 meeting.
 - 17.2 Settlement of Suit. Proposed settlement not finalized. A discussion followed about the need for the Drainage District to review subdivision plats.
18. Payment of Accounts, Wages, and Directors' Services.
 - 18.1 The motion was made and seconded that the issuance of the following checks between the August 14 2023 meeting and this meeting be ratified:

14559 : Texas Child Support SDU	Employee Wage Withholding-Child Support	\$820.16
14560 : Craig M. Harmon	Reimbursement: Phone Case	\$51.82
14561 : Dainamik	GPS Monitoring	\$2,730.00
14562 : Allstate	Insurance	\$224.01
14563 : Craig M. Harmon	Reimbursement: Training Meeting	\$240.00
14564 : Lucinda Trevino	Reimbursement: Asst. Mgr IPAD and cell phone	\$1,599.96
14565 : Texas Child Support SDU	Employee Wage Withholding-Child Support	\$820.16
TOTAL		\$6,486.13

Following a discussion, the motion unanimously carried.

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

14566 : Anderson Equipment	Machine Repairs	\$4,384.53
14567 : AFLAC	Insurance	\$374.76
14568 : Allstate	Insurance	\$74.67
14569 : AT&T Mobility	Wireless Phone	\$171.68
14570 : Bell Fence Company	Gate Wheel	\$76.80
14571 : Blue Cross & Blue Shield	Health Insurance	\$15,784.75
14572 : Cameron Appraisal District	Quarterly Assessment	\$13,514.75
14573 : Dainamik	GPS Monitoring	\$910.00
14574 : Direct Energy	Warehouse: Electric Bill	\$533.19
14575 : East Rio Hondo Water Supply Corp.	Office/Shop/Warehouse: Water Bill	\$78.49
14576 : Firestone	Machine Repairs	\$1,372.44
14577 : Gateway Printing	Office Supplies	\$13.00
14578 : Grajale's Tire Shop	Flat Repairs	\$30.00
14579 : Hollon Oil Company	Hydraulic Oil	\$1,692.75
14580 : Iafsa USA	Machine Repairs	\$13,564.63
14581 : John Deere Financial	Machine Repairs	\$717.39
14582 : Sonia Lambert	Phone Allowance	\$125.00
14583 : Matt's Cash & Carry	Blades	\$54.96
14584 : Nueces Power & Equipment	Machine Repairs	\$952.77
14585 : O'Reilly Auto Parts	Machine Repairs	\$989.38
14586 : Ortega, Federico	Phone Allowance	\$45.00
14587 : Pico Propane	Off Road Diesel	\$20,463.05
14588 : PSI Petroleum Group	Fuel Tank Repair	\$2,022.53
14589 : Pitney Bowes	Postage Meter Usage	\$178.68
14590 : Rio Hondo Lumber & Supply	Drain Repairs	\$88.36
14591 : Rey's Tire Service	Flat Repairs	\$275.00
14592 : Southern Tire Mart	Machine Repairs	\$674.12
14593 : Nelda Solorio	Janitorial	\$261.88
14594 : Triple S Steel	Safety Supplies	\$478.65
14595 : Lucinda Trevino	Janitorial	\$261.88
14596 : UniFirst	Uniforms	\$609.46
14597 Wilcac Life Insurance	Insurance	\$21.67
14598 : Wylie Case	Machine Repairs	\$202.40
14599 : David Ybarra	Janitorial	\$577.73
14600 : Lincoln National Life	Life Insurance	\$236.16
14601: Dossett Law Office	Legal Fees	\$1,565.00
14602 Cameron County Irrigation Dist. #2	Reimbursement	<u>\$2,393.82</u>
TOTAL		\$85,802.33

Following a discussion, the motion unanimously carried.

19. Board of Directors: Fill Vacancy on Board of Directors. No discussion. No action.

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

approved and signed xxxxx 10/16/23

Ronaldo Garcia, President

approved and signed xxxxx 10/16/23

Matthew McCarthy, Vice President