

October 13, 2022  
San Benito, Texas 78586

The Board of Directors of Cameron County Irrigation District #2 met in regular session in the office of the District upon the above date at 9:00 a.m.

The following Directors were present: Sam Simmons (by telephone), Brady Taubert, and Lupe Argullin. Also present were Sonia Lambert, General Manager, and Buddy Dossett, Attorney.

There was no public comment.

A motion was made by Sam Simmons, seconded by Lupe Argullin, and upon unanimous vote, passed to approve the minutes of the regular meeting of September 8, 2022.

The water report was made by Brady Taubert, who reported that Falcon Reservoir contains 488,858 acre-feet of water of the normal conservation 2,646,817 acre-feet. The Amistad Reservoir contains 1,340,104 acre-feet of water of the normal conservation 3,275,532 acre-feet which 30.60% is U.S. total conservation capacity compared to 37.62% this time last year. As of October 13, 2022, District's usable and storage water balances are 21,138.0430 acre-feet. This time last year, usable water balance was 47,027.6673 and storage water balance was 47,353.4176.

The Manager reported that there was no update on the request from Third Pillar Solar to lease district's reservoirs #1 and #2 for floating solar panel installation. No action was taken.

The Manager informed the Board that other than the original three bids of \$100.00 each for the Rhino mowers declared surplus by the Board, no other bids were received. A motion was made by Lupe Argullin, seconded by Sam Simmons and upon unanimous vote, passed to authorize the sale of 3 Rhino shredder mowers for \$100.00 each to Juan Pablo Garcia. Motion carried.

The District's 3<sup>rd</sup> Quarter Investment report was reviewed by the Board of Directors. The report showed the rate for the account with First Community Bank interest yielded for each month of the quarter and the ending value as of September 30, 2022. A motion was made by Sam Simmons, seconded by Lupe Argullin, and upon unanimous vote, passed to approve the District's 3<sup>rd</sup> Quarter Investment report as presented. Motion carried.

Water availability for 2022 was discussed. The Manager is expecting there be an allocation to the District for the month of September. The report with the amount of allocation to the District is expected next week. No action was taken.

The Manager informed the Board that the 20-year lease to the U.S. Border Patrol for a remote video surveillance tower expires in December 2023. The current monthly lease payment is \$510.00/month. After discussion, a motion was made by Sam Simmons, seconded by Lupe Argullin, and upon unanimous vote, passed to authorize a 20-year lease to the U.S. Border Patrol for a remote video surveillance tower on the northeast corner of the International Boundary and Water Commission levee and the District's low line beginning on December 31, 2023 and ending December 31, 2043 for a fee of

\$612.00 per month (20% increase from the 2003-2023 monthly fee of \$510.00). Motion carried.

The Manager presented the following options for the employee health insurance, including the renewal with the same plan: Blue Cross Blue Shield with a \$1,000.00 deductible; \$4,000.00 annual coinsurance; \$30 copay office visit; 80% after deductible; prescription drug benefit of \$0/\$10/\$50/\$100/\$150/\$250 for a monthly premium of \$521.44 per employee per month; another quote received from Aetna with a \$1,000.00 deductible; \$4,500.00 annual coinsurance; \$25 copay office visit; 80% after deductible; prescription drug benefit of \$3/\$10/\$45/\$75 for a monthly premium of \$599.33.35 per employee per month; another quote received from Aetna with a \$1,500.00 deductible; \$5,000.00 annual coinsurance; \$25 copay office visit; 80% after deductible; prescription drug benefit of \$3/\$10/\$45/\$75 for a monthly premium of \$579.02 per employee per month; another quote received from Aetna with a \$2,500.00 deductible; \$5,500.00 annual coinsurance; \$25 copay office visit; 100% after deductible; prescription drug benefit of \$3/\$10/\$45/\$75 for a monthly premium of \$570.12 per employee per month. A motion was made by Sam Simmons, seconded by Lupe Argullin, and upon unanimous vote, passed to renew the employee’s health insurance with Blue Cross and Blue Shield current plan ATBCP202 for a monthly premium of \$521.44 per employee per month. Motion carried.

The Manager presented and discussed with the Board the proposed Maintenance and Operation Budget for fiscal year 2023. After discussion, a motion was made by Sam Simmons, seconded by Lupe Argullin and upon unanimous vote, passed to adopt the following budget for fiscal year 2023:

ESTIMATED OPERATING REVENUE

55,936.79 acres of irrigable land assessed as follows:	
1st acre or fraction thereof, a minimum of \$30.00, all additional acres after the first acre in any ownership \$16.50 per acre (including delinquent collections and interest)	\$867,700.00
Estimated sale of water for gravity irrigation at \$13.50 per acre, and/or \$33.75 per acre-foot, \$10.85 For pumped water, and \$26.95 per acre for outside the District (with water rights)	\$540,000.00
Miscellaneous Water (Lawn)	\$4,000.00
Municipalities	\$658,000.00
Charges for Work & Miscellaneous Revenue	\$502,000.00
Leases	\$21,820.00
Property Sales	\$40,000.00
CD & Checking Account Interest	\$2,000.00
<b>Total Projected Revenue</b>	<b>\$2,635,520.00</b>

Respectfully Submitted,

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Sonia Lambert  
General Manager

THEREUPON, the foregoing recommendation by the General Manager having been carefully considered by the Board of Directors, a motion was made by Sam Simmons, seconded by Lupe Argullin, and upon vote, passed that the budget be adopted, and that the following resolution be adopted:

RESOLUTION

1.

BE IT RESOLVED, that the Board of Directors of Cameron County Irrigation District #2 considers that there are 55,936.79 acres in the District, and to which the District is in a condition to furnish water by its present system of laterals and canals through extensions thereof of existing laterals;

2.

That said acreage at a flat rate fixed charge of \$30.00 for the first acre or fraction thereof, and all additional acres, after the 1st acre in any ownership at \$16.50 per acre will yield \$867,700.00, (including delinquent flat rate collections and interest on delinquent flat rate collections);

3.

IT IS THEREFORE ordered by the Board of Directors that the aforesaid sum of \$867,700.00 shall be paid by assessments against all irrigable lands within the District, prorated per acre, and they are hereby levied and assessed the sum of \$30.00 for the first acre, and all additional acres after the first acre in any ownership at \$16.50 per acre against all irrigable lands within the District. (Amount includes proposed collection of delinquent flat rate). For all land in which the District is in condition to furnish water by its present system of canals, laterals, or through extensions thereof of existing laterals, but without reference to whether such land is to be actually irrigated or not, then such assessments shall become due and payable as follows:

For all 2023 assessments due 1/01/2023, a minimum charge of \$30.00 per acre for the 1st acre and all additional acres after the 1st acre, \$16.50 per acre with the flat rate becoming delinquent on March 1, 2023 if not paid;

4.

And the Board, in prorating the share of said estimated amount of water used for irrigation purposes, took into consideration the water available. It is therefore ordered that \$540,000.00 be equitably prorated among the applicants for water, at a rate and charge \$13.50 per acre for each watering, to be paid in advance when the application for the water is filed in the office of the District, which in all cases, shall be paid before water is furnished, provided that in the case of lands for which water will not be irrigated by gravity and must be pumped by the owners thereof, the rate and price for each watering will be \$10.85 per acre payable as herein provided. In cases of land where the owners impound water where it is impossible or impractical to determine the acres irrigated, a meter must be provided by owners thereof, to accurately measure the water used. The charge for water sold by the acre-foot and measured with meters will be at \$33.75 per acre-foot. Irrigation on out-of-District lands, with their own water rights, will be at \$26.95 per acre irrigated;

5.

The Board in calculating the District's cost for furnishing water to miscellaneous water (lawn) users finds and determines the charges to be the following:

For lawn irrigation on in-District property: \$307.00 per year

For lawn irrigation on out-of-District property: \$337.00 per year, of which will yield \$4,000.00.

6.

The Directors reviewing the charges for water used for municipal purposes taking into consideration, the constant demand, evaporation loss, and the additional cost incurred by the District to supply the water, found and determined the charge of \$0.299 per thousand gallons used. The Directors estimated the above to yield \$658,000.00;

7.

The District estimated the revenue from leases, charges for work done, miscellaneous revenue, property sales, certificate of deposit and checking interest to be \$502,000.00;

8.

All assessments provided for herein shall bear interest from the time it became delinquent and shall be payable at the following rates:

15% per annum (1.25% per month) from the date the assessment becomes due. If suit should be filed thereof, or same should be collected by any legal proceedings, an additional amount equal to the sum of attorney's fees, court costs and any other legal fees shall be added to the same as collection fee to principle and interest. Such assessments shall stand secured by the liens provided by law. The Office Manager shall collect such interest on all delinquent flat rate assessments not paid on or before sixty (60) days after due date;

9.

All landowners shall be personally liable for all assessments herein provided for and if they shall fail or refuse to pay same when due, all water supply should be cut off and

no water shall be furnished to the land until all back dues including interest and penalty are fully paid. This provision with respect to cutting off water shall bind all parties, persons and corporations owing or thereafter acquiring any interest in the said lands.

GENTLEMEN: In compliance with Section 58.302 through 58.331 Vernon's Texas Session Law Service, Law 1979, 67th Legislature State of Texas and with the "Rules and Regulations" adopted by your Honorable Board, I respectfully, submit herewith for your consideration and approval, an estimate of the cost to be paid from the maintenance and operation fund for the 2023 fiscal year and recommendation for assessments and water charges for 2023:

EXPENSES:

4010	Office Salaries	\$169,245.00
4020	Directors Fees	\$14,550.00
4030	Manager Salary	\$115,000.00
4040	Pumping Plant Labor	\$55,300.00
4060	Canal Riders & Supervisor	\$228,000.00
4070	Other Salaries (Maintenance)	\$560,000.00
4080	Social Security Expense	\$71,000.00
4081	Medicare Expenses	\$16,600.00
4090	Unemployment Tax	\$500.00
4100	Retirement System	\$79,100.00
4105	Manager Expense	\$3,500.00
4110	Workers' Comp	\$30,800.00
4112	Uniforms	\$5,000.00
4115	Insurance	\$78,000.00
4125	Health Insurance	\$157,000.00
4130	Janitor Service	\$3,700.00
4140	Audit Fee	\$9,000.00
4150	Legal Fee	\$21,500.00
4160	TCEQ	\$54,000.00
4161	GPS Service	\$6,600.00
4162	Safety Equipment	\$5,000.00
4163	Managers Association; RGRWA	\$9,100.00
4168	Auto Miscellaneous (inspections)	\$350.00
4170	Drafting/Engineering Supplies	\$300.00
4175	Survey/Engineering	\$1,000.00
4180	Office Expense	\$51,000.00
4182	Physicals	\$200.00
4185	Office Building Expenses	\$6,600.00
4190	Pumping Plant Lubricants	\$1,500.00
4195	Operating Expenses (Chemicals)	\$3,500.00
4200	Pumping Plant Repairs	\$23,000.00
4205	Tools Pumping Plant	\$500.00
4210	Miscellaneous Repairs Pumping Plant	\$3,000.00
4220	Gas/Oil for Autos	\$82,500.00
4230	Gas/Oil for Machinery	\$77,000.00
4240	Repairs to Pipeline & Structures	\$177,700.00
4250	Auto Repairs	\$41,000.00
4255	Mowing Contract	\$180,000.00

4260	Machinery Repairs	\$71,000.00
4265	Tools	\$5,500.00
4270	Other Repairs	\$1,000.00
4275	Repairs to various pumps	\$9,300.00
4280	Electricity River Pumps	\$66,775.00
4290	Utilities	\$37,000.00
4300	Electricity – Various Pumps	\$27,000.00
4310	Natural Gas River Pumps	\$25,000.00
4330	Miscellaneous Expense	\$1,300.00
4340	Assets Purchased	\$50,000.00

Motion Carried.

The Board reviewed the proposed 2023 Rehabilitation Capital Improvements Budget. After discussion, a motion was made by Sam Simmons, seconded by Lupe Argullin, and upon unanimous vote, passed to adopt the following 2023 Rehabilitation Capital Improvements Budget:

<b>CAMERON COUNTY IRRIGATION DISTRICT #2</b>				
<b>2023 CAPITAL IMPROVEMENTS BUDGET</b>				
	<b>BEGINNING BAL</b>	<b>INCOME</b>	<b>EXPENSES</b>	<b>PROJECTED ENDING BAL</b>
<b>REHAB CHECKING ACCT:</b>				
Estimated Beginning Balance	\$4,648.26			
No projects (Acct for Reclamation reimbursements)			\$0.00	
Checking Interest		\$25.00		
<b>Ending Balance</b>	<b>\$4,648.26</b>	<b>\$25.00</b>	<b>\$0.00</b>	<b>\$4,673.26</b>
<b>CANAL REHAB ACCT:</b>				
Estimated Beginning Balance	\$1,799,030.00			
Checking Interest		\$4,500.00		
Bureau of Reclamation Reimbursements		\$0.00		
<b>Ending Balance</b>	<b>\$1,799,030.00</b>	<b>\$4,500.00</b>	<b>\$0.00</b>	<b>\$1,803,530.00</b>
<b>WATERSMART:</b>				
Beginning Balance	\$75,446.34			
Construction of Lateral E/G2			\$958,461.00	
Bureau of Reclamation Reimbursements		\$536,557.00		
Checking Interest		\$200.00		
<b>Ending Balance</b>	<b>\$75,446.34</b>	<b>\$536,757.00</b>	<b>\$958,461.00</b>	<b>-\$346,257.66</b>
<b>Certificates of Deposit</b>				
Beginning Balance	\$2,488,915.85			
Interest Earned		\$10,300.00		
<b>Ending Balance</b>	<b>\$2,488,915.85</b>	<b>\$10,300.00</b>	<b>\$0.00</b>	<b>\$2,499,215.85</b>
<b>ENDING BALANCE COMBINED REHAB ACCT</b>	<b>\$4,368,040.45</b>	<b>\$551,582.00</b>	<b>\$958,461.00</b>	<b>\$3,961,161.45</b>

The Board entered into Executive Session at 9:30 a.m. pursuant to section 551.072 of the governmental code to deliberate the purchase, exchange, lease, or value of real property; section 551.071 to discuss with attorney pending litigation; and 551.074 to deliberate the appointment, employment, and duties of a joint Assistant General Manager of the Districts to succeed the current joint Manager upon her retirement: a) Legal issues – i) City of San Benito’s refusal to approve plats with District’s sign-off paragraph; ii) Sale of 1.185 acres out of Lots 7 and 9, Block 146 pf the San Benito Land and Water Company Subdivision; iii) Employment of Assistant General Manager.

The Board returned to Open Session at 9:34 a.m. and took the following actions: i) no action; ii) A motion was made by Sam Simmons, seconded by Lupe Argullin, and upon unanimous vote, passed to accept Mr. Armando Elizarde, Jr./Ace Valley Developments' offer of \$7,000/acre for the approximate 1.185 acres out of Lots 7 and 9, Block 146 of the San Benito Land and Water Company Subdivision, which is a 40 x 1290 foot section of an abandoned canal, (Lateral V-4), with the buyer incurring all costs associated with the sale; iii) No action. Motion carried.

A motion was made by Lupe Argullin, seconded by Sam Simmons, and upon unanimous vote, passed to approve the following bills:

<u>Check#</u>	<u>Vendor</u>	<u>Amount</u>
21153	Central Ready Mix	\$376.00
21154	Dropped Dead Pest Control	\$250.00
21155	Firestone/Bridgestone	\$428.63
21156	Fresno Valve & Casting	\$959.41
21157	Grajale's Tire Shop	\$87.00
21158	Mendez Tire Shop #2	\$35.00
21159	Romco Equipment	\$1,934.24
21160	Simplot Grower Solutions	\$320.00
21161	Smartcom Telephone LLC	\$637.33
21162	TWCA	\$1,663.00
21163	Texas Child Support	\$135.69
21164	United Rentals, Inc.	\$338.75
21165	Utility Trailer Sales	\$154.85
21166	Aflac	\$279.57
21167	Alamo Iron Works	\$79.68
21168	Boswell Elliff Ford	\$96.80
21169	Core & Main	\$490.50
21170	Dropped Dead Pest Control	\$650.00
21171	First Community Bank	\$466.14
21172	Gateway	\$78.19
21173	Hollon Oil Co.	\$1,282.40
21174	Johnny's True Value	\$50.97
21175	JR ITSoftware	\$4,762.63
21176	Orkin	\$211.00
21177	Romco Equipment	\$753.01
21178	Superior Alarms	\$150.00
21179	South Texas Bolts & Supply	\$6.08
21180	Texas Gas Service	\$446.72
21181	TWCA Risk Management Fund	\$2,562.00
21182	Texas Child Support	\$135.69
21183	American Heritage Life	\$350.99
21184	Dept. of the Treasury	\$17.95
21185	Texas Child Support	\$135.69
21186	AT&T Mobility	\$65.19
21187	Boswell Elliff Ford	\$384.35
21188	Cameron County Drainage District #3	\$15,000.00
21189	Dossett Law Office	\$400.00
21190	Dearborn Life Insurance Co.	\$177.90
21191	Dainamik Business Solutions	\$490.00
21192	Direct Energy	\$11,368.72

21193	Fresno Valve & Castings	\$4,781.10
21194	Gateway	\$224.15
21195	Johnny's True Value	\$81.37
21196	JR ITSoftware Solutions, LLC	\$4,188.52
21197	Sonia Lambert	\$45.00
21198	Magic Valley Electric	\$122.36
21199	McCoy's	\$256.83
21200	Office Depot	\$2.00
21201	O'Reilly Automotive, Inc.	\$2,058.49
21202	Orkin	\$211.00
21203	Pro Billing & Funding Services	\$114.36
21204	R&A Truck Repair	\$80.00
21205	Superior Alarms	\$150.00
21206	Sprint	\$169.51
21207	Southern Tire Mart	\$709.53
21208	Smartcom Telephone, LLC	\$634.39
21209	Tops The Outdoor Store	\$27.24
21210	TWCA Risk Management Fund	\$2,562.00
21211	Tractor Supply	\$38.98
21212	Texas Department of Agriculture	\$75.00
21213	Unifirst	\$822.49
21214	Verizon	\$782.25
21215	Waste Management of Texas	\$177.94

The Manager reported on the following items to the Board of Directors:

- a) September Maintenance Report – Includes 11 jobs performed by the crews for the month and \$9,480.58 billed for private work performed. Crews also cleaned up the warehouse grounds and power washed the office, warehouse, and fuel tanks.
- b) September Machine Locations/Accomplishments – A report indicating work performed by the excavators and dozers for the month was presented to the Board.
- c) September Pumping Plants Reports – 1) Running standard operations; 2) General maintenance of plant and grounds; 3) Pumping for the month: Pump Station #1 – 9/4 – 1 p.m. Rate set at 50 CFS through 9/8- 1 p.m., 9/13 – 4 p.m. New Cert 50 CFS, Stop 9/16- 4 p.m., 9/20 – 2 p.m. Cert 50 CFS through rest of pumping period; Pump Station #2 – 9/6 – 2 p.m. Rate set at 12 CFS; 4) Rainfall: 3.05"; 5) Acre feet diverted: 986.677; 6) Total No Charge Pumping: 14.677; 7) Average TDS readings: 918 p.p.m.
- d) September Financial Reports:
  - 1) M&O Account – The financial report was presented.
  - 2) Rehab Account – The financial report was presented.
  - 3) Canal Rehab Account – The financial report was presented.
  - 4) WaterSMART Account – The financial report was presented.
- e) Water Duty – was 1.49 acre-feet per acre for the month of September 2022 and 1.20 acre-feet per acre year to date.
- f) Sign/Land Leases – A report with a listing of all contracts and amounts due was presented to the Board.
- g) TCEQ Rule Changes – The Irrigation Districts are considering proposing rules changes pertaining to 1) no charge water; 2) operation procedures to minimize river losses; 3) negative allocation; and 4) rule on clerical errors.



Attorney's report:

- a) State of Texas – Agreement to grant easement to the State of Texas for the construction of the border wall has been finalized and will be signed by President of the Board, Sam Simmons.
- b) Army Corps of Engineers – Agreement to grant a utility easement and for ingress/egress along the east side of the low line is being worked on.

A motion was made by Lupe Argullin, seconded by Sam Simmons, and upon unanimous vote, passed to adjourn the meeting at 9:49 a.m. Next regular meeting is scheduled for Thursday, November 10, 2022 at 9:00 a.m.

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Sam Simmons, President

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William Goad, Secretary