

May 11, 2023
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, Brady Taubert, William Goad, Buck Rhyner, and Lupe Argullin. Also present were Sonia Lambert, General Manager, Rick Martinez, Assistant Manager, and Buddy Dossett, Attorney.

There was no public comment.

A motion was made by William Goad, seconded by Buck Rhyner, and upon unanimous vote, passed to approve the minutes of the special and regular meetings of April 13, 2023.

The water report was made by William Goad, who reported that Falcon Reservoir contains 608,843 acre-feet of water of the normal conservation 2,646,817 acre-feet. The Amistad Reservoir contains 1,007,713 acre-feet of water of the normal conservation 3,275,532 acre-feet which 28.74% is U.S. total conservation capacity compared to 31.75% this time last year. As of May 11, 2023, District's usable and storage water balances are 43,267.5647 acre-feet. This time last year, usable and storage water balances were 47,538.2124.

The Board reviewed the following subdivision plats and took the following action:

5.1) Cielo Grande Subdivision – 13.39-acre tract of land out of Blocks 107 and 108 of the San Benito Irrigation Company's Subdivision, Cameron County, Texas, according to the map thereof recorded in Volume 3, Pages 16-18, of the Map Records of Cameron County, Texas. – Altex Engineering. This subdivision is located northwest of Intersection 510 and Nelson Rd. The District's Lateral 20 is located on the north side of the area. The District's 100-ft right-of-way was reserved. A motion was made by Buck Rhyner, seconded by William Goad, and upon unanimous vote, passed to approve the plat as presented. Motion carried.

5.2) Stenger Subdivision – Being a 0.66-acre tract of land out of Block 1, of the Lasby Park Subdivision, as recorded in Volume 4, Page 12, of the Map Records of Cameron County, and further being that same property recorded in Volume 16127, Page 34, of the Official Records of Cameron County, Texas. – Rios Surveying, LLC. This subdivision is located at 821 E. Stenger St. and within the City Limits of San Benito and is in an excluded area. There are no irrigation facilities in the platted area, no easements reserved, and none required. A motion was made by Buck Rhyner, seconded by William Goad, and upon unanimous vote, passed to approve the plat as presented. Motion carried.

Mr. Juan Garcia requested assistance in the installation of 75 feet of 12" pvc pipe in Block 1 of Bowie Subdivision. A motion was made by Buck Rhyner, seconded by William Goad, upon unanimous vote, passed to authorize the District's labor and equipment in the installation of 75 feet of 12" pvc pipe in Block 1 of Bowie Subdivision as set forth in the agreement executed between Mr. Juan Garcia and the District. Motion carried.

Mr. Ociel Lerma requested assistance in the installation of 480 feet of 12" pvc pipe in Block 73 of the San Benito Land & Water Company Subdivision. This pipeline will stay

as a private line due to it connecting to an existing private pipeline. A motion was made by Buck Rhyner, seconded by William Goad, and upon unanimous vote, passed to authorize the District's labor and the use of equipment to install 480 feet of 12" pvc pipe on Block 73 of the San Benito Land & Water Company Subdivision and to stay as a private line due to it being connected to an existing private pipeline as set forth in the executed agreement between Mr. Ociel Lerma and this District. Motion carried.

The Manager informed the Board that the District's 2006 160 Volvo Excavator is in need of repair again. In December 2022, the District spent an estimated \$18,000.00 to repair the excavator. An estimate of \$23,000.00 has been received for this repair. Due to the age and hours on this excavator, the Manager recommended the Board authorize the sale. A motion was made by Buck Rhyner, seconded by William Goad, and upon unanimous vote, passed to declare the 2006 160 Volvo Excavator, Serial #EB0355B016H36H as surplus and authorize the Manager to sell this excavator. Motion carried.

The Manager informed the Board that the District's concerns regarding prohibiting excavation below the flow line of the reservoir and other issues have been addressed in the revised lease with Third Pillar Solar. However, the lease does permit Third Pillar Solar to issue a cessation request of bird watching and fishing in certain areas of the leased property. As a note, the District has verbally agreed to allow bird watching from the south side of the reservoir but no official agreement has been entered into. The Manager discussed Third Pillar Solar's proposal to pay \$10/acre for the estimated 850 acres for an estimated 3-5 year period during the development of the project and \$600/MW-dc/year with a 2% escalator (estimated maximum MW-dc is 261.7 for a total of \$157,020/year which is the equivalent of \$184.72/acre/year). A motion was made by Buck Rhyner, seconded by William Goad, and upon unanimous vote, passed to hire Attorney, Teanna Neskora, to negotiate a contract for the District, with Third Pillar Solar. Motion carried.

The Board discussed the possible adoption of a policy regarding the cancellation of water orders during allocation. Since the District's travel time from Falcon Reservoir to its pumping plant is 5 days, and at times, farmers receive rain in the interim between the ordered date and the date the District is allowed to pump. Since the Watermaster deducts the amount ordered when ordered from the District's account, the District may not be able to make that water available to the requestor in the future. After discussion, a motion was made by Buck Rhyner, seconded by William Goad, and upon unanimous vote, passed to authorize management to reduce the amount of water credit returned to the farmer, whose order was cancelled, by the percentage necessary to ensure the remaining balance in the District's account, and estimated projected inflows, is sufficient to fill all other water accounts' water balance. Motion carried.

The Manager informed the Board that the District currently removes all flat rate and interest due for more than 20 years as per recommendation of the previous District's attorney. After discussion, a motion was made by Brady Taubert, seconded by William Goad, and upon unanimous vote, passed to amend the District's policy to no longer allow the waiver of any flat rate and interest due for more than 20 years until paid. Motion carried.

The Manager informed the Board about several properties under one acre being charged flat rate and interest. The Manager suggested to waive flat rate and interest so that the properties may be added to the next exclusion hearing. A motion was made by Brady Taubert, seconded by Buck Rhyner, and upon unanimous vote, passed to remove

flat rate and interest from all properties listed below and be added to the next exclusion hearing. Motion carried. No action was taken on adopting a policy on flat rate interest waiver requests.

ACCOUNT #	CUSTOMER NAME	PID #	GROSS	OUT	NET	YEAR(S)	TOTAL
32	MONTEMAYOR, JANELLE	32-1 & 32-A	0.76	0.00	0.76	1991-2023	\$565.74
391	MARTINEZ, DAVID D.	21908-1 & 21908-A	0.26	0.00	0.26	1990-2023	\$1,521.78
3610	CORREA, J.A.	3610-1 & 3610-A	0.61	0.00	0.61	1991-2023	\$484.07
6689	GARCIA, ROGELIO	6689-1 & 6689-A	0.68	0.00	0.68	1996-2023	\$1,365.75
13757	MENDOZA, ROSALINDA T.	13757-1 & 13757-A	0.50	0.00	0.50	2001-2023	\$1,492.60
19165	SAUCEDA, RUBEN	19165-1 & 19165-A	0.92	0.08	0.84	2002-2023	\$1,492.60
23182	IZAGUIRRE, TOMAS	23182-0	1.00	0.07	0.93	2003-2023	\$679.56
23432	MARTINEZ, ANGEL	8160-1	0.57	0.43	0.14	2003-2023	\$153.00
24865	CONTRERAS, RUBY	24865-1	0.91	0.01	0.90	2017-2023	\$250.26
30570	ESCOBEDO, ALBERT	30570-1	0.89	0.12	0.77	2010-2023	\$855.82
30581	CORONA, DIANA	30581-1	0.96	0.05	0.91	2012-2023	\$679.56
30686	SATTERFIELD, DAVID & SONIA	30686-1	0.76	0.00	0.76	2011-2023	\$684.39
30727	LONGORIA, MARIA L.	30727-1	0.80	0.00	0.80	2002-2023	\$1,345.08
451	SUNDER, JON	4952-1	1.00	0.10	0.90	2017-2023	\$317.66
31	MONTEMAYOR, SANTIAGO	31-1	0.75	0.00	0.75	2004-2023	\$1,576.96
31	MONTEMAYOR, SANTIAGO	31-2	0.40	0.00	0.40	2021-2023	\$21.94
182	CANO, JESUS G.	500-2	0.50	0.00	0.50	2022-2023	\$17.56
17615	ROBLES, ELIDA	17615-2	0.14	0.00	0.14	2017-2023	\$21.03
24233	BARLOW, LLOYD	1140-5	0.50	0.00	0.50	2022-2023	\$17.56
24453	GONZALEZ, RAYMUNDO	7830-3	0.93	0.30	0.63	2016-2023	\$114.75
30811	JARAMILLO, ANSELMO	30811-2	0.92	0.00	0.92	2016-2023	\$297.11

The Manager discussed with the Board the decision made at the April Board meeting to purchase a 325 Caterpillar Excavator from Cameron County Drainage District #3 for \$90,000.00. Due to the water shortage situation, the District is low on funds at this time but is expecting approximately \$97,000.00 from East Rio Hondo Water Supply Corporation for the sale of water rights under a Texas Water Code Chapter 49, Sub Chapter O request. The Manager requested authorization to transfer \$90,000.00 from the Rehab Account to the M&O Account to pay for the excavator, and transfer the amount back once the funds are received from East Rio Hondo Water Supply Corporation. A motion was made by Buck Rhyner, seconded by William Goad, and upon unanimous vote, passed to authorize the Manager to transfer \$90,000.00 from the Rehab Account to the M&O Account to pay Cameron County Drainage District #3 for the 325 CAT Excavator and transfer back to the M&O Account once the funds for the sale of water rights is received from East Rio Hondo Water Supply Corporation. Motion carried.

The Board reviewed the District's projected water availability for 2023 and the Manager's projections. No action was taken.

The Board entered into Executive Session at 9:56 a.m. pursuant to section 551.072 of the governmental code to deliberate the purchase, exchange, lease, or value of real property and section 551.071 to discuss with attorney pending litigation: a) Legal issues – i) City of San Benito's refusal to approve plats with District's sign-off paragraph; ii) Sale of property along the north side of Business 77, located at 767 E. Business 77, San Benito, TX.

The Board returned to Open Session at 10:00 a.m. and took the following actions: i) no action; ii) A motion was made by Buck Rhyner, seconded by William Goad, and upon unanimous vote, passed to authorize the sale of property along the north side of Business 77, located at address 767 E. Business 77, San Benito, TX, for \$3.16 per square foot and the District retain an easement for its Lateral D pipeline, to Mr. Neftali Grajales with Mr. Grajales assuming the cost of the survey, attorney's fees, and all other associated costs in the sale, and to authorize the Manager to sign all the necessary documents required in the closing of the sale. Motion carried.

A motion was made by Brady Taubert, seconded by Buck Rhyner, and upon unanimous vote, passed to approve the following bills:

<u>Ck#</u>	<u>Vendor</u>	<u>Amount</u>
21558	Aflac	\$261.02
21559	Cameron County Drainage District #3	\$7,500.00
21560	City of San Benito	\$200.37
21561	CMC Construction Services	\$44.00
21562	Dropped Dead Pest Control	\$300.00
21563	Dearborn Life Insurance Co.	\$171.90
21564	Firestone/Bridgestone	\$212.26
21565	Florentino Lara	\$570.00
21566	Goode Electric Co.	\$190.00
21567	Hollon Oil Co.	\$1,930.00
21568	J&M Hydraulics	\$751.32
21569	Kyrish Truck Centers	\$759.04
21570	Lewis Electric Motors	\$549.66
21571	Tops the Outdoor Store	\$110.00
21572	Texas Gas Service	\$985.50
21573	Texas Child Support	\$235.38
21574	Utility Trailer Sales	\$139.29
21575	Autozone	\$16.82
21576	American Heritage Life	\$350.99
21577	Alamo Iron Works	\$250.00
21578	AT&T	\$65.61
21579	BC/BS of Texas	\$17,785.88
21580	Boswell Elliff Ford	\$696.25
21581	Cameron County Drainage District #3	\$7,500.00
21582	Constellation New Energy	\$844.03
21583	Core & Main	\$1,460.00
21584	Dainamik Business Solutions	\$490.00
21585	Direct Energy	\$1,684.40
21586	Dossett Law Office	\$1,365.00
21587	First Community Bank	\$544.28
21588	Waters, Barry D.	\$3,555.25
21589	Gateway	\$71.07
21590	Irrigation-Mart Inc.	\$4,688.96
21591	Hollon Oil Co.	\$243.49
21592	H&V Equipment	\$2,418.86
21593	John Deere Financial	\$2,157.05
21594	Johnny's True Value	\$41.36
21595	JR ITSoftware Solutions, LLC	\$,579.84
21596	Sonia Lambert	\$45.00
21597	Magic Valley Electric	\$1,384.36
21598	McCoy's	\$651.81
21599	Mendez Tire Shop #2	\$50.00
21600	Nueces Power Equipment	\$20.68
21601	Office Depot	\$289.39
21602	O'Reilly Automotive Inc.	\$2,815.96
21603	Powerplan	\$930.79
21604	Pro Billing & Funding Services	\$339.31

21605	Rio Grande Concrete	\$184.34
21606	Simplot Grower Solutions	\$32.00
21607	Smartcom Telephone LLC	\$629.66
21608	South Texas Bolts & Supply	\$60.15
21609	Tops the Outdoor Store	\$32.37
21610	TWCA Risk Management Fund	\$2,562.00
21611	Texas Child Support	\$235.38
21612	Unifirst	\$602.08
21613	Untied Rentals, Inc.	\$119.96
21614	Verizon	\$780.08
21615	Waste Management of Texas	\$169.54

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

- a) April Maintenance Report – Includes 22 jobs performed by the crews for the month.
- b) April Machine Locations– A report indicating work performed by the excavators and dozers for the month was presented to the Board.
- c) April Pumping Plants Reports – 1) Running standard operations; 2) General maintenance of plant and grounds; 3) Pumping for the month: Pump Station #1 – 3/25 – 10 a.m. Rate set at 200 CFS, 3/31 – 3 p.m. Rate reduced to 100 CFS, 4/1 – 3 p.m. New Cert 0 CFS, 4/21 – 10 a.m. Rate at 50 CFS through 4/22 – 3 p.m., 4/25 – 2 p.m. New Cert 50 CFS through rest of pumping period; Pump Station #2 – 3/30 – 9 a.m. Rate set at 12 CFS, 4/12 – 9 a.m. Rate set at 12 CFS, 4/29 – 3 p.m. Rate set at 6 CFS; 4) Rainfall: 3.45”; 5) Acre feet diverted: 3,093.7960; 6) Total No Charge Pumping: 594.3792; 7) Average TDS readings: 677 p.p.m.
- d) April 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 0.86 acre-feet per acre for the month of April 2023 and 1.88 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) Legislative –
 - SB 2617 – The Rio Grande Regional Water Authority – Authority bill to remove irrigation districts and revamp the authority was pulled due to Cameron County Commissioners Court having questions that led to a debate and a table vote. Cameron County was required to be on board since the bill was requiring they appoint some board members.
 - SB 232 – Relating to the removal from office of an officer of a political subdivision for commission of certain criminal offenses has passed out of the Senate, and is out of the State Affairs Committee and now in the House State Affairs Committee.
 - SB 1056 – Relating to the directors and administration of Hidalgo County Water Improvement District No. 3 has been voted favorably out of the Senate and is in the Natural Resources Committee.
 - HB 2023 – Relating to the award of court costs and attorney’s fees in certain actions challenging local laws, local regulatory actions, on the failure of an officer of the House Committee and sent to Calendars.
 - HB 3440 – Relating to internet agenda postings passed out of the House.
 - HB 1546 – Relating to the authority of a special district to exercise a right or power outside the district’s boundaries. A substitute bill has passed out of the Senate which would only apply to special districts from doing multi-family

housing outside their jurisdictions. Irrigation Districts are not affected by this bill.

- SB 1446 – Relating to judiciary responsibility of the governing body of the public retirement systems in this state and the investment agents acting on behalf of the systems. Texas County and District Retirement System, (TCDRS), is monitoring this bill due to if passed, TCERS will lose access to investment partnerships which would negatively impact TCERS's future earnings and increase employer costs. TCERS is estimating its losses in interest to be approximately \$6 Billion for a 10-year period, if passed.

Attorney's report:

- a) AEP has a power line across the highline and low line canal without a license agreement. They are looking to have a license agreement for an underground electrical line for Border Wall. Both the existing powerline and the proposed underground line will be combined into one license agreement.
- b) No update on the relocation of AEP Electrical powerline off Pennsylvania Avenue.

A motion was made by Buck Rhyner, seconded by William Goad, and upon unanimous vote, passed to adjourn the meeting at 10:16 a.m. Next regular meeting is scheduled for Thursday, June 8, 2023 at 9:00 a.m.

Sam Simmons, President

William Goad, Secretary