

HARLINGEN IRRIGATION DISTRICT

P.O. Box 148 - Harlingen, Texas 78551

956-423-7015

FAX # 956-423-4671

January 8, 2020

The Board of Directors of the Harlingen Irrigation District met for a regular meeting at 9:00 a.m., with the following members present:

Harvey Adams
Rick Guerrero
Levi Burns
Tom McLemore, General Manager
Alan Ozuna, District Attorney
Wayne Halbert, Consultant

Harvey Adams conducted the meeting.

The swearing in of Levi Burns was tabled as the process was completed prior to the meeting.

The minutes of the HID Board meeting of December 11, 2019 were reviewed. A motion was made by Rick Guerrero and seconded by Levi Burns to approve the minutes. The motion passed.

A motion was made by Levi Burns and seconded by Rick Guerrero to pay the following accounts:

The motion passed.

Review submitted subdivision plats for comments and Board action.

Harlingen Corners Retail Center Replat of lots 4&8 Blk 1 – 8.194 ac being all of lot 4 blk 1, Harlingen Corners Retail Center Addition, City of HGN., CC, Tx., according to the map or plat recorded in Cab 1 slots 2880-B, 2881-A, 2881-B and 2882-A map records of CC, Tx. And 13.149 acres being all of lot 8 block 1 Harlingen Corners Retail Center Addition, City of HGN CC, Tx according to the map or plat recorded in Cab 1, Slot 3529, Map Records of CC, Tx.

A motion was made by Rick Guerrero and seconded by Levi Burns to approve the subdivision. The motion passed.

New Business:

Consider and take possible action on letter from Brown, Leal and Associates concerning discharge into Cantu Lateral Drain.

The item was tabled until all members of the board are present.

Consider and take possible action on Lease Agreement with Smart Star Properties LTD.

A motion was made by Levi Burns and seconded by Rick Guerrero to approve the License agreement. The motion passed.

LICENSE AGREEMENT

This Agreement is made by and between Harlingen Irrigation District Cameron County #1 ("Licensor") and Smart Star Properties, LTD. ("Licensee").

Whereas, Licensor is the owner of a two hundred foot (200') wide right-of-way for a portion of its Main Supply Canal; and,

Whereas, Licensee is the owner of Lot 6, Block 4, E & H Subdivision, Harlingen, Cameron County, Texas, according to map there of recorded in Volume 11, Page 36 of the Map Records of Cameron County, Texas, located adjacent to Licensor's Main Supply Canal; and,

Whereas, Licensee desires to utilize a forty-five foot (45') wide portion of Licensor's right-of-way for its Main Supply Canal for parking and /or landscaping for its business located

adjacent to Licensor's Main Supply Canal; and,

Whereas, Licensor has agreed to allow Licensee the use of the forty-five foot (45') wide portion for parking and/or landscaping under the terms and conditions set forth below; and,

Whereas, Licensee has agreed to the terms and conditions set forth below. Now, Therefore, it is agreed as follows:

1. Licensee shall have the right to utilize the following described property (the "Property") for the sole purposes of parking and/or landscaping for its business located on Lot 6, Block 4, E & H Subdivision, Harlingen, Cameron County, Texas:

A forty-five foot (45') strip of land situated South of and adjacent to the South boundary line of Lot 6, Block 4, E & H Subdivision, an addition to the City of Harlingen according to map thereof recorded in Volume 11, Page 36, Map Records of Cameron County, Texas. Said forty-five (45') strip of land being bounded on the East by the southerly projection of the East line of said Lot 6 and bounded on the West by the southerly projection of the West line of said Lot 6.

2. In consideration for this License Agreement, Licensee shall pay Licensor the sum of \$50.00 annually beginning upon the execution of this License Agreement and continuing until this License Agreement is terminated by either party as set forth below.

3. This License Agreement is personal to Licensee. It is not assignable, and any violation of this License Agreement will terminate the License.

4. This License Agreement is terminable by either party at will by the giving of actual notice to the other party in writing.

5. Licensee shall not construct any improvements or landscape the property in any way which interferes with Licensor's operation, maintenance, repair and replacement of its Main Supply Canal.

6. Licensee shall maintain the Property and Licensee's improvements thereon and not allow any nuisance or unsanitary condition to exist on the Property or allow any violation of any statute of the State of Texas or ordinance of the City of Harlingen, Texas, to exist on the Property.

7. Licensee shall hold harmless, defend and indemnify Licensor against any suits, liabilities, claims, demands, or attorney's fees, arising from Licensee's exercise of the License under this Agreement.

8. Licensee accepts the Property in its present "AS IS" condition.

9. Licensee agrees to reimburse Licensor for the cost of the preparation of this License Agreement.

Executed in duplicate originals this 8th day of January, 2020.

LICENSOR:

LICENSEE:

*Harlingen Irrigation District CC#1
By: Thomas McLemore
General Manager*

*Smart Star Properties, LTD.
By: Monica Greer*

Consider and take possible action on East Rio Hondo Water Supply's Subdivision Water Rights Petition.

A petition from East Rio Hondo Water Supply Corp for water rights in accordance with Sec. 49.503 of the Texas Water Code was presented for acceptance. A motion was made by Levi Burns and seconded by Rick Guerrero to accept the petition. The motion passed.

Petition

*East Rio Hondo Water Supply Corporation
206 Industrial Pkwy. * P.O. Box 621* Rio Hondo, Texas 78583*www.crhWSC.com*Phone (956)
748-3633 Fax 748-3179*

"This institution is an equal opportunity provider and employer"

December 18, 2019

Mr. Tom McLemore General Manager
 Harlingen Irrigation District Cameron County Number 1 301 E. Pierce Ave.
 Harlingen, Texas 78550

RE: Subdivisions' Water Rights Petition Dear Mr. McLemore:
 East Rio Hondo Water Supply Corporation (ERHWSC) provides this letter and attachments as a formal petition by a municipal water supplier to convert water use after a subdivision of property, specifically the water rights associated with VC Saldana Subdivision, as filed and recorded in the office of the Cameron County Clerk, under Cameron County Official Map Records, Volume Cl, Pages 3848 and 3849, on March 20, 2019 and Kilbourn Crossing, as filed and recorded in the office of the Cameron County Clerk, under Cameron County Official Map Records, Volume Cl, Page 3902, on August 14, 2019.

Texas Water Code § 49.501-49.512 requires the filing of this petition before January 1 after the expiration of two years after the date the plats were recorded. Harlingen Irrigation District Number 1 (HID1) has until January 31, 2020 to consider the petition. ERHWSC asks that you please notify us of HID1 consideration date and associated actions. HID1 will then have until January 1, 2022 to provide ERHWSC with the proportionate municipal water rights associated with these subdivisions.

The calculation of proportionate water rights for these subdivisions is 1.25 municipal acre-feet per flat rate (irrigable) acre. The total acreage of these subdivisions combined is approximately 23.04 gross acres. If this total were equivalent to flat rate acres the required conversion yields an approximate total of 28.80 municipal acre-feet.

If HID1 intends to apply for amendments to convert water rights from irrigation use to municipal use, please notify us in writing of the estimated reasonable costs for the administrative proceedings and ERHWSC will provide a deposit for such. It is ERHWSC's intention to purchase the proportionate water rights associated with the two Subdivisions noted above. The current market value as established by the Rio Grande Regional Water Authority (RGRWA) for 2019 is \$2896.81 per municipal acre-foot. The purchase price is 68% of the current market value (statutory), or \$1969.83 per acre-foot.

Please contact me with any questions pertaining to this transaction at (956)247-7815. We look forward to completing this transaction.

Sincerely,
 Brian E. Macmanus, P.E. General Manager
 Attachments: VC Saldana Subdivision Plat
 Kilbourn Crossing Plat

Subdivision	Recording date	Gross Acres	Transferable acres
Kilbourn Crossing	8/14/2019	13.04	13.04
VC Saldana	3/20/2109	10	9.68

Total Transferable acres	22.72
Municipal ac/ft	28.4
Administrative fees	\$ 2,500.00
Current market price	\$ 2,896.81
Purchase amount total	\$ 58,443.19

Consider and take possible action on 2020 budget.

The manager submitted a proposed budget for FY2020 for approval. A motion was made by Rick Guerrero and seconded by Levi Burns to approve the budget for FY2020. The motion passed.

	2020 Approved
INCOME	
Delinq Fees	\$ 4,500.00
Credit Card	\$ -
RECYCLE REVENUE	\$ 1,500
FLAT RATE	\$ 686,512
FLAT RATE REVENUE-PRIOR	\$ 10,000
ADJUSTMENTS	
P&I	\$ 20,000
IRRIGATION SALES	\$ 750,000
IRRIGATION REV-OUT OF DISTRICT	\$ 5,000
LAWN WATER	\$ 212,161
HWWS WATER	\$ 1,100,000
OTHER MUN WATER	\$ 55,000
INDUSTRIAL WATER	\$ 1,500
EXCLUSIONS	\$ 500
CONSTRUCTION REV OTHER	\$ 400,000
CONSTRUCTION REV CCD#5	\$ 633,699
CONSTRUCTION REV AGID	\$ -
INTEREST (TEX POOL)	\$ 41,000
PLAT FEE	\$ 5,000
TAX CERT	\$ 100
LAND RENTS	\$ 18,175
MISC REV	\$ 20,000
LAND REV ROW	\$ 50,000
ADMIN ADAMS	\$ -
ADMIN DD#5	\$ 25,000
Sale of Equipment & Autos	\$ 75,000
Water Rights Revenue (sale to HWWS)	
Transfer of Adams Cash	
Total Income	\$ 4,114,647
COST OF GOODS SOLD	\$ (180,000)
TOTAL INCOME	\$ 3,934,647

EXPENSE	
Credit Card	\$ -
SALARIES/LABOR	\$ 1,651,510
OPERATION OF EQUIPMENT	\$ 200,000
TOOLS	\$ 12,000
OUTSIDE HEAVY EQUIP REPAIRS	
MATERIALS	\$ 461,977
CONTRACT WORK	\$ 60,000
LABORER TEMPORARY SERVICES	\$ 70,000
AUTO EXP CANAL RIDERS	
PARTS LIGHT VEHICLES	\$ 3,500
OUTSIDE LIGHT VEH REPAIRS	
DIESEL	\$ 130,000
GASOLINE	\$ 50,000
NATURAL GAS	\$ 22,000
OIL/Lubes	\$ 28,000
HYDROLIC OIL	\$ -
LUBES GREASES	\$ -
ELECTRIC POWER	\$ 382,000
RENTAL EQUIP	\$ 1,500
DIRECTORS FEES	\$ 2,400
SAFETY MEETING	\$ 1,000
OTHER SPECIAL SERVICES	\$ 2,000
LEGAL EXPENSE	\$ 30,000
WATERMASTER ASSESSMENT	\$ 50,000
INSURANCE PREMIUMS	\$ 29,000
WORKERS COMP	\$ 39,000
HOSPITALIZATION	\$ 204,564
RETIREMENT (DISTRICT)	\$ 80,000
SOCIAL SECURITY	\$ 126,341
TEC	\$ 8,000
AUDIT FEES	\$ 8,000
TRAVEL EXPENSE	\$ 7,500
MGR'S AUTO	\$ 7,200
COMPUTER EXPENSE	\$ 90,000
POSTAGE	\$ 10,000
PRINTING/STATIONARY	\$ 1,000
OFFICE MACHINE MAINTENANCE	\$ 3,500
TELEPHONE	\$ 27,000
ENGINEERS CONTRACT WORK	\$ 75,000
DUES/SUBCRIPTIONS	\$ 4,655
LIGHTS/WATER/GAS	\$ 25,000
SAFETY EQUIP	\$ 7,500
UNIFORMS	\$ 18,000
OTHER SUPPLIES	\$ 5,000
MISC EXPENSE	\$ 500
TRANSFER TO ADAMS	
Capitol Expenses Copier, Trucks, Office construction, Pipelines	
Total Expenses	\$ 3,934,647
Net	\$ 0

The manager presented the operational report for Harlingen Irrigation Districts.

The manager presented the water accounting report.

Being no further business the meeting adjourned at 10:30 am.

Attest:

Harvey Adams - President

Jose Ricardo Guerrero – Secretary