

MINUTES OF WILLACY COUNTY DRAINAGE DISTRICT NO. 1

A meeting of the Board of Directors of Willacy County Drainage District No. 1 convened on December 10, 2025, at the District's office in Lyford, Texas, pursuant to notice duly given as required by law. Present were:

Terry Galle, President
Melvin Gay, Secretary
Charles Chappell, Director
Dan Klostermann, Director
Daniel Vassberg, Director
Thomas Zdansky, Director

Paul Greenhill, District Manager
Casey McNutt, Assistant Manager
B.R. Dossett, Attorney
Isaac Huacuja, District Engineer

Directors Absent: Glenn Wilde

President Galle called the meeting to order at 11:30 a.m. and presided.

1. Minutes. The minutes of the November 12, 2025 meeting were presented. The motion was made by Thomas Zdansky and seconded by Charles Chappell to approve the minutes of the November 12, 2025 meeting. Following a discussion, the motion unanimously carried.
2. Public Comment Period. No one appeared. No comments were submitted by email or fax.
3. Personnel/Holiday Schedule. Manager Greenhill presented a proposed holiday schedule for the District for calendar year 2026. It was noted that this schedule mirrors the County's holiday schedule. The motion was made by Melvin Gay and seconded by Thomas Zdansky that the proposed holiday schedule for the District for calendar year 2026 be approved and adopted. Following a discussion, the motion unanimously carried.
4. Personnel / Wage Administration. President Galle announced that the Board would go into executive session pursuant to Texas Government Code 551.074 to discuss salary scales for specific employees, whereupon the open session was recessed at 11:40 a.m.
5. Personnel / Wage Administration. President Galle reconvened the meeting at 11:45 a.m. Manager Greenhill recommended that a 40-hour end of year bonus be paid to each employee. The motion was made by Melvin Gay and seconded by Thomas Zdansky that a 40-hour end of the year bonus be paid to each district employee. Following a discussion, the motion unanimously carried.
6. Willacy Main Drain: Union Pacific Railroad declaration of emergency and demand that District replace the crossing pursuant to 1986 agreement. Assistant Manager McNutt reported on his discussions with Union Pacific and that the railroad is not willing to cap the amount to be paid by the District. Engineer Huacuja then presented his comments and guidance. A general discussion followed. Assistant Manager McNutt will follow-up with Railroad.

7. Projects: Lateral G-Willacy County widening and improvements between Hidalgo-Willacy Joint Venture Drain and Business 77 (Grants awarded to Willacy County).
- 7.1 Segment between Simo Road and I-69 / U.S. Hwy 77 east frontage road—1000 feet more or less (FEMA Grant).
- (a) Status Report. No update has been provided since the last meeting.
 - (b) Matters requiring Board action. None.
- 7.2 Remainder of Project/Joint Flood Control Project TWDB No. 40069 (TWDB Grant).
- (a) Status Report. Hidalgo County Drainage District No. 1 says that the County and HCDD#1 are waiting on the required agreements to be submitted by the TWDB.
 - (b) Matters requiring Board action. None.
8. Personnel / Vacation Policy. Assistant Manager McNutt recommended that paragraphs A, B, G, H, and J, of the Vacation Policy in the District's Personnel Policies and Procedures Handbook be revised as follows:

VACATION POLICY

- A. Full-time employees who have worked continuously for one (1) year shall be eligible for 2 weeks (80 hours) vacation with pay on the completion of the first year of employment. After ten (10) years of continuous employment, an employee is entitled to 3 weeks (120 hours) of paid vacation annually.
- B. Vacation time begins accruing from the first day of employment, but may only be used after the employee completes one year of employment. After 10 years of continuous employment, employees will be granted an additional 40 hours of vacation on their tenth anniversary date and will begin accruing vacation at the increased annual rate of 120 hours per year from that date forward.
- G. Employees who are eligible for 2 weeks (80 hours) of vacation annually may accumulate up to a maximum of 8 days (80 hours) of vacation time. Employees who are eligible for 3 weeks (120 hours) of vacation annually may accumulate up to a maximum of 20 days (200 hours) of vacation time. Any time accumulated over these limits will be lost.
- H. Employees with ten (10) or more years of continuous employment may carry unused vacation time forward to the next fiscal year. If the total amount of unused time reaches a "cap" equal to 20 days (200 hours), further vacation accrual will stop. When the employee uses paid vacation time and brings the available amount below the "cap", vacation accrual will begin again. Employees with less than ten (10) years of service may not carry over unused vacation; any unused vacation will be forfeited at the end of the fiscal year.
- J. provided they have completed at least one (1) year of continuous employment. Employees who leave the District or are terminated before completing one (1) year

of employment are not eligible for vacation payout.

The motion was made by Charles Chappell and seconded by Thomas Zdansky that paragraphs A, B, G, H, and J, of the Vacation Policy in the District's Personnel Policies and Procedures Handbook be revised and amended as recommended effective today. Following a discussion, the motion unanimously carried.

9. Projects: Master Drainage Plan-USDA Grant.

9.1 Status Report. Engineer Huacuja reported that we are still waiting on funding.

9.2 Matters requiring Board action. None.

10. Reports. Receive reports and make decisions regarding the subject of such reports:

10.1 Manager:

- (a) Work accomplished since the last Board meeting. Report presented and discussed.
- (b) Equipment. All equipment has been brought in for end-of-year maintenance
- (c) Hidalgo-Willacy Joint Venture Drain-Amendment of Panchita Control Structure Operations Protocols and Procedures. Report presented. Recommendations to be presented to HCDD#1 not yet finalized.

10.2 Attorney.

- (a) May 2, 2026 Election. Time line discussed.
- (b) Manager's Employment Contract. A draft of the contract presented and discussed. Will be finalized and the January Board meeting.
- (c) Manager's authority. A draft of a resolution stating the Manager's authority presented and discussed. Will be finalized at the January Board meeting.

11. Financial

11.1 Financial Report for the month of November 2025. Presented and discussed.

11.2 Payment of Accounts (M & O Account). The motion was made by Thomas Zdansky and seconded by Charles Chappell that payment of these accounts be approved:

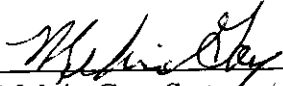
Payroll/Monthly Wages	Transfer to Payroll Acct.	ET	\$40,000.00
Corporate Card, Wells Fargo/Mastercard	Office/Operating/Misc.	ACH	\$7,034.69
AT&T Mobile	Telephones-Cell phones	ACH	\$107.40
Culligan	Water Dispenser Rental	ACH	\$40.00
VTX	Internet & Phone	ACH	\$184.42
Reliant Energy	Electricity-Utilities	ACH	\$413.93
Santcant IT Maintainence-Internet	Domain Renewal	ACH	\$580.00
Pitney Bowes Leasing-Postage Meter	Postage	ACH	\$20.00
Willacy County Appraisal Dist.	Quarterly Allocation	3927	\$9,147.52
Taylor G. Hasson	Housekeeping	3928	\$280.00
Guardian Insurance-Qtrly Employee Supp.	Insurance	3929	\$1,066.83
Guardian Insurance-Employee Paid Ins.	Insurance	3930	\$235.88
Willacy County Treasurer's Office-Dec.	Employee Health Ins.	3931	\$4,797.77
Dossett Law Office-Retainer	Legal	3932	\$150.00
Xerox Financial-Copier/Printer Lease	Office Supplies	3933	\$266.25

City of Lyford-Water/Sewer	Utilities	3934	\$88.14
Hidalgo County DD#1	Ditch Maintenance	3935	\$11,900.02
Atmax Equipment Co.	Equipment Maikntenance	3936	\$1,442.80
Diego Tire Service	Equipment Maintenance	3937	\$30.00
Holt	Equipment Maintenance	3938	\$155.81
O'Reilly Auto Parts	Equipment Maintenance	3939	\$58.95
Burton Pro-Billing & Funding	Equipment Maintenance	3940	\$24.36
T&W Tire	Equipment Maintenance	3941	\$1,932.50
TML Intergovernmental Risk Pool	Insurance-Workers Comp	3942	\$160.46
Alamo Lumber	Operating Supplies	3943	\$655.46
Willacy County Tax Assessor-Col.	Registration Fee	3944	\$88.50
Total			<u>\$80,861.23</u>

Following a discussion, the motion unanimously carried.

12. Take up such other matters as may properly be brought before the Board. None.
13. Adjournment. There being no other business, the meeting was adjourned at 11:35 a.m.


 Terry Galle, President


 Melvin Gay, Secretary