

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
TRINITY BAY CONSERVATION DISTRICT**

A special meeting of the Board of Directors of the Trinity Bay Conservation District (“District”) was called at 9:00 a.m. on the 12th day of November 2020, at the Trinity Bay Conservation District (“TBCD” or “Department”) located at 2500 SH 124 Stowell, Texas 77661 pursuant to notice duly posted according to law.

This meeting was held in person and via videoconference as provided for in Texas Government Code 551.127 as modified by the May 12, 2020 Proclamation by Governor Abbott in which the Governor acted to maintain government transparency and continued government operations while reducing face-to-face contact for government open meetings. In addition, members of the public were able to participate and address the Directors during the videoconference meeting and a recording of the meeting was made and is available to the public.

The roll was called of the Directors, to-wit:

Directors	Position
Mr. Jeffrey Jenkins	President
Mr. Gregg Turner	Vice-President
Mr. Tommy Gilbert	Secretary

All said members were present, except Director’s Hamilton and Bauer who were defeated during the November 3, 2020 General Election, thus constituting a quorum. In addition to the above-named Directors, the following persons were also present:

Attendee	Position
Mr. Scott Khala	Director Elect Precinct 5
Mr. Mark Mitchell	Director Elect, Precinct 2
Mr. James Gibson	Interim General Manger
Mr. David Hoyt	Superintendent
Mrs. Sheri Jenkins	Accounting Manager
Mrs. Barbara Sigut	Human Resources and Accounts Payable
Mr. Mike Will	Plant Operations Supervisor
Mr. Danny Pringle	Assistant Drainage Supervisor
Mr. Hubert Oxford	General Counsel
Ms. Gloria Roemer	Seabreeze Beacon
Ms. Sharisa Nelson	Seabreeze Beacon
Mr. Wade Thibodeaux	Hometown Press
Mrs. Sue Hawthorne	The Progress
Mr. Rick Nicely	Citizen
Mr. Mike McBride	Citizen
Mr. Donnie Self	Citizen
Mr. Richie Devillier	Citizen

Mr. Steve Fitzgerald	Citizen
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President Jenkins called the meeting to order at 9:00 a.m. and asked the Interim General Manager to lead the meeting in Prayer and the Pledge of Allegiance and Pledge to the State Flag of Texas.

Next, President Jenkins called for public comment. Mr. Rick Nicely, Ms. Gloria Roemer, and Mr. Steve Fitzgerald asked to make a public comment. Up first was Mr. Nicely, who gave the Board a topographic survey of the District's office's boundaries. (See **Exhibit "A"**). Mr. Nicely then advised that he met with Fitz Shipman to discuss the District's office's border and the fact that the payment to Mr. Skipper Hamilton was not necessary because the trees at issue, for which Mr. Hamilton was paid, were on the District's property. His message to the incoming Board Members was "don't take things on face value."

Next, Mr. Roemer was called on to give her public comment. Ms. Roemer discussed the result of her Facebook survey regarding hours of operation and according to Ms. Roemer, the overwhelming preference for those that participated in the survey (i.e., 70.2%) was for the employees to work a five (5) day work week.

After Mrs. Roemer's public comment, President Jenkins called on Mr. Steve Fitzgerald to make his comment. Mr. Fitzgerald requested that the District spray for lilies in the District's drainage ditches on his ranch and around the structures installed by the District on his property.

4. Discuss and take-action, if necessary, to canvass the November 3, 2020 Director Election Results.

Interim General Manager introduced the agenda item and then asked Attorney Oxford to address issues that recently came to light. Attorney Oxford advised that he was informed on the way to the meeting that the County Commissioners had not canvassed the election and were not expected to canvass the election until November 16th, 2020, the day before the Canvass deadline. Therefore, after discussing with the Board, he recommended moving the Special Meeting, previously scheduled for November 18, 2020 at 9:00 a.m. to November 17, 2020 at 5:00 p.m. to accommodate all the Board member's schedules. Mr. Oxford stated that during this meeting the Board could canvass the election and swear in new Directors.

The Board agreed and no action was taken on this agenda item.

5. Newly elected Directors take the Oath of Office.

As explained during the discussion on Agenda Item No. 4, no action was necessary on this agenda item.

6. Discuss and take-action, if necessary, to receive a District financial report by staff and pay accounts receivable.

Mr. Gibson then called on Mrs. Sheri Jenkins and Attorney Oxford to present the financial reports and bills payable. Mrs. Jenkins asked the Board to turn to financials and accounts payable

summary set forth in **Exhibit “B-1” and “B-2”**. On the Summary of Financial page, Mrs. Jenkins highlighted for the Board that the Water & Sewer fund ran a deficit of (\$599,797.00) for the 2019-2020 fiscal year after taking into consideration the final budget amendments that trued up the expenses assigned to the General Fund (i.e., Drainage Department) that actually belonged to the Water & Sewer Fund. Attorney Oxford intervened and stated that this meant the Water & Sewer Department averaged a \$50,000.00 loss per month. The two also highlighted to the Board the income received by the Drainage Fund from Property taxes in January, February, and March every year and the fact that the District’s fiscal year does not mirror the income from property taxes. Thus, the District needed to budget the funds received in the winter to last throughout the next winter, not the end of the fiscal year in September.

Turning to the fund balance summary, Attorney Oxford asked to discuss this document. Per Attorney Oxford, he stated this document showed the year end balances for the unrestricted funds for Sept. 2017, Sept. 2018, Sept. 2019, and Sept. 2020, and Oct. 2020. He then explained that the reason the drop in the unrestricted funds for the Water & Sewer Fund between Sept. 2020 (i.e., \$966,132.99) and October 2020 (i.e., \$512,347.96) was because staff moved the balance in the CD to restricted funds since this was going to pay for the Buccaneer sewer line bursting project. Likewise, staff designated \$79,120.00 of the Meter Deposit Interest funds to restricted funds to pay for the three hundred (300) electronic meters to be used in the pilot project.

Otherwise, Attorney Oxford stated that the balances in both the General Fund and Water & Sewer Fund continue to drop but since the General Fund was no longer assisting with supporting the Water & Sewer Fund, it is expected that the General Fund will begin to stabilize and is estimated to have a balance of roughly \$1,497,328.10 in unrestricted funds as of December 31, 2020. Thereafter, the General Fund will begin receiving tax revenues and if the District stays on budget, at the end of the 2020-2021 fiscal year, this amount should increase by \$96,260.00. Meanwhile, Attorney Oxford showed the Board that if the Water & Sewer Department does not start making cuts in its expenses, he estimated that by the end of the fiscal year, the unrestricted balance could be (\$86,981.28).

Mr. Gibson then asked the Board to review the final budgets for 2017-2018, 2018-2019, 2019-2020 and 2020-2021. He then highlighted the amount of transfers from the Drainage Fund to the Water & Sewer Fund over the years and explained that with the Board’s new resolution, the practice of making these transfers from the Drainage Fund or the Drainage Fund CD, otherwise known “Unrestricted Funds” was no longer allowed except if the Board followed the procedures set forth in the Resolution adopted in Resolution 20-12. As such, reiterated Attorney Oxford’s statements that the District must cut its Water & Sewer Fund Budgets immediately and he has been working on cutting expenses with minimum impacts to Personnel but given the tough times, he felt that the District was going to need to make some personnel changes to assist with meeting its budgets.

Next, Attorney Oxford referred the Board to a discussion on GLO and FEMA grants and provided the Board with the following chart that illustrates the amount of grants received; number of residents served; the actual cost the District in addition to the grant award; and the total cost of

the grant including the grant award and extra expenses incurred from being over budget on the grants.

TBCD GLO and FEMA Grant Projects					
Project	Department	Estimated Residents Served	Grant Award (Includes matching funds-paid for with Forced Labor and Equipment)	District Expenses in Excess of Grant	TOTAL GRANT COST
GLO-Mayhaw Bayou	Drainage	2,742	\$618,553.26	\$130,088.39	\$748,641.65
GLO-Mayhaw Lateral	Drainage	5,433	\$903,866.05	\$0.00	\$903,866.05
TDA-HWY 61 Sewer FM	W&S	0-875	\$188,616.20	\$20,164.48	\$208,780.68
GLO-Smith Point Water Line	W&S	250-875	\$574,633.05	\$95,903.59	\$670,536.64
FEMA Harvey Projects	Drainage & Water & Sewer	N/A	\$171,467.52	\$163,944.69	\$335,412.21
FEMA-Ike Projects	Drainage & Water & Sewer	N/A	\$20,803,637.37	\$2,049,517.99	\$22,853,155.36
	Total		\$23,260,773.45	\$2,459,619.14	\$25,720,392.59

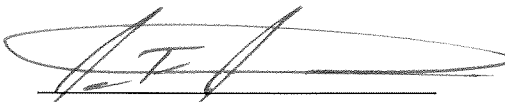
Revised: 11/6/2020

Overall, Attorney Oxford explained that the while the District did receive \$23,260,773.45 in grant awards from FEMA and the GLO through Chamber’s County that included the matching funds, the District spent an extra \$2,459,619.14 out of its own reserves because all but one project went over budget.

Lastly, the Board was directed to the Check Register and Account Balances sheet prepared by Mrs. Jenkins and Mrs. Sigut to assist the Directors with having a better perspective of the account balances before invoices were paid; the invoices to be paid, including upcoming payrolls between meetings; and the ending balances once all the invoices were paid. (See **Exhibit “B-2”**). Staff also confirmed that the Board received the scanned invoices to be paid that were sent via e-mail before the meeting. Per Mrs. Sigut and Mrs. Jenkins, the invoices and two payrolls for November 16, 2020 and November 30, 2020 for the Drainage Fund amounted to \$188,940.78 and the invoices and same two payrolls for the Water & Sewer Fund totaled \$371,907.17. After all the invoices were paid, and the November 16, 2020 and November 30, 2020 payrolls were made, the ending balance in the unrestricted Drainage Fund would be \$2,108,514.65 while the Unrestricted Water & Sewer Fund’s balance was going to be \$226,344.91. However, both explained that the District still had revenues to receive for the Water & Sewer Fund in November 2020 and once received, the revenue should increase the balance to an estimated \$412,847.27 as reflected in the document set forth in **Exhibit “B-1”**).

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There being no further business, President Jenkins informed the Directors that the next regularly scheduled meeting was on December 16, 2020 at 9:00 a.m. and reminded the Board that there would be a Special Meeting on November 17, 2020 at 5:00 p.m. He then asked if there was anything else to discuss. There being none, he called for a motion to adjourn the meeting at 10:12 a.m. Director Turner then made motion to adjourn. This motion was seconded by Director Gibson with the unanimous consent of all the Directors present.



Jeffrey T. Jenkins, President
Date: 1-4-21