

MINUTES OF A REGULAR MEETING
OF
TRINITY BAY CONSERVATION DISTRICT
Wednesday, September 14, 2022
9:00 O'clock A.M.

THE STATE OF TEXAS
COUNTY OF CHAMBERS

The Board of Directors of Trinity Bay Conservation District met at the offices of the District in Stowell, Texas on Wednesday, September 14, 2022, with the following Directors present:

Greg Turner	Vice-President
Lester Hankamer, Jr.	Secretary
Richard Nicely	Director
Victor Caraway	Director

Also present were Jerry Shadden, David Hoyt, Danny Pringle, Mike Will, Crystal Threadgill, District Employees; Kate Leverett of Germer, District Counsel; Also present were Sharisa Nelson of the Seabreeze Beacon, and Wade Thibodeaux of The Hometown Press.

Agenda Item 1:

Vice-President Turner called the Meeting to order at 9:00 a.m.

Agenda Item 2:

The meeting opened with a prayer by Vice-President Turner, General Manager Shadden said a special prayer for Director Hankamer who recently lost his mother, then Vice-President Turner led the Pledge of Allegiance to the American and Texas flags.

Agenda Item 3:

Public Comment:

No one signed up for Public comment.

Agenda Item 4:

Minutes:

Director Nicely, made a Motion to Approve the Regular Meeting Minutes held August 10, 2022 and Special Meeting Minutes held August 31, 2022. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 5:

Financial Reports:

General Manager Shadden presented the Financial Reports for August 2022.

Director Caraway made a motion to approve the Financial Reports for August 2022. The motion was seconded by Director Nicely and it passed by a unanimous vote.

General Manager Shadden – Just a little bit of information here, If, you look at the Financial Reports, even though it shows we are over Budget here, we made enough money to where we have offset it. So, we are still in the positive because we have made more money than what was budgeted.

Agenda Item 6:

Tax Reports:

General Manager Shadden presented the August 2022 Tax Reports for Chambers and Jefferson Counties.

Secretary Hankamer made a motion to approve the August 2022 Tax Report. The motion was seconded by Director Nicely and it passed unanimously.

Agenda Item 7:

Accounts Payable:

General Manager Shadden presented the August 2022 Accounts Payable.

Director Nicely made a motion to approve the August 2022 Accounts Payable and Caraway seconded the motion and it passed by a unanimous vote.

Agenda Item 8:

Auditing Services of Wathen, DeShong & Junker, LLP:

General Manger Shadden – In the package, there is a proposal, they give us one every year. This is our accountant that does all our accounting work. They should start coming in here around October to start to look and start putting our Audit together for January.

Director Caraway made a motion to accept Wathen, DeShong & Junker, LLP's proposal for Auditing Services. Director Nicely seconded the motion and it passed unanimously.

Agenda Item 9:

2022-2023 Fiscal Budget:

General Manager Shadden – We had a workshop and we went over the Budget. Normally what I will do is every month when we get our new financials in, I will go back line by line and make sure that everything is in line. I had to change a few things. I mentioned to you before, that our insurance went up dramatically on all our plants and buildings because the values have gone up so much. They have gone up almost \$20,000,000.00 when they got into it and looked at it. What we did is, Mike and I got together and instead of insuring the concrete, we insured the pumps, we insured the motors, we insured all the electrical equipment, anything that could break, that needed to be done like that, we individually pointed it out and put it in there. Our comps went from \$10,000,000.00 to \$15,000,000.00. We were looking at going up maybe a \$100,000.00 to a \$150,000.00. So, I moved money from the last time we talked into the insurance fund, that we would have enough money to cover it. Other than that, it is the same Budget that we had before and to cover that money, I took the drone out. As you will recall, I put \$40,000.00 for us to fly a drone and I took that money out and put it into our insurance fund.

Director Nicely – That is the only thing that has changed?

General Manger Shadden – Yes sir. That is all that had changed.

Secretary Hankamer made a motion to Approve adopting the 2022-2023 Fiscal Budget. Director Nicely and Director Caraway seconded the motion and it passed unanimously.

Agenda Item 10:

Resolution 22-12 Homestead Exemptions:

General Manager Shadden – Trinity Bay participates in the homestead exemptions, that way you get a homestead exemption through Trinity Bay on your taxes.

Director Caraway – Is it the same as it was last year?

General Manager Shadden – Yes sir.

Director Nicely – We renew this annually?

General Manger Shadden – Yes sir we do.

Director Caraway made a motion to Approve Resolution 22-12 establishing Homestead Exemptions. Director Nicely seconded the motion and it passed unanimously.

Agenda Item 11:

Resolution 22-11 Reduced Tax Rate:

General Manager Shadden – We had a Public hearing on this, and there were no comments, and this is lowering the tax rate.

Secretary Hankamer made a motion to Approve Resolution 22-11 reducing the Tax Rate of 0.364467/\$100. Director Nicely seconded the motion and it passed unanimously.

Agenda Item 12:

Statutory Notices to Purchasers of Real Property:

General Manager Shadden – This for Realtors. Kate, can you explain this better than I can?

District Counsel Kate Leverett – Whenever you purchase property within the District, the relator has to provide the buyer this Notice to Purchaser. What it is saying is that when they get their property tax bill from Chambers County, that Trinity Bay will be listed on the bill assessing an Ad Valorem tax. So, the school district does it, drainage districts do it, etc. and that is all that is. You just have to have the Notice to Purchasers so that the Realtor has it with the updated tax rates.

Vice-President Turner – This is for new purchased property?

District Counsel Kate Leverett – You always have this; you just have to update it year with the new tax rate.

Director Caraway made a motion to Approve Statutory Notices to Purchasers of Real Property adopting the reduced Tax Rate of 0.364467/\$100. Director Nicely seconded the motion and it passed unanimously.

Agenda Item 13:

Resending the Joint Election Agreement:

General Manager Shadden – No one signed up to run against Positions 1 and 3 this year. We got with Chambers County to do a Joint Election and we will not need to since the positions are unopposed.

Director Nicely made a motion to Approve Resending the Joint Election Agreement with Chambers County for the November 8, 2022 Election for Precinct 1 and 3 due to the positions being unopposed. Director Caraway seconded the motion and it passed unanimously.

Agenda Item 14:

Resolution 22-13 Cancelling the Election Order:

General Manager Shadden – This is for the Attorney General for us to cancel our election.

District Counsel Kate Leverett – You passed an Order stating you were going to have an election. So, we are required to pass a Resolution cancelling the election. And again, since there is no one that ran against Mr. Hankamer and Mr. Caraway, we can go ahead and cancel our election.

Director Hankamer made a motion to Approve Resolution 22-13 cancelling the Director's Election Order for November 8, 2022 for Precincts 1 and 3 and Appointing an Elections Administrator. Director Nicely seconded the motion and it passed unanimously.

Agenda Item 15:

General Insurance – Arthur J. Gallagher Risk Management:

General Manager Shadden – Again, I kind of explained this earlier, we had to redo all of our insurance and at this time I do not have a final number. So, it is up to the Board, you can say yes we will renew with them and I can give the prices once I get them or we are going to have to have a Special Meeting before the end of the September because our insurance starts over October 1 and it has to be passed before then. I do not have a firm number yet. I have it on all of the trucks and all of the other stuff that we do, except for the water and sewer plants because the values went up so much.

Director Nicely – Are we expecting any surprises?

General Manager Shadden – No, the only thing is that I moved about \$170,000.00 extra in that account and she gave me a range right in there. I think that is enough to cover, if it's not and I have to move a little more or a little less, I just don't know if she has it out to all of the companies right now for quotes to come back and tell us how much it is going to cost us, I have a ball park number, but that is it. So, it is up to the Board, if you all would like to have a Special Meeting say September 30 or somewhere around in that area to approve the exact number, it is up to you.

Secretary Hankamer – For that amount, I think we need to.

Director Caraway – Yes, but if we wait until September 30th and it renews October 1st, we will not have time to do anything anyway.

Secretary Hankamer – That is true.

Director Caraway – But I agree, with it being that much money we need to know what it is that we are approving.

Director Nicely – Is there anything magic about September 30th.

General Manager Shadden – Yes, that is when it runs out. Just like your policy on your house.

Director Nicely – Understood.

General Manager Shadden – So anyway, I was hoping she would get me the numbers by today, if she has them by tomorrow, in 72 hours we can have another meeting.

Vice-President Turner – So you just want to table this.

General Manager Shadden – Yes, I think that would be a good idea. And it may be that if it comes back too expensive And, I did not get Flood Insurance on this. We had Harvey and Imelda and neither one of the plants flooded. Mike and I discussed it and I didn't even get flood insurance on them because it is so expensive it would have made it go up another \$100,000.00. So, it might be if this comes back and it is another \$300,000.00, we may have to look at cutting some things out. If a circuit breaker is worth \$150.00, it's not hardly worth it to turn it in. So, I think it is a good idea to have another meeting once she gives us the firm numbers.

Director Hankamer made a motion to table renewing general insurance with Arthur J. Gallagher Risk Management until numbers come in. Director Caraway seconded the motion and it passed unanimously.

Agenda Item 16:

5 Year Contract with Cummins Southern Plains:

General Manager Shadden – This is for all of our generators at the water plants, sewer plants and here at the office. We had a contract with Generator John, and he used to come out twice a year service them, change the oil and make sure they were ready to go all the time and he just will not come anymore. He is evidently too busy or something. All of ours are Kohler generators and they were bought from Cummins Southern Plain and they are a little bit cheaper than Generator John. Generator John was \$9,000.00 and this is \$8,188.98 for them to do the same thing and it is a 5-year contract.

Vice-President Turner – How many generators do we have that they come out and service?

General Manager Shadden – 6. The largest is a 300 KW at the water plant.

Vice-President Turner –Does this include the trailer mounted one?

General Manager Shadden – Yes.

Director Nicely – So this is a list of all the generators?

General Manager Shadden – Yes. And we picked up another one at Kickapoo Lane in the new subdivision at Cypress Point. The lift station that they put in there has backup power and it runs off natural gas. If they lose power, they still have sewer service. The TCEQ is starting to regulate that and every year when they ask more questions, about how many generators we have. So, I think eventually at some point we are going to have to have back up power at all these lift stations. You are going to have to be able to monitor them from one location, so at the water plant the operator can see them and you will have to have backup power.

Director Nicely – So this nor only maintains a schedule of working on it and maintaining it, but if one breaks down in the middle of the night, are they on call 24 hours.

General Manager Shadden – Yes, they are. Like I said, we bought them from them, and our original warranty is from them, so anytime we have a problem, they come out and work on them.

Secretary Hankamer made a motion to Approve 5 Year Contract with Cummins Southern Plain to maintain emergency Generators at a cost of \$8,188.98 per year. Director Nicely seconded the motion and it passed unanimously.

Agenda Item 17:

Engaging Outside Counsel for Internal Audit and Investigation:

Recessed to Executive Session for discussion at 9:25 a.m.

II. EXECUTIVE SESSION

GOVERNMENT CODE 551, SUBCHAPTER D
SECTION 551.071 - CONSULTATION WITH DISTRICT’S ATTORNEY REGARDING POSSIBLE LITIGATION

- 1. Consult with Counsel regarding internal audit and personnel affairs investigation

SECTION 551.072 - DELIBERATION ABOUT REAL PROPERTY
SECTION 551.074 - MATTERS OF PERSONNEL
SECTION 551.075 - CONFERENCE WITH EMPLOYEE
SECTION 551.076 - TO DELIBERATE THE DEPLOYMENT OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive session of the Board should be held or is required in relation to any agenda item included in this Notice, then such closed or executive meeting or session, as authorized by the Texas Open Meetings Act, will be held by the Board at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by §551.071-551.084 of the Texas Government Code and the Texas Open Meetings Act, including, but not limited to, §551.071—for the purpose of a private consultation with the Board’s attorney on any or all subjects or matters authorized by law.

Reconvened the Regular Meeting at 9:45 a.m.

III. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION.

No action taken.

IV. DRAINAGE REPORT:

Danny Pringle presented the drainage report on various areas of the District:

Fecon #0189- Working on Oyster Bayou – South of Lone Star Canal.

Long Reach 60' – Working on Oyster Bayou – Moved to the south side of Highway 65, behind the Fecon cutting trees and removing wood chips.

Fecon 30' – Working on the west fork of Double Bayou West of Highway 562.

Long Reach 50' - Working on West fork of Double Bayou behind the Fecon cutting trees and removing wood chips.

D-6 Dozer – Working on West fork of Double Bayou assisting the Fecon and leveling the spoil.

Cat 329 #0148 – Working on two separate crossings on Sand Gully; Removed two strings of 48” concrete jars and replaced with 60” plastic pipe.

D-3 Dozer – Spreading the spoil on Ditch VIII-J East of 1410; added dirt to a crossing; Assisting the CAT 329 with crossings on Sand Gully

Cat 329 #0144- Finished up on ditch VIII-H 1 B to the intersect of VIII-HI South of Chase Road; Now Cleaning VII-H-I going North and has crossed Bancroft Road.

Cat 308 – Moved to the shop for repairs.

Komatsu Grinder – Working on Sand Gully, east of Highway 124, north of Hebert Road; working on pipe replacement projects.

Komatsu Mower – Moved to Ditch V-A 1 Onion Bayou watershed South of 1985- put a bucket on it to remove floating vegetation.

Spray Crew – Mowing ditches with the tractor; spraying with the ground rig; have put together a second ground rig;

Beginning aerial spraying with a helicopter:

- Spindletop watershed
- Spindletop Bayou
- Rush Ditch from the County Line to Spindletop
- Ogden Ditch – From I10 to Spindletop
- Winnie Ditch - Dugat Road to Spindletop
- East Bay Bayou
- Elm Bayou – From Canal Road to 124
- Frost Ditch – From Doornbos to 1941
- Onion Bayou – From Fairview to 1985 (anything not organic)
- East Fork of Oyster Bayou – From Garth Road to 1985

Sprayed slopes and bottom; 550 acres / 65 Miles

IV. Utilities Report:

Mike Will reported on Water and Wastewater.

1. Updated on the new Hankamer WWTP.
2. We have collected lead and cooper samples on the Winnie side and we are waiting on those results.
3. During 2020 and 2021 we self-reported nine unauthorized wastewater discharges on Buccaneer to the TCEQ. On August 30th we received notice of compliance.

Water and Sewer Installations:

- 26- Water Meters
- 3 - Sewer grinder stations
- 1 - Sewer duplex stations
- 118' of sewer discharge line
- 2,490' Sewer line extensions

VI. ADJOURN.

Director Hankamer made a motion to Adjourn the meeting. Director Nicely seconded the motion and it passed unanimously.

Meeting Adjourned at 10:01 a.m.

READ AND APPROVED:

Attest


Les Hankamer, Secretary



Scott Kahla, President

Date: 10/12/22