

MINUTES OF A SPECIAL MEETING
OF
TRINITY BAY CONSERVATION DISTRICT
Wednesday, August 16, 2023
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, August 16, 2023, with the following Directors present:

Victor Caraway	President
Gregg Turner	Vice-President
Les Hankamer	Secretary

Also present were Jerry Shadden, Crystal Threadgill, David Hoyt and Amos Roy, District Employees; Kate Leverette of Germer, District Counsel, Gloria Way and Sharisa Nelson of the Seabreeze Beacon, Wade Thibodeaux of the Hometown Press, Brad Moon, Chambers County Constable, Susan LeBlanc from Representative Leo-Wilson's office, Annette Rayburn and Scott Kahla.

Agenda Item 1:

President Caraway called the Meeting to order at 9:00 a.m.

Agenda Item 2:

The meeting was opened with a prayer by General Manager Shadden, who then led us in the Pledge of Allegiance to the American and Texas flags.

Agenda Item 3:

PRESENTATION OF RESOLUTION TO SCOTT KAHLA:

Presented by Susan LeBlanc of Representative Leo-Wilson's office to Scott Kahla for his service on the Board OF Directors.

Agenda Item 4:

PRESENTATION OF RESOLUTION TO VICTOR CARAWAY:

Presented by Susan LeBlanc of Representative Leo-Wilson's office to Victor Caraway for accepting the Board President position.

Agenda Item 5:

PUBLIC COMMENT:

Gloria Way – What a pleasure it was to see written copies of information for members of the media and just the public as well. It is a lot easier to understand it when it is written in a hard copy, and that is why I am giving some public comments. I am asking you as the new President, if you will continue to have what was for years and years and years of having financials statements available to everybody. At the beginning of each meeting, they used to be right here and why it stopped, I do not know, but I am asking you as President if you will re-establish that policy of having the financial statement here for anyone who needs it. I am also asking you, as I was going over the Agenda for today, it is a very important Agenda you have today. There are a lot of important things that you are going to be voting on and it would be helpful as well, if a copy of the packet was available. Chambers County does it, they provide a packet ahead of meeting that you can download, the Hospital District does it, the School District does it, everybody does it. It is not only the Agenda, but the entire packet so that you can read what is going on. So, I am asking you as the new President, if you could reinstate the policy of having hard copies of the financials available to everybody and also a new policy of having the packet available at least online for everybody as well. Thank you.

President Caraway, at this time I would like to skip to Item #10 –

Agenda Item 10:

ACTION ON PRECINCT #5 POSITION OF THE BOARD OF DIRECTORS:

General manager Shadden – Yes sir, the only applicant that we have is Annette Rayburn. She turned in her resume and it is in your packet. No one else contacted me or asked me about the position.

Anette Rayburn – Hi. My name is Annette Rayburn, I have lived here 55 years. I grew up with this community and would like to see potential growth and see this company expand, because this is my home too. I have been volunteering at several organizations throughout the years with my kids, St. Vincent De Paul was the last organization, which I did for 2 years and I was the President. I have done little league, Ag-Youth as I was trying to stay in my community and involved. I would appreciate your vote and your support.

President Caraway – Is there anyone else present today that would like to be considered for the Position of Precinct 5?

I guess that is a no.

Vice President Turner, made a Motion to appoint Annette Rayburn to the Board of Directors Position 5. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Kate Leverette, District Counsel administered the Oath of Office to Annette Rayburn.

President Caraway – I would like to thank Annette for stepping up and serving. It is not always easy to find someone that will step up, take their own time and put forth the effort to help.

Agenda Item 6:
MINUTES:

Vice President Turner, made a Motion to approve the Minutes of Regular Meeting held July 12, 2023. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 7:
FINANCIAL REPORTS:

Secretary Hankamer, made a Motion to approve the Financial Reports for July 31, 2023. The motion was seconded by Vice President Turner and it passed by unanimous vote.

Agenda Item 8:
TAX REPORTS:

Vice President Turner, made a Motion to approve the Tax Reports for July 31, 2023. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 9:
ACCOUNTS PAYABLE:

Secretary Hankamer, made a Motion to approve Accounts Payable. The motion was seconded by Vice President Turner and it passed by unanimous vote.

Agenda Item 11:
RESOLUTION 23-12 “COST OF SERVICE” ADJUSTMENT FOR THE 2023-2024 WATER AND SEWER RATES:

General Manager Shadden – Yes, we talked about this at the last meeting, about all the needs that Trinity Bay has as far as repairs and maintenance, and the costs associated with this. We had several million dollars’ worth of stuff that we need to repair and replace. We also mentioned that one of the things that we could do is raise the costs of service enough so we could fund it ourselves by picking up some extra money every year. Or we could put it together all in one package and sell bonds and do it all at one time, which would be quite a bit more expensive because interest rates are really high right now.

We had Phillip come in and do a rate study and we sat down and took a look at what he had done and at to us, he did so much adjustment that it shifted it quite a bit and we feel like it is too much change at one time.

So we came up with a plan with Victor’s help and we propose to go up on our service fees; over 65 they are paying they are paying \$39.00 and it would go up \$2.00 to \$41.00, 5/8 meter would go from \$53.00 to \$56.00, which this is most of our customers, on a 1” meter which is more commercial, it is \$67.00 and would go to \$77.00,a 2” is \$82.00 to \$102.00, 3” is \$117.00 to \$157.00, 4” is \$137.00 to \$177.00 and 6” is at \$167.00 to \$207.00.

Most of the time on meters like this, from step to step, you multiply it by at least 4 times. We did not go up near that much on anything. This will give us enough money to do the repairs that we need to do. On your actual water consumption, we went from \$5.50 per thousand gallons to \$6.00 per thousand gallons and same thing on the \$5.80 per thousand gallons we went to \$6.50 per thousand gallons. One of Phillips on the sewer, he wanted us to go up \$50.00. It has been since 2001 since we have had a rate increase on the sewer side. We felt like what Phillip was proposing was too extreme so \$22.35 is what they currently pay, and it would go to \$31.50 per month., so this is an increase of about \$11.00.

We are just trying to generate enough revenue to be able to repair things. That might be \$100,000.00 a year or \$150,000.00 a year to do some pipe bursting or paint some water tanks and stuff like that. We tried not to hit the public too hard and kind of felt like we hot a balance for everything.

Vice President Turner – Jerry I hate to ask my constituents and out customers to pay more for water when we have leaks out there that have been leaking for a year and have been reported several times and we have not fixed them. If I can get a commitment from you that you will have a sit down talk with

our employees and explain to them that if they can't do their job to try to help this company, then we don't need them.

General Manager Shadden – Yes sir. I understand and one of the things that we did for next year is I added a Crew Leader and a Laborer position in Water so that we can put another crew on to help with these things. Gregg and everyone else that works people right now know, I have 5 come in and by the end of the week I may have 1 left, and the next week I may have 5 more come in and nobody left at the end of the week. It is tough. Chico and our water crews had no one to work with then this week.

David Hoyt – The temp service is telling me she is having problems finding people to fill the \$25.00 hour jobs.

General Manager Shadden – We started off at \$12.00 and we are up to \$18.00 that we are paying for temporary laborers. So, if you know anyone that needs a job, we need temporary laborers.

President Caraway – Without a rate increase, none of this will get done. What we take in now is what it costs to serve. So, we are going to have to have a rate increase. It is the only place we can get money and this stuff needs to be addressed.

Last year we voted on a \$5.00 increase and I voted against it, I was the only one. It was about my 2nd month on the Board and I had never seen this list. Had I known about the list; I would not have voted against it. This needs to be addressed.

Secretary Hankamer – We have done a few things on that list, but every year that list changes and the bad thing is the reds get bigger.

President Caraway – And some of the amounts are large. It is not small things that need to be done.

Secretary Hankamer, made a Motion to approve the “Cost of Service” adjustments for the 2023-2024 Water and Sewer rates. The motion was seconded by Vice-President Turner and it passed by unanimous vote.

Agenda Item 12:
REVIEW AND CONSIDER ACCEPTING PRELIMINARY 2023-2024 FISCAL BUDGET:

General Manager Shadden – Yes sir, I put it all together and funded everything as far as electricity, chemicals and everything to my best guess, which you can see we are pretty close on the Budget this year. The only thing we need to do, and those are not operating numbers those are actually capital Improvement numbers, it really won't change that much as far as your line items. You are approving the Preliminary Budget today and the Final Budget will be approved at the next meeting, because we have to approve the tax rate before we can approve the Budget. We will have a Public Hearing on September 13 to pass the tax rate.

Secretary Hankamer – Basically what I am looking at is there are not having a tax rate increase?

General Manger Shadden – No sir, actually to be honest with you, it is going to drop from .36 to .31. So, it will be just like it was last year. The evaluations went up and so we had to decrease, and we actually lost \$80,000.00.

President Caraway – We are going to receive \$80,000.00 less in revenue than we did this year?

General Manager Shadden – Right. They have a truth and voter approval. Once you go through and take the actual homestead exemptions and add all the numbers into it, by the time you get the bottom, it gives you what your tax rate will be and it looks like right now it will be .314971. And right now, it is .364467.

President Caraway – That will be the maximum that we can approve and the reason that it is going down is, the appraisals went up like 25% on homestead, and everything is based on homestead. When homestead's go up and they left commercial property and farm property pretty much the same or they didn't go up as much, it will make it to where we lose money. Even though we go up 8% on those homesteads, if they were paying \$1,000.00, they are going to pay \$1,080.00, now everyone else is going to get a tax reduction if you have commercial property. It is just the way the worksheet works.

Secretary Hankamer, made a Motion to accept the Preliminary 2023-2024 Fiscal Budget. The motion was seconded by Vice-President Turner and it passed by unanimous vote.

Agenda Item 13:
AMEND MINUTES OF RESOLUTION 23-11 ENGINEERING SERVICE FOR JENKINS WEIR NOT TO EXCEED \$55,800.

General Manager Shadden – We approved this at the last meeting. The Resolution was actually correct and for some reason, I didn't catch it, but the Board approved not more than \$50,000.00. So, I am just going back and correcting it, that it was actually \$55,800.00.

Vice President Turner, made a Motion to amend Resolution 23-11 for Engineering services for Jenkins weir not to exceed \$55,800.00. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 14:
TEXAS ASSOCIATION OF COUNTIES (TAC) HEALTH & EMPLOYEES BENEFIT POOL 2024 HEALTH INSURANCE PREMIUM:

General Manager Shadden – This is out employee Health Insurance. The average for the State of Texas went up 6.5%, but we did a good job and ours only went up 4% this year. Nothing has changed, we are still at a \$1,000.00 deductible with a \$3,000.00 out of pocket.

Secretary Hankamer, made a Motion to approve the 2024 Insurance premiums for Texas Association of Counties (TAC) Health & Employees Benefit Pool. The motion was seconded by Vice President Turner and it passed by unanimous vote.

Agenda Item 15:
RESOLUTION 23-13 CERTIFIED TAX VALUE FOR CHAMBERS COUNTY:

General Manager Shadden – This is where the number came in, I believe that average home was \$146,645.00, so that is the actual paperwork that came with this sheet showing what everybody is paying. It is a tax roll. You will approve the certified tax rate at our next meeting.

Vice President Turner, made a Motion to adopt the Certified Tax Value for Chambers County. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 16:
RESOLUTION 23-14 CERTIFIED TAX VALUE FOR JEFFERSON COUNTY:

Secretary Hankamer – This is the same thing but for Jefferson County?

Kate Leverette, District Counsel – Yes.

Secretary Hankamer, made a Motion to adopt the Certified Tax Value for Jefferson County. The motion was seconded by Vice President Turner and it passed by unanimous vote.

Agenda Item 17:
SETTING DATE FOR PUBLIC HEARING ON PROPOSED 2023-2024 TAX RATE:

General Manager Shadden – I propose we have a Public Hearing and then do our Regular Meeting on September 13, 2023 and we will advertise this in the paper.

Secretary Hankamer, made a Motion to have a public hearing on September 13, 2023 at 9:00 a.m. for the proposed 2023-2024 Tax Rate. The motion was seconded by Vice President Turner and it passed by unanimous vote.

Agenda Item 18:
ADOPTING RATES FOR THE 2023-2024 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PLAN (TCDRS):

General Manager Shadden – This is our retirement system, there have been no changes.

Vice President Turner, made a Motion to adopt the rated for the 2023-2024 Texas County and District Retirement System Plan (TCDRS). The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 19:
RENEWING CONTRACT WITH WATHEN DESHONG & JUNKER LLP FOR AUDIT SERVICES:

General Manager Shadden - This is our current Auditor. They normally come in around September and do a preliminary and then our audit is due by January. I believe they have been with us for about 3 or 4 years. They did a fantastic job for us last year.

I contacted our old auditors and asked if they were interested just to see if we had some competition, but they were not interested at all.

This is just a matter of renewing their contract for them to come in and do our end of the year audit.

Vice President Turner, made a Motion to renew the contract with Wathen DeShong & Junker LLP for audit services. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 20:
AGREEMENT WITH KSLOV:

General Manager Shadden – KSLOV has a cooling tower that they think they are going to use about 100,000 gallons of water and it is not really sewer, it is industrial waste. It is make up water off of the cooling tower and we will also take the disposable water off of cooling tower. There is an agreement in the packet and if you look at it they have to test and report to us, and we also go out and test to make sure everything meets qualifications so that we know they are not putting any industrial waste or something in our sewer system that they are not supposed to.

Secretary Hankamer, made a Motion to approve the agreement with KSLOV for the collection of cooling tower water and testing schedule. The motion was seconded by Vice President Turner and it passed by unanimous vote.

Agenda Item 21:
RESOLUTION 23-15 GRANT ADMINISTRATOR FOR HAZARD MITIGATION GRANT PROGRAM DR-4705 TEXAS SEVERE WINTER STORM:

General Manager Shadden – The State has come out with a grant for severe storms. This is no match money, it is 100%. They will give you m to winterize the plants, pumping, etc. To do this we have to select a grant administrator and an engineering company and go through the steps before we can get a grant.

We advertised in the paper and sent it to the required 7 people and Traylor and Associates is the only one that responded.

Vice President Turner, made a Motion to adopt Resolution 23-15 selecting Traylor and Associates as the Grand Administrator for the Hazard Mitigation Program DR-4705 Texas Severe Winter Storm. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 22:
RESOLUTION 23-16 SETTING NUMBER OF VACATION HOURS AN EMPLOYEE CAN CARRY OVER AT THE END OF THE YEAR:

General Manager Shadden - Employees have been able to build up as many hours as they can without having any regulations on it. I am recommending that they can only carry over 360 hours of time each year, which is 9 weeks. We have some people that have 2,000 hours of vacation. We have looked at every way that we can to try and get this under control. We cannot afford for people to take off a year at a time or constantly be off when we have projects going on. So, I think it is in our best interest to cap it at 360 hours a year.

Vice President Turner, made a Motion to approve setting the number of vacation hours an employee can carry over at the end of the year. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 23:
RESOLUTION 23-17 VACATION BUY-OUT:

General Manager Shadden – We just talked about the problem needing to stop the vacation hours at 360. The other problem we have is that several employees, about 10 of them, that have a tone of time. Trying to get them to take a day here or day there, a week here or there and it is just not working out. I think it is best for Trinity Bay to bite the bullet and buy out their time to get them back to the allowed 360 hours. They can still build up time from now until the end of the year, but if they don't take that time, they go back to 360 hours at the beginning of the year. They will have the choice to accept it today or leave it there until they decide to retire at today's rate of pay.

Secretary Hankamer, made a Motion to approve Resolution 23-17 vacation buy-out. The motion was seconded by Vice President Turner and it passed by unanimous vote.

Agenda Item 24:
WORKORDER WITH PLUMMER ASSOCIATES:

General Manager Shadden – I asked the Board a while back for us to hire Plummer and Associates to look at the West side, including Oak Island, Hankamer, Anahuac and the whole area over there and let them take a look and to see what needs to be done for the future as far as the next 20 years so we have enough just like the water, we have enough sewer to pass. The one thing I do not want to do is have someone come in and tell me they want to build a new subdivision and I have to tell them I cannot serve them.

They will come in and do an analysis to let us know what we need to do for the growth and to get us through the next 20 years, whether that is build a new plant in Hankamer or one in Anahuac, just what I s the best thing for Trinity Bay to do for the future. This will be done in stages instead of paying \$150,000.00 all at one time. We will do this work order by work order.

Vice President Turner, made a Motion to approve a workorder with Plummer Associates for Westside Sewer Collection Data for \$28,670.00. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 25:
RENEWING GENERAL INSURANCE WITH ARTHUR J. GALLAGHER RISK MANAGEMENT:

General Manager Shadden – This is who we have our plants, our trucks, equipment and everything with. They go to different companies to get all our stuff insured. They have been very good to us. I looked around this year and we are considered a Tier 1 Risk because of all we have. I could not find anyone else to bid on it.

Vice President Turner, made a Motion to approve renewing the General Insurance with Arthur J. Gallagher Risk Management. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

II. DRAINAGE REPORT:

Amos Roy presented the drainage report on various areas of the District:

SPINDLETOP BAYOU N. OF SH65:

Dragline – Made it to Franzen Road and decided to carry on the rest of the way to the I-10 frontage road. When completed, Spindletop will be done from I-10 to SH65, which is nearly a 3 mile stretch of ditch.

SPINDLETOP BAYOU S. OF SH65:

Komatsu Dozer – This machine is reworking the right of way and old spoils of Spindletop.

Old Fecon: This machine is cutting the right of way on Spindletop.

UPPER ELM BAYOU TRIBUTARY:

Newest Fecon- This machine was used to clear both= sides of the ditch down to the Edward's farm. Almost finished.

OYSTER BAYOU:

Long Reach 324' – This machine is still on the East side of Oyster Bayou South of Fairview moving in a Southernly direction. The vegetation is very heavy with trees.

ALLAN SCREEN CROSSING (Finished):

Komatsu Grinder – Used this machine to assist with the rebuilding of the crossing. Currently cleaning the tributary of which dumps into the main drain where Mr. Screen's crossing is.

***NOTE-** The employees finished Mr. Screen's crossing on 7-31-23. For about two work weeks we had our big Komatsu dozer and Cat 329 with the vibratory hammer to assist with the job.

WHITES BAYOU TRIBUTARY / RUSH DITCH TRIBUTARY:

Komatsu Short Reach – Used this machine to set two crossings on a tributary to Whites Bayou in Hankamer that were rotted our causing drainage issues. It is currently dipping out a tributary to Rush ditch East of FM1410/Sterritt Road.

DOUBLE BAYOU TRIBUTARY:

Long Reach (326) – After recent engine replacement we have run the machine (essentially on light duty) for roughly 40 hours. We have recently put the cutter head on it to load it up a little more on this tributary of Double Bayou to test things out.

MAYHAW BAYOU TRIBUTARY:

Komatsu Mower – Mayou Bayou tributary a/k/a Koch Road ditch. Upgraded 6 crossings to double 42" pipes as well as added 60" pipe to the siphon under the canal and an additional 42" pipe at the Koch Road crossing. (Machine is currently in the shop waiting on the bucket cylinder to be repaired)

SPRAY CREWS:

1. The ground crews are working the East and West sided of the District. (covered approximately 48 miles)
2. We are still mowing with tractors.

III. UTILITIES REPORT:

Jerry Shadden in Mike Will's absence reported on Water and Wastewater.

1. Updated on the new Hankamer WWTP. (See attachment)
2. Scallon controls has completed the installation of the new controller at the Winnie WTP.
3. The pipe bursting project has been completed on Leblanc Street.
4. We repaired approximately 20 water leaks since the last meeting due to the drought conditions.
5. We are collecting lead and cooper samples on the West side of the District.
6. PEECO started making some major repairs to the Oka Island WWTP. They should be completed this week.
7. The City of Anahuac has completed the installation of the wastewater flow meters in the collection system. These three meters will determine the amount of wastewater we are sending to the City. The city sent us 10 days of flow data. The 10-day average for all three meters combined is 41,240 gallons.
8. We received the new Oak Island WWTP permit.
9. All the generators have been serviced.
10. We met with the contractor and engineer a the new Hankamer WWTP on August 15th and did a startup.
11. Completed water and sewer installations:
Installed 1 residential grinder station.
Installed 14 new water meters.
Relocated one grinder station basin.

IV. EXECUTIVE SESSION

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

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.

V. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION.

VI. BOARD MEMBER REPORTS:

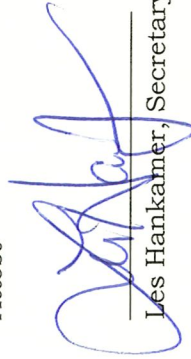
VII. ADJOURN.

Vice President Turner made a Motion to Adjourn. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

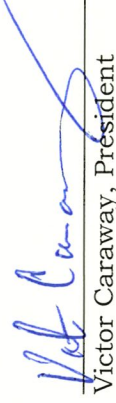
Meeting Adjourned at 10:16 a.m.

READ AND APPROVED:

Attest



Les Hankamer, Secretary



Victor Caraway, President

Date: 9-13-23