

MINUTES OF A REGULAR MEETING  
OF  
TRINITY BAY CONSERVATION DISTRICT  
Wednesday, March 12, 2025  
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, February 12, 2025, with the following Directors present:

Victor Caraway	President
Les Hankamer	Vice-President
Rick Nicely	Director
Annette Rayburn	Director

Also present were Jerry Shadden, Crystal Threadgill, David Hoyt and Amos Roy, District Employees; Anna Seale of Germer PLLC, Susan LeBlanc from Representative Terri Leo-Wilson's office, Celeste Denora of the Vindicator, and John Mulryan - Chambers County Constable, Precinct 2.

**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:**

PUBLIC COMMENT

None.

**Agenda Item 4:**

APPROVE MINTUES

Director Nicely made a Motion to approve the Minutes of a Regular Meeting held February 12, 2025. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

**Agenda Item 5:**

FINANCIAL REPORTS

Secretary Hankamer, made a Motion to approve the Financial Reports for February 28, 2025. The motion was seconded by Director Rayburn and it passed by unanimous vote.

**Agenda Item 6:**

TAX REPORTS

Secretary Hankamer, made a Motion to approve the Tax Reports for February 28, 2025. The motion was seconded by Director Nicely and it passed by unanimous vote.

**Agenda Item 7:**

ACCOUNTS PAYABLE

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

**Agenda Item 8:**

GRANT LEE BLUE PERMISSION TO MOVE ENTRANCE GATE

General Manager Shadden – Here is a picture of it (up on screen) and he owns the piece behind these houses that face Speights Road, and in other words, his land is pretty well cutoff. He is proposing to move the gate to the end of his property that way they can use it, according to Bobby Hall that is a public road easement that has never been approved. For the County to take it over for maintenance, you must bring it to their standard otherwise it is just a public road dirt, so this property is cutoff. My concern is with our Sewer Plant is another 800 feet South of this and in the past we have had noise complaints from the blowers and it is also a sewer plant that is air activated, so all the smell is going up into the air. So, I have a concern and I explained to him that if they go and build houses in here, now they are closer to the plant than they were. I talked to Kate about if we did allow this if we could not put a restriction. This bottom line (up on the screen) at the bottom is where our property stops and that has a 500-foot buffer that must be in there for the sewer plant lands. So, we have a 500-foot buffer in there already where you cannot build anything. I explained to him that that was our main concern that the closer you put house to the plant the more they are going to complain about either smell or noise from the blower.

Secretary Hankamer – He is not actually land locked, because he has property touching it already.



General Manager Shadden - Yes, he does on the other side.

President Caraway - How far does that County road go? Does it go into our plant?

General Manager Shadden - I do not know, no one can really tell me. Bobby Hall looked at this Brad at County looked at it for us and no one knows.

President Caraway - So we will need to fence that?

General Manager Shadden - Actually, he was going to pay to move the gate forward and pay for the fencing. Again, my main concern is that they go and clear this property off and start building houses on it and they come back to us and say, these blowers are whining at night and we can't sleep. We have already been to one meeting with the Public over there about that and we did some adjustments on the blower and put silencers on them to quite them down and we have not had any more complaints. One of our former employees lives over there and he said when it is quiet, it is no different than I10, you can hear it but you can also here the pump running at the sewer plant.

At one time they contacted me about buying this piece of property. We already have almost 300 acres in there. The only other thing we could do is if we are interested in buying it to keep a buffer.

Director Nicely - We already have a buffer?

General Manager Shadden - Yes, we have a 500-foot buffer right now.

Director Nicely - And that is what we are required to have?

General Manager Shadden - Yes, that is what we are required to have.

President Caraway - I don't see how we can stop him.

General Manager Shadden - I talked to Kate about this, that we notify them somehow with something that says, You are aware you are building next to a Sewer Plant and you are going to have noise and you are going to have smells.

President Caraway - Exactly. As far as him accessing his property on that road, I don't know that we have a choice.

General Manager Shadden - No. It is a public road.

Secretary Hankamer - If we give him access, I would like to see what we write up to give them.

General Manager Shadden - Buffer wise through the regulations, there is nothing I can do to stop him outside the 500-foot buffer.

Secretary Hankamer - I would just like to see what we write up.

General Manager Shadden - When Kate gets back from vacation, I will get with her and see what kind of language to put in there to say hey look, you are aware of where you are building.

TABLED.

Director Nicely, made a Motion to **TABLE** Agenda Item #8 - Granting access to Lee Blue's property by allowing him to move the entrance gate at Hankamer Sewer Plant Road easement. The motion was seconded by Director Rayburn and it passed by unanimous vote.

**Agenda Item 9, 10 and 11:**

SELLING BONDS FOR FUNDING 20" WATER LINE PROJECT, FUNDING 2700 WATER METERS AND FUNDING WEST GROUND STORAGE TANK PROJECT.

General Manager Shadden - The 20" water line leaving the water plant in Winnie and going across I10, Victor said that she put it in the paper that we are going North, we are actually going South. We need to cross I10 because we only have one 8". We cannot get enough water to the South side and this is where the growth is. We have had a couple of capacity studies done for a truck stop and an RV park down on Highway 73 and we do not have enough water to serve them.

We put together a package and went out for bid, and Eastex Utilities was the low bidder at \$559,370.00. What I propose to do is take this \$559,370.00 and sell bonds. We also need to complete our water meter change out. We have 2,700 water meters left and with the price that we are paying for the meters, and paying a contractor \$60.00 to install them, that way he says he can put in 1,000 a month?

David Hoyt - 500 a week.

General Manager Shadden - 500 a week, so let's do it and get it over with. That is \$837,000.00 to finish the meter change out to all electronic reads.



Also, the water ground storage tank at the Anahuac Water Plant, the engineer's projection is that it will cost \$1,583,000.00 for this tank.

Secretary Hankamer – That has been on our list for a while.

General Manager Shadden – Yes it has and the plans were 90% so they are right at 100%, so it is ready to go out for bid. Actually, it is ready to go to TCEQ for their approval to build it. They will have to review the plans and everything to do it and they will also have to review selling the bonds. It is going to be somewhere around \$3,000,000.00 to sell bonds for 15 years to pay for all 3 of these projects. This is what I am asking the Board to do. The 20" water line has already been bid and it is ready to go. What we can do is part of selling the bonds we can do a reimbursement agreement to where we can go ahead and start that job with our own money and when the bonds actually fund, they will reimburse us our money.

I looked at trying to pay for the ground storage tank for itself, but according to our Attorney we can only borrow money for 3 years. So that means it would cost \$600,000.00 a year just to do the water tank and I just do not have that kind of money. We would be totally strapped to where we couldn't do anything but survive. I think this is the best thing for us, is to put all three of these together and sell bonds. They are about 150 days out to build a tank. We would also have to go to LJA Engineering and let them put a package together to go to TCEQ so they can review all of it for us to be able to sell the bond. Our financial guy at US Capital Advisors, James Gilley, wasn't able to make this meeting, but he put together a scenario for 10 years and I think our best bet is the 15 years. Right now, we are paying \$970,850.00 a year for our bonds. We have a 2012 series that paid for both water plants and the sewer plants. At that time, they borrowed \$12,000,000.00 in 2002. When I came in 2001, the interest rate was 6%, so I refinanced it at 2% and it saved us millions of dollars and it dropped it from a \$1,200,000.00 note to a \$9,782,000.00 a year note, plus we sold \$2,000,000.00 worth of bonds to build this building, so our note right now is \$970,000.00 a year. Next year 2026, the 2012 Revenue Bonds are paid off. That means that \$786,000.00 is going to drop off and the Plants are completely paid for. All we will have left is the 2014 Series and that will pay off in 2034.

President Caraway – We already have money allocated basically for the ones that we are paying now.

General Manager Shadden – Yes, we do.

President Caraway – So we are basically adding is about \$320,000.00 a year.

General Manager Shadden – Exactly, so we are going from \$950,000.00 to \$628,090.00 so we are picking up \$300,000.00 a year and we will have changed out all of our meters, built a water tank and we have increased our production to where we can handle the growth.

President Caraway – Basically it is going to cost us \$27,000.00 per month to do this for the next 15 years and we will take that money out of the \$80,000.00 a month increase that we had a year and a half ago. We have been putting \$80,000.00 a month aside to do projects like this and so basically what we are saying is we are going to spend \$27,000.00 a month of the \$80,000.00. We are going to finance these projects and it will leave us \$53,000.00 a month to continue doing other projects.

General Manager Shadden – When these others drop off next year..

President Caraway – That will help as well.

Secretary Hankamer – That will drop it way down.

President Caraway – Right. But even if they didn't, we would still be okay.

General Manager Shadden – Yes, we would still be okay. We must have 1.25% in the bank for these bonds. So, we have to have 125% to pay the note for 1 year and then we put in monthly to pay the note.

President Caraway – We are going to have to have \$400,00.00 or so to do this.

General Manager Shadden – Right and that will come out of that construction fund that we have right now. We have roughly \$800,000.00 in it.

President Caraway – You don't know when exactly the other one comes off do you?

General Manager Shadden – I want to say it is the middle of next year. You came to the office the other day and we were talking about it and I started looking it up and I got busy. Seems like it is the middle of next year.

President Caraway – So you will have a year before you have that money back.

General Manager Shadden – This is pretty normal, once you finish one set of bonds and you move on it is time to do another large project and you sell bonds again.

Secretary Hankamer – All these projects have been sitting in the books a little while and need to be done.

General Manager Shadden – And part of this is, we met with the City of Anahuac last week and there is a subdivision coming in at 4 corners at 65 and 61. This will be 300 and something houses. It is just



about finished which means that there is a 6" force main going from there into the Anahuac sewer plant and Anahuac has one on the South side close to Poskey inside the city limits that there is another guy that wants to do another 300,000 there. There concern there is doing a capacity study, they have never had one done before, they did a capacity study and the sewer plant that they have and the sewer plant that we have combined will not carry both of those subdivisions. I met with them last week and explained to them that since I have been here in 10 years, they built 5 houses in Anahuac. There water rates and taxes are so high, it is not like they are going to build overnight. I think talking with them and the engineers that they are going to do like a Phase I in these fields just like they did in Cypress Point. They will do like a Phase I of 90 house and when that is built out, they will do a Phase II and so on. Somewhere down the line we are going to have to build another sewer plant.

President Caraway – Did you notice in that report from LJA that their sewer plant is upgradable to like a .9

General Manager Shadden – Yes. But even with doing the paperwork to a .9 and ours.... .9 is with ours. They are a .5 and they are going to a .7 and with ours at .2 it is all .9. So that is with ours included and that is why I met with them so I could understand the whole picture. It would be too much if they built our both subdivisions. I do not see it happening, now maybe if it was on I10 up by Cypress Point possibly. But that far off of I10, I just do not think the grow is going to be that fast. We probably have 150-200 inside Cypress Point and it started at 1,0000. They can build 1,000 in there and we are at 200 in 5 years.

Secretary Hankamer, made a Motion to approve looking into selling bonds to secure funding for the 20" water line project, funding purchase of 2700 water meters and funding for West ground water storage tank project. The motion was seconded by Director Rayburn and it passed by unanimous vote.

**Agenda Item 12:**

RESOLUTION 25-03 APPROVING APPLICATION TO TCEQ FOR DISTRICT PROJECTS AND ISSURANCE OF UTILITY SYSTEM REVENUE BOND

General Manager Shadden – Board has to do a Resolution to go out and send this out, I took this from the 2014 when we sold these and I made it fit this project.

Director Nicely, made a Motion to approve Resolution 25-03 Approving Application to Texas Commission on Environmental Quality (the "TCEQ") for District Projects and Issuance of Utility System Revenue Bonds. The motion was seconded by Director Rayburn and it passed by unanimous vote.

**Agenda Item 13:**

ENGAGE GERMER PLLC AS BOND COUNSEL FOR UTILITY SYSTEM REVENUE BONDS, SERIES 2025

General Manager Shadden – This is standard. They will be the ones putting it together.

Secretary Hankamer, made a Motion to approve engaging Germer PLLC as bond counsel for Utility System Revenue Bonds, Series 2025 (the "Bonds"). The motion was seconded by Director Nicely and it passed by unanimous vote.

**Agenda Item 14:**

RESOLUTION 25-04 AUTHORIZING U.S. CAPITAL ADVISORS LLC TO PREPARE THE NOTICE OF SALE FOR BONDS

General Manager Shadden – U.S. Capital will be the actual ones that sell it. They will look at it a couple of ways. The Water Development Board, they loan money and sometimes they have a very good rate. When we built the building, we had a AAA rating as far as our bonds went, so we went to the public and sold the bonds and got a better rate. He will find us the best rate either going through the Texas Water Development Board or sell them out right.

Secretary Hankamer, made a Motion to approve Resolution 25-04 authorizing U.S. Capital Advisors LLC to prepare the Notice of Sale for the Bonds; prepare and issue the Preliminary Official Statement for the Bonds and authorize the distribution thereof; and authorize publication of Notice of Sale for the Bonds. The motion was seconded by Director Nicely and it passed by unanimous vote.

**II. DRAINAGE REPORT:**

Amos Roy reported on Drainage.

**CLCND/TBCD SIPHON PIPE PROJECT:**

On 3-3-25 I was able to let them know that they could start sending water back down the canal. Unfortunately, after pushing water in the canal we found a leak in the siphon pipe and we are working diligently to get the leak fixed.

**JOBS ON HOLD DUE TO THE SIPHON JOBP:**

Cleaning of Crooked Bayou; Bridge build at Crooked Bayou; Cleaning of Onion Bayou Tributary; Spindletop spoil dressing South of Franzen Rd.



**ELM BAYOU WATERSHED NORTH OF FAIRVEIW:**

The CAT Fecon unit is working this section of the water shed.

**RUSH DITCH NORTH OF IH-10:**

The Cat 324 long reach has finished working this location. We are doing fence work in the area now.

**EAST BAY BAYOU TRIBUTARY:**

The Komatsu Grinder unit is cutting and dipping both sides of this watershed.

**TBCD/DD6 EROSION CONSERVATION PROJECT:**

Nation-wide stop the erosion that is happening in the bright green highlighted area of Spindletop TBCD are working together to set rip rap materials on the West side of the East bank of Spindletop. We were informed that as long as we are establishing the bank back to its original location that we are covered under our blanket nation-wide permit and no other permit is necessary.

**III. UTILITY REPORT:**

David Hoyt reported on Water and Sewer.

The main thing I want to touch on Victor is the on the meters, we are still changing them in house. We changed 60 the last month. Starting Monday, we are going to have 2 crews doing that all day long. We are still waiting on AVR to give us confirmation on what they can and can't do on transferring the new meters in the system. I was on the phone with Shelby earlier and she said that they do have the means to help us, but they have to be done manually and of course it will be a fee but it will be minimal, so there is an alternative if AVR cannot do it.

General Manager Shadden – And this is just taking the old meter out, get the meter number and the reading and change the whole account over to the new one so you do not lose anything.

David Hoyt – And it will have to be done in a timely manner to ensure billing is correct during that transfer.

General Manager Shadden – The next on is Chambers-Liberty Navigation District, they increased their raw water rates from .88¢ per thousand to .92¢ per thousand. Right now, we are paying a little over \$10,000.00 month for raw water from LNVA and CLCND, so our raw water is over \$20,000.00 a month. LNVA already raised their rates to this, so CLCND is just copying them.

I received a letter for a fine from 2024, the wetlands at the Hankamer plant busted ammonia nitrate so we were in violation. I contacted them and told them we have shut the wetlands down and put a mechanical plant there so we shouldn't have any problems. I talked to them in Austin and told them that we already corrected the problem by building a new plant.

At some point we are going to have to close that old wetlands. That means we will have to take the sludge out of it before we can turn it back in to regular ground. Loretta sent me all the information on what it will require to shut it down.

**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.**

None.

**Actions on items discussed in Executive Session:**

**VI. BOARD MEMBER REPORTS:**

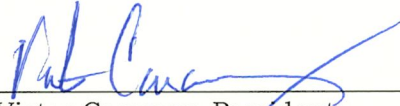
None.

**VII. ADJOURN.**

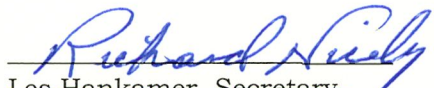
Director Nicely made a Motion to Adjourn. The motion was seconded by and it passed by Secretary Hankamer unanimous vote.

Meeting Adjourned at **9:44 a.m.**

READ AND APPROVED:

  
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Victor Caraway, President

Attest

  
\_\_\_\_\_  
~~Les Hankamer, Secretary~~  
Richard Nicely, Director

Date: 4/9/25