

MINUTES OF A REGULAR MEETING
OF
TRINITY BAY CONSERVATION DISTRICT
Wednesday, August 13, 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, August 13, 2025, with the following Directors present:

Victor Caraway	President
Les Hankamer	Secretary
Rick Nicely	Director
Annette Rayburn	Director
Justin Woody	Director

Also present were Jerry Shadden, David Hoyt, Crystal Threadgill, and Amos Roy, District Employees; Kate Leverett of Germer PLLC, Gloria Way of the Seabreeze Beacon, Celeste Denora of the Vindicator, Josh Kahla - Chambers County Constable, Precinct 5, Susan LeBlanc of Representative Terri Leo-Wilson's office, Cody Croley of LJA Engineering, Bud Threadgill and Bobby Hall.

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 MINUTES

Secretary Hankamer made a Motion to approve the Minutes of a Regular Meeting held June 18, 2025. The motion was seconded by Director Nicely and it passed by unanimous vote.

Agenda Item 5:

FINANCIAL REPORTS

Director Nicely, made a Motion to approve the Financial Reports for June 30, 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 June 30, 2025. The motion was seconded by Director Woody and it passed by unanimous vote.

Agenda Item 7:

ACCOUNTS PAYABLE/RECEIVABLE

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

Agenda Item 8:

INTERLOCAL AGREEMENT -OXY LEASE PAYMENT DISTRIBUTION WITH CHAMBERS COUNTY

General Manager Shadden – This is by the old incinerator and they are going to pay a lease to the County, Anahuac School District has a piece of it and so does Trinity Bay. So, we will get a little bit of money out of this. If you recall a while back, the Board approved Judge Silvia mediating this 3 or 4 months ago and to make an agreement with these people so we are just going to get a percentage of the proceeds and so will Anahuac ISD and the County. This is just an interlocal agreement to receive this money.

Director Rayburn, made a Motion to approve accepting the interlocal agreement regarding OXY lease payment distribution with Chambers County. The motion was seconded by Director Woody and it passed by unanimous vote.

Agenda Item 9:

RESOLUTION 25-07 CERTIFIED TAX VALUE FOR JEFFERSON COUNTY

General Manager Shadden – I received a preliminary tax from Jefferson County but we have not received the official one so we will need to table this.

TABLED.

Agenda Item 10:

RESOLUTION 25-08 CERTIFIED TAX VALUE FOR CHAMBERS COUNTY

General Manager Shadden – We received the certified tax value from Chambers County and this is what we did all our tax rates on. Right now, I was able to do our tax and they were close because there was not that much on the Jefferson County side. If I must adjust it a little bit, it would be small. The majority came from Chambers County and you will see here in a little bit what our tax rate is going to be this year to the truth and taxation.

Secretary Hankamer, made a Motion to approve Resolution 25-08 adopting the Certified Tax Value for Chambers County. The motion was seconded by Director Nicely and it passed by unanimous vote.

Agenda Item 11:

SETTING DATE FOR PUBLIC HEARING ON PROPOSED 2025-2026 TAX RATE.

General Manager Shadden – That is our next meeting so we should have a public hearing and then go into our regular meeting and approve all the other stuff. In your book is water district approval of the tax rate worksheet and this is where they go in and give you the average price of a house and homestead and all this other stuff. This year with the values going up, last year tax rate was 0.296163 this year the tax rate we had to lower it because the County values went up so much, so we are lowering our tax rate to 0.291133.

President Caraway – That is the maximum that we can approve.

General Manager Shadden – Yes sir. That is all we can do. The current years highest amount of taxable for average resident homestead is \$526.37 and last year was \$487.36., so that is about \$35.00.

President Caraway – But we are not approving that at this time?

General Manager Shadden – No, we have to have a Public Hearing on it so the public can see what we have done. But we did lower our tax rate.

Secretary Hankamer, made a Motion to set September 10, 2025 at 9:00 a.m. for the Public Hearing on the Proposed 2025-2026 Tax Rate. The motion was seconded by Director Nicely and it passed by unanimous vote.

Agenda Item 12:

RENEWING CONTRACT WITH WATHEN DESHONG & JUNKER LLP

General Manager Shadden – This is our audit company. We are just signing another contract with them. They usually come in in September or August and start their pre-screen and then we have our taxes done by the first of the year. They have done a good job for us.

Director Nicely – There haven't been any issues with them. Is this something that we have to go out to other facilities for?

General Manager Shadden – We have in the past.

Kate Leverett – You do not have to do it, there is no timeline. So, if you are happy with your current auditor you can constantly renew their contract. If you wanted to get someone new, then you would go out for an RFQ, but there is not a timeline saying you must go out for new contract bids every five years. There is not a statute that requires you to do that.

Director Nicely – Okay.

Director Nicely, made a Motion to approve renewing the contract with Wathen DeShong & Junker LLP for audit services. The motion was seconded by Director Rayburn and it passed by unanimous vote.

Agenda Item 13:

FY 2025 BOND APPLICATION

Kate Leverett – This is just about done, it is on me, two more documents, just have to sign and expedite it, review forms and update our bond contract, and then we will be submitting it hopefully later this week.

NO ACTION NEEDED.

Agenda Item 14:
20-INCH WATER LINE PROJECT

General Manager Shadden – They have all their pipe there and they have fused the casing and the pipe to go under the freeway and to go under 1406. I am told they are going to send us a bill next month for materials on hand. But they have started and my understanding is that they are waiting for their directional drilling contractor to be able to get them schedule in. They should start laying inside the plant. I know the existing line that is going out to serve everybody they were digging up last week trying to find it so they don't hit it when they are drilling. So, they are moving forward.

President Caraway – They are doing all of this.

General Manager Shadden – Yes.

NO ACTION NEEDED.

Agenda Item 15:
WATER TANK DESIGN

General Manager Shadden – This was submitted to the TCEQ about three weeks ago, they got it on the website, they are reviewing it and looking over the plans. Since we changed it to from three small tanks to one large tank it changes the contact time for your flooring and stuff like that. We also had to have them do a study for flooring contact time to make sure we have enough disinfectant to kill any pathogens, and they have finished that, and it was sent to the TCEQ on Friday. I received a confirmation email that they received it. Now they are reviewing the building of the tank and the contact time. I believe that is all that they are going to be reviewing to say yes and then we will receive the Bond money to build the tank.

NO ACTION NEEDED.

Agenda Item 16:
WESTSIDE WASTEWATER EVALUATION STUDY

General Manager Shadden – They are pretty much finished with it, but I have another agenda item coming up in a little bit, they wanted to know if we want them to add in the Lakes of Anahuac which is the one at Highway 65 and 61 where they are putting 300 homes in. We are still in negotiations with Anahuac to try to get them to take the sewer. I have another agenda item for that also, but they are pretty close to being finished. I told them that I would talk with the Board and see if we wanted to add this to the study.

Director Nicely – The other item you have on the agenda, will it address the 300 homes in that area?

General Manager Shadden – Yes.

Director Woody – There is one for the study that they have already done?

General Manager Shadden – Yes.

President Caraway – Once they complete that study, it should be easy just to add that back in.

General Manager Shadden – Yes. From what they are telling me from the last time that I met with them, we are really not that bad on that side. You saw the flows going into Hankamer right now. We are at like 200 gallons a day and we have 300 gallons a day possible. So, for right now we are still in pretty good shape.

President Caraway – Rather than add the Lakes of Anahuac at this time, can we just wait and do the add on if and when we are able to do that?

General Manager Shadden – Yes. That is what I told them, that I would not put it in right now, because it hasn't happened.

Director Nicely – I do have one more question. If someone wanted to build this 300-home subdivision and you said they would plug it in, once we get this, isn't this something that you or Diane would do?

General Manager Shadden – We bought the software where Diane can look at it, but normally our policy here says that we have to have a capacity study which is what the engineer does.

NO ACTION NEEDED.

Agenda Item 17:
CHANGE ORDER FOR EASTEX UTILITIES TO MAKE PIPE CONNECTIONS AT A COST OF \$64,625.00

General Manager Shadden – When we bid the project, we did not have any of the taps on there, so after we went back and look at all the taps and connections that were needed and they are there already, so the easiest thing to do is to do a change order for them and let them buy the materials and do the taps.

Director Rayburn, made a Motion to approve a change order for Eastex Utilities to make pipe connections on 20" water line project at a cost of \$64,625.00. The motion was seconded by Director Nicely and it passed by unanimous vote.

Agenda Item 18:

INSTALLING 2000 FEET OF 6" WATER LINE ON BELTON LANE EXTENSION

General Manager Shadden – This has come before the Board before; we have a gentleman that lives at the end of Belton Lane Extension and he is constantly complaining about having low water pressure. If you look at this chart right here, this is a 24-hour chart, this shows you what the water pressure is and you can see it goes up and down as people use the water. The lowest I can see is down to 40 psi. You have probably 15 or more homes on a 2 ½" line and so when everyone starts using water it will start going lower. The only water to correct the problem is to upsize the line. At the beginning of Belton Lane is where all the houses are, so we wanted to see if the Board would approve laying 2000 feet at a cost of \$20,000.00 to get it past all the houses and give them some fire protection and the 2 1/2" line will go all the way back to Middleton Ranch. This is a way to upgrade and give the people more water and fire protection.

Director Nicely – Is this something Amos and his crew are going to do?

General Manager Shadden – David and the water crew. We will have to get an easement from the County. The County has also changed, I used to be able to give them a 4", this is where we are going to start and this is where we are going to end and we want an easement to put a water line in, but now they require a full set of plans, just like TXDOT does. If want to put something in the right of way, I have to have an engineer design it, etc. so that adds into every project that we do. They are upping their game over there just like we are starting to require capacity studies.

Director Rayburn – How long before this project can be started?

General Manager Shadden – I do not know. We have to buy the pipe and everything else. I would say maybe within a month. We have had a lot of employees out with health issues. We will get the pipe ordered and get it here on the ground and see what we can do to get it started. I would hate to promise you something that I cannot deliver.

David Hoyt – We have a lot going on right now. We have a lot of people off, a lot of jobs that are vacant, and we are just trying to keep our heads above water right now.

President Caraway – The chart shows that it drops down to about 40 pounds sometimes. What is an acceptable level?

General Manager Shadden – We have to maintain 30 psi. Anything below that you have to do a boil water notice.

Director Rayburn – Did we get a new flowmeter out there yet? The one that got ran over.

General Manager Shadden – This flow chart that I did, we had a flow meter that we took out there and set up and the County came by and mowed and ran over it. It was on the side of the ditch in the tall grass and our guys didn't mark it well enough or something. After he called again, we bought a new one online and they are like \$1000.00 a piece, so we are just waiting on the new one to come in.

Director Rayburn, made a Motion to approve installing 2000 feet of 6" water line on Belton Lane Extension to boost water pressure at a cost of \$20,000.00. The motion was seconded by Director Nicely and it passed by unanimous vote.

Agenda Item 19:

RESOLUTION 25-09 SELECT GRANT ADMINISTRATOR FOR TDEM FY 2025 POST FIRE HMGP

General Manager Shadden – This is a Grant program that we have applied for to run a water line down I-10 for fire protection if we ever have a grass fire out there. All these different agencies have money in different places, this one is like a fire mitigation where if we ran a water line down I-10 with fire hydrants so they could put out wild fires close by and could also put out grass fires in the area. We would have to acquire a Grant Administrator, and Traylor and Associates is the one we have been using lately. Once we put the Grant Administrator in place, we will put it out for engineering, and procure engineering services to design it if we get the grant. We would probably go back to LJA again to design it if need be. We will have to have these people on board to apply for the grant.

Director Nicely – Do we have the water to be able to do something like this?

General Manager Shadden – Yes sir. Right now, we are putting out about 800,000 gallons a day at the Winnie water plant and we have a capacity of 2.5. One of our problems is we couldn't get the water out of the plant, and now that we are putting this 20" line out, that should give us the water to do that. An average house fire takes 300 gallons of water.

Secretary Hankamer, made a Motion to approve selecting a Grant Administrator for the Texas Department of Emergency Management (TDEM) FY 2025 Post Fire Hazard Mitigation Grant Program (HMGP). The motion was seconded by Director Nicely and it passed by unanimous vote.

Agenda Item 20:

INSTALLING CONNECTION TO SELL WATER TO CITY OF ANAHUAC

General Manager Shadden – They are getting ready to redo the water plant. They are going to take the plant down and sandblast and paint all the concrete underneath, change all the baffling in it and upgrade their water plant. They received a grant to do this, and to do this, they have to shut their plant down. We have a 6" connection at Belton Lane and 563 where we supply the water, we have a water meter there. We could supply them the water. So, what I suggested they do is they get with LJA and design a backflow prevention, and also Trinity Bays water pressure is higher than Anahuac's, so they need to put a pressure reduction valve in to be able to go down to their pressure, if not we overflow their tanks. In the past when they took the water from us, they just went out and open and closed the valves as they needed to to keep the water towers full, this will do it automatically. They will buy the equipment and material and will install it.

Director Nicely – What is this going to do to the water pressure on Belton Lane?

General Manager Shadden – This is the other end of Belton Lane. It is coming right off a 12".

President Caraway – How long will they need it this time?

General Manager Shadden – They are talking about 6 months to a year and that was at \$3.00/1000 and I told them it would be \$5.00 this time because our prices had gone up. So, we could be looking at \$50,000-\$80,000 a month selling water. So, part of this and therefore is why I put this agenda item on here, we have talked about this in the past about providing them the water, the other problem is, we mentioned the Lakes of Anahuac adding 300 homes. Looking at their capacity study, they have the ability to take the sewer for all 300 houses, but they have been sitting on their hands and haven't moved. I have talked to their attorney and the developer came to our last meeting and he want us to actually take it out of our jurisdiction and let them build their own plant there. This is where they are at on this because nothing is moving forward. I think what we need to do, and this is just my opinion, is we should sign a contract with the City of Anahuac that if they take this sewer of ours, when their plant gets to the 75% rule, that Trinity Bay would agree to build another plant. Because someone is going to have to build one. Once you get to 75% capacity, you have to start having an engineer designing a new plant and once you get to 85% it should be finished on the shelf and once you get to 90% it should be under construction.

President Caraway – We are going to eventually need another plant anyways. The age of the Oak Island Plant, that sewer is going to have to come North at some point.

Director Woody - They only have capacity of Trinity Bay's portion of the plant's operation, which it's not, right?

General Manager Shadden – Right. We have 200,000 gallons a day.

Director Woody – It's not operational at this point correct? Is it operational right now?

General Manager Shadden – It is not running because there is not enough flow going into it to.....

President Caraway – But it is operational, they could put it back online.

General Manager Shadden – It can be, which gives them up to a what .9?

Director Woody - .95, but they have to rerate their plant. But I don't know what all that entails.

General Manager Shadden – We talked about that and it's just a paperwork thing and it costs money to reapply and for the engineer to do stuff. A .7 with the ability to go to a .9. Right now, they have 3 and we have 2, so there was 5 there, so now there is 7 there with the ability to go to 9 and that is with our plant only. I can understand that there is concern about they went and borrowed all this money on a long term bond, probably 30 years, and all of a sudden we are going to put all of this in there and they are going to run out of capacity. Now we do pay a percentage of what we out in there. Right now, we are putting in about 16%. I think we need to make some kind of commitment that if it gets to 75% then it is our turn to build a new plant.

President Caraway – It is 16% of what?

General Manager Shadden – Total flow that is going in.

Director Woody – That is what Trinity Bay is putting in.

President Caraway – But what is the total flow?

Director Woody – 350 or .35

President Caraway – I guess my question is, even if we added these homes, would we get to our point to that we own.

General Manager Shadden – Yes.

President Caraway – We would.

General Manager Shadden – It is probably 130,000 gallons per house.

Director Woody – And that's only considering the Lakes of Anahuac.

General Manager Shadden – You still have some land out by Poskey and before Anahuac that could develop.

President Caraway – I understand.

General Manager Shadden – We could get Baker and Kate to draw up an agreement that when it gets to the 75% rule that Trinity Bay will step up and build a new plant, which would be out share in the future.

President Caraway – That sounds fair.

Director Nicely – Do we have the real estate to build this new plant?

General Manager Shadden – They tell me where our old plant is right now, we have a lagoon there on the property, and they don't use the lagoon anymore, so it could be filled in and there should be enough room on the property to do it. If not, Gregg Turner owns the property on the other side of the ditch and we could possibly buy some property from him or locate another site if we had to. But I think in their opinion there was enough room there, once we did away with our old plant or we might end up using our plant like they did. When they built their plant, they used their old .3 as a clarifier to take the sludge out. There's was a racetrack type deal, with a rake in it, so I don't know that ours would do that being a square, but it would either be torn down or used as a clarifier.

Director Nicely – What about having to have a buffer zone between the plant and the public?

General Manager Shadden – All of that area is fenced already. So, it would be within the buffer zone that is there already.

Director Woody – So, the city owns the land, from I understand, Trinity Bay has a 99-year lease and it started in 1984?

General Manager Shadden – Yes, and it says basically that they will operate it and maintain it and Trinity Bay will pay for the percentage that it puts into it. Which we do, and that is about 16%. That costs us about \$1,200-\$1,500 a month. If something like the blower goes out and its \$30,000.00, then we split the cost because the blower works for both plants. If we try to keep ours running, they have all new blowers on the new plant so there is no since in running our plant with another set of blowers that are probably 30-40 hp and you are probably talking about \$300-\$500 a month in electricity to try to put our little plant back in service when theirs's is handling it all. So, I think there needs to be some adjustment to it because their plant is taking everything and they would want some assurance that we would help down the road somewhere.

Director Woody – So are you saying that's getting our plant back operational or not? Because my questions is, if you don't do something, won't their side reach the capacity sooner?

General Manager Shadden – It will. But like I say, what they did, is when they built a new plant and our plant is here, its tee'd together. It can be operational. But what's the point.

Director Woody – I understand that. I am looking at it from Anahuac's standpoint. They are going to want to know the agreement was 2 operational plants and right now there is only one and they are taking everything.

General Manager Shadden – It can be. But talking with them...

Director Woody – And that is why I am with Victor and you talked about it bringing Oak Island and putting in a lift station and putting in something new out there and upgrading.

General Manager Shadden – Right. What's down there is over 50 years old. You can't put an anchor in the concrete anymore it's so soft. All the electrical system and everything has to be renewed and we are about to have to do that. All the electrical is exposed, conduit is rusted out and wires are exposed. So everything is going to have to be redone.

Director Woody – So that is something we should start looking at now.

General Manager Shadden – Yes.

President Caraway – What size is Oak Island?

General Manage Shadden - .1

Director Nicely – Is this something that needs to be an agenda item?

General Manager Shadden – I would say I would authorize Kate to get with Richard Baker and us come up with an agreement that we can live with and Anahuac can live with. I think the biggest stickler would be at some point that Trinity Bay would add capacity.

Director Nicely – I understand that this is something that is going to have to be done?

General Manger Shadden - Yes, it is going to have to be done.

Director Nicely – Do you need the Boards approval to get with Kate?

General Manager Shadden – Yes. That is why this agenda item is on here, that you all agree that we are going to sell them the water and we will authorize her to do an agreement that we both can live with whether we want to operate our own plant in the future or whatever we decide we want to do. Then we will have to have an engineer look at it and see what size plant we think we will need in the future.

Director Nicely – This agenda item #20 has 2 parts.

General Manager Shadden – Yes, we are going to agree to sell them water and authorize Kate to do and agreement. Because if not, sometimes it might be like they're not going to take our sewage if we sell them water. They have no other choice but us. I don't want to have that kind of relationship. But If I was them, I would also want some kind of guarantee that if Trinity Bay said they were going to do something in writing they were going to do it.

Director Nicely – So we can go ahead and make the motion on this with the amendment that you are going to be authorized to give Anahuac...

Kate Leverett – Correct. You agree to sell water and then authorize General Manager and Attorney to reach out to the City of Anahuac to negotiate an agreement that is mutually beneficial to everyone.

Director Woody – Just for the record, I have been talking to Richard too, he is my outside counsel, not about any kind of agreement, just issues he is handling. I just wanted everyone to know that.

Director Woody, made a Motion to approve a connection to sell water to the City of Anahuac at \$5.00/1000 and for the General Manager and the Attorney of Trinity Bay to reach out to Richard Baker top negotiate an agreement that is mutually beneficial to everyone. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

II. DRAINAGE REPORT:

Amos Roy reported on Drainage.

RUSH DITCH:

The dragline is back on Rush ditch. We are on the East side this time and we started at the mouth of Rush where it dumps into Spindletop. We will work this watershed upstream towards I-10.

SPINDLETOP NORTH OF IH10:

Using a CAT long reach to cut the vegetation along the watershed. Just recently got the hydraulics repaired and the machine relocated back to Spindletop.

DOUBLE BAYOU TRIBUTARY:

We have made it as far as we can on the South side of this watershed and have recently gotten on the North side and started clearing. Once the North side is complete this watershed will be cleansed from Eagle Ferry road all the way to the West fork of Double Bayou.

SPRAY CREW:

Ground crews are spraying on the North side of Winnie and were able to cover approximately 25 miles of watershed. They also continue to mow ditch right of ways when weather is not permissible for herbicide applications.

NEW WEATHER STATIONS:

We are currently trying to get parts in to assemble a new weather station like what we used to have. These stations will record weather data that can be used by weather media and out taxpayers/customers. Once setup, they will easily be able to access the data on our webpage. The employees from DD6 have collaborated with Mr. Lawrence Davis and me to help us get a unit going. We are hoping to have one in the ground in the next couple of months.

AREAS THAT NEED ATTENTION:

I have listed below areas and locations that we need to get to in no particular order or priority:

1. Oyster Bayou South of Fairview (drainpipes)
2. Parts of Double Bayou and its major tributaries (currently on them)
3. Clear our floating barriers in front of salt checks (Helicopter is spraying them this week)
4. Repair a swing gate at Brown and Root, gates located on the South end of Robinson Lake. (Middle gate is gone.) (Waiting on the lumber to come in)
5. Elm Bayou South of Fairview (Machines are in the area)
6. Allan Screen's crossing: Completed on 7-29-25
7. Fix the erosion at Fitzgerald's gates on the North side of Robinson Lake. I hope to get there in the next month.

III. UTILITY REPORT:

David Hoyt reported on Water and Sewer.

We are about 1200 in with the contractors installing the new automatic readers. Looks like there are about 200 that they can not find by gps. Some may be meters that our people may have changed already but the contractors have left for now until we can go out and find these and mark them, so they can come back in and change them and then they are done. I think we are starting to see some improvements as far as a gain monthly. I think next month will be better proof of it. We will have the other 1500 in and we will pretty much have a full cycle with them being in and we will go from there on what we want to do next. It has been good, it has not been full proof, but we have made it work.

We have had a few customers ask questions about if they can go on the website and look at their water usage themselves. They cannot at this time, in the future when we get them all in, they should be able to. Another customers concern was, is her meter too far way to be read from just driving by, and the answer is no, they can pick up from 3 miles away.

Director Nicely – You said once we get all the meters in, everybody will be able to get in their computers and do that, I thought that was another software program.

General Manager Shadden – It is, it will be another part of it. You can go on there and see the dial and see if it is moving, see if you have a leak, and you will be able to see real time what the reading is.

David Hoyt – Up front he has a piece of the water line that broke. In almost 45 years I have never seen a water line airlock, I have seen sewer lines, not water lines. After this broke, and it was repaired, and the hydraulics were just right on it and they turned it back on, a big majority of it did not come back on. It was quite a chore on running that down. We dug it up on what should have been the hot side and found a tap that was probably put in when the water line was made and pulled it out by accident and it was hot there. We moved down about 1 ½ miles to where the break was and made another tap and it was hot there and we still could not get water to the three hydrants 2-3 miles down the road, so we went about ½ way and drilled 1/8" hole in the top because we were limited on taps and finally found where we had air and was able to reverse the flow and send that water pressure that was going North back South and pushed that air to the hydrants to get it out of there.

IV. ADJOURN 10:00 a.m.

V. BUDGET WORKSHOP

1. Call to Order at 10:00 a.m.
2. Texas Association of Counties (TAC) Health & Employee Benefits Pool

General Manager Shadden – This is our Health Insurance and a small Life insurance Policy that we approve every year. This is with the Texas Association of Counties. We used to have private insurance and we would go out and bid BlueCross BlueShield, United Healthcare, and here a few years ago, they changed it and by law we can join in with the Counties Association and it saved us about \$600,000.

3. General Insurance with Arthur J. Gallagher Risk Management

General Manager Shadden – This is our insurance for pretty much everything. Cars, Buildings, everything. This is General Risk Management that covers everything.

4. Discuss the preliminary 2025-2026 Budget

General Manager Shadden – I sent you all a copy of the proposed Budget and on the back, there is a worksheet on there that shows the difference of the up and down. How much money and the different accounts. Some went down a little and some went up. That is my best guess as far as what is going to happen this year.

I followed the County on the 3% raise. Insurance went up 6.7% and our retirement went up a little bit.

President Caraway – You reduced chemicals quite a bit.

General Manager Shadden – Yes if you recall we were over feeding in the Anahuac area. That is why those lines were stopping up. This is some of the things that we came up with by hiring Plummer and having them reevaluate the plant, and we adjusted the PH and backed off on some on the chemicals, so we are saving money there.

Leak wise, we were buying 30,000,000 a month on the Winnie side and I dropped that back to 25,000,000 this year. We usually do a 1-year agreement of how much water we are going to take from CLCND and LNVA so we dropped it this time but it is the same on Anahuac side.

On the Drainage side I replaced a Trackhoe, a Dozer and a 308 that we will do a 60-month Governmental Lease on. On the water side a 60-month lease on a 304.

The law changed on September 1, 2025, that anytime you discuss the Budget it has to be posted on the website.

Gloria Way, Seabreeze Beacon – Jerry, regarding the Budget I know David said we are short on people are their positions considered....

General Manager Shadden – Yes, we still have 45 positions, it is just that some of them aren't filled. Mike Will retired 5 months ago and that job is on the Texas Municipal League Website for the Water Superintendent and right below that there is one for Baytown and they are all paying \$100,000.00 a year. So, to get someone to move to the Winnie/Stowell area, we are doing the best we can. I posted it for the same amount they are and still nothing. David and I got out our Organizational Chart and if we do not find anyone within the next week or two, we are going to have to break it up and take some guys that work here and they will have to take care of this kind of jobs it's going to be meter reading, inspections, and backflow preventions, and then another guy over here ad this is going to have to be his responsibilities, because right now he is taking care of everything over there and I am taking everything over here and there is not enough of he and I to go around. We have a backup plan if we do not get someone in here pretty soon we are going to have to move some guys in because we just can't continue to do it by ourselves.

Director Rayburn – You have had three applicants apply, did any of them get interviewed?

General Manager Shadden – No, they did not have enough to even interview them. They had no experience at all. That is the problem with the water and sewer department, to be able to know just the regulations, I would take anything if I could find a guy that could actually do the construction and all that in the field or they could do the inside work. We were lucky to find Mike, and he didn't have the experience in all the regulations. He had done the work and put in ridder systems and the feeds in his own business. So, he had a business sense. He was here 5 years and he learned it all.

Director Rayburn – Is there anybody inside the department that we can get trained and certified?

General Manager Shadden – Some of them have their license already, some of the plant operators. Like were doing these meter change outs, that is all day long. Trying to keep the meter numbers right and readings and then we have people that call with \$500.00 water bills and it is because when the contractor put it in, he had the wrong one. Bit we are making them take pictures and making them GPS it, we are doing everything we can to try to integrate it and make it work the best it can but like you say it is still a challenge. So anyways, that is what we are looking at doing, is splitting it up and letting somebody else help us on the inside.

Director Rayburn – Looking at the chart there is almost 9 people short.

General Manager Shadden – Some of those are temps, I do not have that many open as far as fulltime positions.

VI. ADJOURN

VII. CONVENE REGULAR MEETING

Agenda Item 21:

TEXAS ASSOCIATION OF COUNTIES (TAC) HEALTH & EMPLOYEES BENEFIT POOL 2025-2026
HEALTH INSURANCE PREMIUM

Director Hankamer, made a Motion to approve the Texas Association of Counties Health & Employees Benefit Pool 2025-2026 Health Insurance Premiums. The motion was seconded by Director Woody and it passed by unanimous vote.

Agenda Item 22:
GENERAL INSURANCE WITH ARTHUR J. GALLAGHER RISK MANAGEMENT

TABLED

Agenda Item 23:
ADOPTING RATES FOR 2025-2026 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PLAN (TCDRS)

Director Woody, made a Motion to approve adopting the rates for 2025-2026 Texas County and District Retirement System Plan (TCDRS). The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 24:
ACCEPTING PRELIMINARY 2025-2026 FISCAL BUDGET

Secretary Hankamer, made a Motion to accept the preliminary 2025-2026 Fiscal Budget. The motion was seconded by Director Nicely and it passed by unanimous vote.

VIII. 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.

IX. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION.

X. BOARD MEMBER REPORTS:

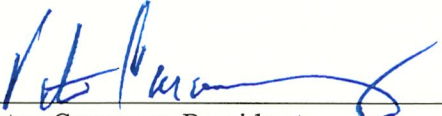
Annette Rayburn – I would like to thank all the guys for all the work they did out there when those lines busted, they had to work several hours during the night.

XI. ADJOURN.

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

Meeting Adjourned at **10:28 a.m.**

READ AND APPROVED:



Victor Caraway, President

Attest


Les Hankamer, Secretary

Date: 9-10-25