

REGULAR MEETING
OF
TRINITY BAY CONSERVATION DISTRICT
Wednesday, April 29, 2026
1:00 O'CLOCK P.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, April 29, 2026, with the following Directors present:

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

Also present were Jerry Shadden, Crystal Threadgill, Amos Roy and Manuel Mendoza, Jr., District Employees; Kate Leverett of Germer PLLC, Josh Kahla - Chambers County Constable, Precinct 5, James Gilley of U.S. Capital Advisors, LLC and Susan LeBlanc of Representative Terri Leo-Wilson's office.

Agenda Item 1:

President Caraway called the Public Hearing to order at 1:00 p.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 12:

BOND SALE:

James Gilley – Good afternoon, it is a pleasure to be here again. My name is James Gilley and I am with the U.S. Capital Advisor L.L.C., we have served the district as financial advisors for many years. I am sure you are aware we have been working on the bond application for over a year with TCEQ. We received the approval back in January and since then we have been preparing for the sale of the bonds. The reason that we requested that you move the meeting to the afternoon is that we took competitive bids this morning and those bids were due at 10:00 a.m. As of this morning at 10:00 o'clock we received a total of 7 bids. The best bid was from Crew's & Associates a financial institution based out of Little Rock, Arkansas. They purchased all the bonds at a true interest cost of 3.320881%. The bid tabulations are shown on the first page but second page shows a graphable distribution. We like to show this just to show how close of a bid it was. It was exceptionally close. The two best bids were separated by less than .01% and the three best bids were just 1 ½ basis points apart. This is where your price of this response was and that tells us you got the best price. Even the spread of the high and low bid was tight, only 9 basis points apart. Sometimes it is as many as 50 basis points apart. The fact that you received 7 bids, I think, is a fantastic result. You can imagine if you get a bid to fix your roof or something here in the district, if you get 3 bids that will give you a pretty good idea of the price. Getting this kind of result, we are very happy with it. The winning bidder, Crews & Associates, decided to purchase bond insurance through Build America Mutual. That is a credit enhancement that they will use, it is credit enhancement that they are going to use to go sell those bonds to other retail investors. So that means it is a Double A rating because of the insurance. The district's underling rating is for Standard & Poors is an A rating with a stable outlook. As part of the process of the bond issuance you requested this rating, the rating report is included in the back of the packet. I certainly encourage you guys to read through that when you have some time. In the event that the district has to go out for the market for issuable bonds, it is important to have a strong rating like this because investors will use that as, basically to determine what price they will offer the district for the bond. A few other points, out of respect for your time I don't want to ramble on too long but there are certain bond covenants that the district agreed to abide by along with the same covenants in the same current outstanding bonds. You set your rates annually, this is shown on page 3, you are required to set your rates every year to cover the managed debt service by at least 1.2 times. Your net revenue must cover that and your debt service by 1.2 times. If you want to issue additional bonds, you have to prove that the managed revenues can cover all the debt services by 1.25 times and you are required to maintain a reserve fund equal to the managed debt service to be used solely for the payment of debt services in case of a shortfall in utility revenues. The final debt service numbers are included here starting on page 5, and I do want to point out, the district offered \$3,500,000.00 worth of bonds for sale. Crews and Associates offered to purchase these bonds at a premium and part of that premium went to pay the issuance cost and is also went to reduce the borrowing requirement. The client's total par amount will be \$3,470,000.00, however at closing the district will receive \$3,125,000.00 to spend on projects and you will see on page 5 the rest of the balance went to fund the debt reserve fund in the amount of \$484,500.00. The first payment will come due on August 15th of this year and the final payment will come due on August 15, 2035. I am

very pleased to be able to give you this good news and I am very happy with the results and we hope you are as well. It is an honor to server as your advisor. I would be happy to answer any questions.

President Caraway – Thank you.

Agenda Item 13:
AWARD BID FOR SALE OF BOND

President Caraway – That would be to Crews and Associates, correct?

James Gilley – Yes.

Secretary Hankamer made a Motion to approve an award for sale of the Bond. The motion was seconded by Director Woody and it passed by unanimous vote.

Agenda Item 14:
AUTHORIZATION FOR ISSUANCE OF TBCD REVENUE BONDS, SERIES 2026, & EXECUTION OF PAYING AGENT

James Gilley – If I may interrupt, that \$3,500,000.00 as I referenced earlier, that is why we offered \$3,500,00.00 for sale and (*inaudible*)

President Caraway – (*ballooned 13.57*) \$3.4, it will be \$3,470,000.00.

Director Woody made a Motion to approve authorizing the issuance of TBCD Utility System Revenue bonds, series 2026, in an aggregate maximum principal amount of \$3,500,000.00; Authorizing the execution and delivery of paying agent/registrar agreement; and enacting other provisions relating thereto. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 15:
PURCHASE OF MUNICIPAL BOND INSURANCE FOR THE BONDS

Secretary Hankamer made a Motion to the purchase of municipal bond insurance for the bonds. The motion was seconded by Vice President Nicely and it passed by unanimous vote.

Agenda Item 4:
APPROVE MINTUES

Vice President Nicely made a Motion to table the minutes of a Regular Meeting held March 11, 2026, and approve the Minutes of a Special Meeting held April 14, 2026. The motion was seconded by Director Rayburn and it passed by unanimous vote.

Agenda Item 5:
FINANCIAL REPORTS

Secretary Hankamer made a Motion to approve the Financial Reports for March 31, 2026. The motion was seconded by Director Woody and it passed by unanimous vote.

Agenda Item 6:
TAX REPORTS

Director Woody made a Motion to approve the Tax Reports for March 31, 2026. The motion was seconded by Secretary Hankamer 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 Woody and it passed by unanimous vote.

Agenda Item 8:
3-YEAR DISASTER MANAGEMENT CONTRACT

General Manager Shadden – We are going to have to table this. I called Thompson and asked where their bid was and they said they were too saturated in this area and they did not want to do it again. We put this in the paper for 2 weeks and no one bid on it. So, we will have to table this and rebid it. I spoke with Tetra and I have about 5 or 6 others that we can call on to request bids. This is for a disaster management contract where if we had a debris pick up or something like that this management company would come in to take pictures of it, G.P.S. it and calculate how much is being taken to the land field for FEMA to pay for it. The next one that we are going to is where they pick it up. This one oversees it to make sure all the paperwork is done and accounted for. We did not receive anything so I have been on the phone trying to find someone, Tetra seems very interested in it so I have sent them a copy of our contract. I also talked to the HGAC where there is a list of about 20 of them. Normally these things will go to a Board that is out there like CIVCAST that will pick it up and there are people from all over the country but for some reason they did not pick these up.

TABLED.

Agenda Item 9:

3-YEAR DEBRIS REMOVAL CONTRACT WITH CROWDER GULF

General Manager Shadden – There is a book in front of you for Crowder Gulf, they are a very good company that works in this area. They are the only people that bid on this.

Secretary Hankamer – Is this who we have currently?

General Manager Shadden – Yes, this is who we have currently.

Secretary Hankamer – We have had them for a while, right?

General Manager Shadden – Yes, a long time. The thing is, is this bid is from 2014 so I figured we better rebid it again so no one can come back and say you have been extending and extending this thing. So, we took the time to rebid them again just to make sure that we are legal and none of the language in it has changed.

They would be the guys that come in with trucks and track hoes and pick up debris and do anything else we needed them to do. Pick up boats, sonars and all that stuff. I think they did that in Robinson Lake in different places and picked up all the debris. We also have a rider there where we are covered for marine because a lot of our stuff was in the water. We also have what is called a push package with Crowder Gulf that says that every lift station that we have, if we wanted to put a generator on it, we could go in an say we want a 25kw here, we need a 50kw there. We put all this in the package, so that if we were to have a disaster, I could call them and say I want this push package and they would bring us all these generators that we could hook into our pump stations so we could continue to operate.

During in Ike we had \$10,000,000.00 worth of debris removed and it was a 10% match.

Vice President Nicely – Is there a retainer fee that we are paying them?

General Manager Shadden – No. All these are disaster contracts that just sit there until you activate them. It doesn't cost us anything, it is just sitting there until you need it.

President Caraway – FEMA was a 90/10, we had to pay 10%?

General Manager Shadden – It started as an 80/20 and when George Bush got involved, he changed it to 90/10.

President Caraway – So it still cost Trinity Bay \$1,000,000.00 to clean that up.

General Manager Shadden – Yes. That was out share. Not only that, they kept saying we were losing money when we were building bridges and stuff like that and I had to do a 10% match. We had \$25,000,000.00 worth of damage, and our share was 10%.

President Caraway - \$2,500,000.00

General Manger Shadden – We made that by doing the work ourselves.

President Caraway – Very good.

Director Woody made a Motion to approve a 3-year debris removal contract with Crowder Gulf with 2 1-year extensions. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 10:

2-YEAR DIESEL, GASOLINE & LUBRICANTS CONTRACT WITH MCGOWN OIL & FUELMAN

General Manager Shadden – We did the same thing. We put this in the paper and we went out for bid and McGown is the only one in the area that bid on it. Last time I bid this, there was a company out of Liberty that bid in it, but McGown is the only one here that bid on it. If you read the contract, it is just a percentage of what the actual cost of the fuel is now. Also, on the HGAC or Buy Board, you can go there and there is Sunco and the great big companies that deliver fuel at 10,000 gallons at a time, to where if we ever get our own fuel tank here, we will also sign up for one of those. Fuelman is the management company that we have now through HGAC, where they pull up a gas station and fill up with a Fuelman card, and this is all detailed with mileage to where all the diesel and gas is accounted for. We have had people steal cards and fill them up and their families, but we always catch them.

Secretary Hankamer made a Motion to approve a 2-year diesel, gasoline & lubricants contract with McGown Oil and Fuelman. The motion was seconded by Vice President Nicely and it passed by unanimous vote.

Agenda Item 11:

MASTER SERVICE AGREEMENT WITH PLUMMER & ASSOCIATES INC. WORKORDER #8

General Manager Shadden – This is work order #8, this is how many we have had with them. This is money put aside as they come in and look at our wetlands and they monitor all of our numbers and everything. They can call the operators and say hey you need to make adjustments here because your

ammonia is getting too high. It is mainly a contract for them to look at all our wetlands and sewer plants to monitor them and give us support. These are the things you need to do to keep them in compliance. Like I said, this is #8, we have had this contract since I have been here. Loretta has since retired, but she will still call me and say Jerry your numbers are getting high and you need to get them to do this or that. It is a good service to make sure everything stays in compliance. They bill us as they do work. This amount may last 2 – 3 years just depends on how much service we need from them.

Director Woody made a Motion to approve a Master Service agreement with Plummer and Associates Inc., workorder #8 for engineering, scientific and environmental support services for TBCD's wastewater treatment facilities not to exceed \$50,000.00. The motion was seconded by Vice President Nicely and it passed by unanimous vote.

Agenda Item 17:

PUBLICATION ONCE A WEEK FOR TWO CONSECUTIVE WEEKS OF ADVERTISEMENT FOR SEALED BIDS FOR WATER STORAGE TANK

General Manager Shadden – Since we sold the bonds and we are getting the money this is where the Board is authorizing us to publish it the paper. We plan to put this in the paper next week and run it for 2 weeks and then run it for another call in 2 weeks, so it will be a month before we get any bids back on the tank. It is on Simulcast also. That means any construction company in the United States can bid on this if they meet the criteria. This is set up to where Plummer is the one building the tank, we are publishing it, but they will come down and evaluate the bids and make sure they meet the criteria and the bonds are right and everything it's going to, this is just to advertise.

Vice President Nicely made a Motion to authorize publication once a week for two consecutive weeks of the advertisement for sealed bids for district water storage tank. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 18:

DECLARING EQUIPMENT FOR SURPLUS PROPERTY TO BE SOLD AT AUCTION

General Manager Shadden – we purchased an F150 that was budgeted for, we budgeted for 2 in drainage but have only been able to find truck. It was not exactly what we were looking for, it had cloths seats and things like that but it was the only vehicle we could find. The truck we are sending to Horn for auction has 122,000.00 miles on it. We have a John Deere batwing we replaced with a new one it was over 50% used there are some other small items that we are also sending to auction. So, we need to declare it surplus property to be able to sell it legally.

Secretary Hankamer made a Motion to approve declaring listed equipment as surplus property to be sold at auction. The motion was seconded by Vice President Nicely and it passed by unanimous vote.

Agenda Item 19:

OYSTER BAYOU IMPROVEMENTS; ACCEPT BID FOM LJA ENGINEERING

General Manager Shadden – This is on the lower end of Oyster Bayou, the banks have slipped down into the ditch but this is tidal so it must have a permit from the core of engineers. We want to ask LJA to get us a permit so we can go in with the dragline and reshape all of this ditch and bring it back to it's original condition.

President Caraway – How much of that do we have, a couple of miles?

Amos Roy – It is several miles.

President Caraway – Several miles?

Amos Roy – Yes sir, it is pretty much an area between Fairview and 1985, not including all, but that is pretty much the area.

President Caraway – Okay.

Secretary Hankamer – This is the cost to get the engineering to get the permit done and the cost of the permit?

General Manager Shadden – Yes.

Secretary Hankamer – Okay, \$20,000.00 and this is not the actual work it is just the permit?

President caraway – We are going to do the work ourselves.

Amos Roy – Correct, we will do the work this is just the permitting we need to make sure we are legal.

Secretary Hankamer – And that is just because it is tidal.

Amos Roy – Correct.

Secretary Hankamer made a Motion to approve Oyster Bayou Improvements: Accept a proposal from LJA Environmental Services for Oyster Bayou Improvements. The task includes Corp of Engineer

application and approval to bring the drain ditch back to its original condition at a cost of \$20,000.00. The motion was seconded by Vice President Nicely and it passed by unanimous vote.

II. DRAINAGE REPORT:

Amos Roy reported on Drainage.

RUSH DITCH NORTH OF FM1663:

The crew working this section of Rush Ditch was able to complete it. We installed numerous pipes along the right of way to aid with erosion control as well as to ensure our ability to mow and maintain the outfall as needed in the future.

RUSH DITCH TRIBUTARY:

The same crew that worked on Rush Ditch from IH-10 to the county line is currently working this outfall clearing both sides as they go. They started at Plumber Rd. and pushed North.

RUSH DITCH TRIBUTARY (2):

We are clearing the vegetation and mopping out the silt build up in this outfall. The upper section, upstream of the entrance coming from FM1410 is finished on both sides of the outfall.

RUSH DITCH AT SPINDLETOP:

We got the dragline fixed and we were able to finish this stretch of Rush Ditch. With the completion of this section along with the other crew working the up-stream sections, this completes the Rush Ditch project from the Chambers/Liberty County line all the way down to the intersection of Rush and Spindletop Bayou. That is roughly and 6.5-mile stretch of outfall.

OYSTER BAYOU TRIBUTARY:

We lack about a ¼ of a mile to go before we get to the intersection of this outfall at Oyster Bayou. The hydraulic motor that runs the mulching head failed and we had to send it off to get rebuilt.

ELM BAYOU:

We were able to complete this section of Elm Bayou as of late. By completing this section of the outfall, it concludes a total project from where the bayou intersects SH124 all the way North to Canal rd. That's roughly 8 miles of outfall done on both sides.

OGDEN DITCH TRIBUTARY:

We started this tributary after finishing with Elm Bayou. We are clearing vegetation from this outfall.

DOUBLE BAYOU TRIBUTARY:

We are still working on this outfall and are currently heading North on the East leg. Our easement runs out a little way up North of the Methodist Church.

HERBICIDE APPLICATORS:

Herbicide applicators have sprayed all main facilities. The ground crews are spraying in the Winnie/Stowell areas. The helicopter came out the week of April 13th and was able to cover roughly 820 acres (90 miles) of watershed.

III. UTILITY REPORT:

Presented by Manuel Mendoza, Jr.

Agenda Item 16:

EXECUTION AND DELIVERY OF DOCUMENTS, AFFIDAVITS, NOTICES AND CERTIFICATES AS MAY BE NECESSARY TO PROCEED WITH ISSUANCE OF THE BONDS AND TO AUTHORIZE THE DISTRICT OFFICIALS TO TAKE SUCH ACTION AND TO EXECUTE SUCH DOCUMENTS AS MAY BE NECESSARY FOR SUCH BOND ISSUE

Kate Leverett – I apologize for being tardy. You can't finalize these documents until you get the competitive bid and we got that at 10 and so that is what we have been doing. Really just need a motion on this. I am sure MR. Gilley went over how the sale went well so I do not want to take the thunder away from them. They do a really good job on that.

Director Woody made a Motion to approve action to authorize execution and delivery of documents, affidavits, notices and certificates as may be necessary to proceed with issuance of the Bonds and to authorize the District Officials to take such action to execute such documents as may be necessary for such Bond issue. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

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.

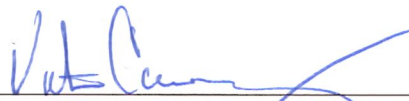
VI. BOARD MEMBER REPORTS:

VII. ADJOURN.

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

Meeting Adjourned at **2:26 p.m.**

READ AND APPROVED:



 Victor Caraway, President

Attest



 Les Hankamer, Secretary

Date: 5/13/26