REGULAR MEETING
OF
TRINITY BAY CONSERVATION DISTRICT
Wednesday, September 9, 2026
9:00 O'CLOCK A.M.

THE STATE OF TEXAS
COUNTY OF CHAMBERS

The Board of Directors of Trinity Bay Conservation District met at the offices of the District in Stowell, Texas on Wednesday, September 9, 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, and Manuel Mendoza, Jr., District employees, also present was Kate Leverett of Germer PPLC, District Counsel, and Josh Kahla - Chambers County Constable and Celeste Denova of the Vindicator.

PUBLIC HEARING ON TAX RATE

Agenda Item 1:
President Caraway called the Public Hearing 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

President Caraway - I have no one signed up. Is there anyone who would like to make a comment? All right. Then we will close the Public Hearing.

Agenda Item 4:
President Caraway closed the Public Hearing at 9:01 a.m.

REGULAR MEETING

Agenda Item 1:
President Caraway called the Public Hearing to order at 9:01 a.m.

Agenda Item 2:
PUBLIC COMMENT

NONE

Agenda Item 3:
MINUTES OF REGULAR MEETING 08/17/26

Secretary Hankamer made a Motion to approve the minutes of a regular meeting held August 17, 2026. The motion was seconded by Director Woody and it passed by unanimous vote.

Agenda Item 4:
FINANCIAL REPORTS

Vice President Nicely made a Motion to approve the Financial Reports for August 31, 2026. The motion was seconded by Director Woody and it passed by unanimous vote.

Agenda Item 5:
TAX REPORTS

Director Woody made a Motion to approve the Tax Reports for August 31, 2026. The motion was seconded by Vice President Nicely and it passed by unanimous vote.

Agenda Item 6:
ACCOUNTS PAYABLE

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

Agenda Item 7:
RESOLUTION 26-07 - ADOPTING TAX RATE 0.305579/$100

Director Woody made a Motion to approve Resolution 26-07 adopting the Tax Rate 0.35579/$100. The motion was seconded by Secretary Hankamer, and it passed by unanimous vote.

Agenda Item 8:
STAUTORY NOTICE TO PURCHASERS OF REAL PROPERTY

General Manager Shadden – This is for realtors for when they need to be able to sell a house.

Secretary Hankamer made a Motion to approve Statutory Notice to Purchasers of Real Property adopting the reduced Tax Rate of 0.35579/$100. The motion was seconded by Director Woody, and it passed by unanimous vote.

Agenda Item 9:
RESOLUTION 26-08 HOMESTEAD EXEMPTION

President Caraway – I assume this is the same amount as last year.

General Manager Shadden – Yes.

Secretary Hankamer – 20% is what I am reading here, right?

Director Woody – Yes, plus $60,000.00.

Secretary Hankamer made a Motion to approve Resolution 26-08 homestead exemption. The motion was seconded by Director Woody, and it passed by unanimous vote.

Agenda Item 10:
2026-2027 FINANCIAL BUDGET

General Manager Shadden – We sent you a final copy of the budget and if you have any questions, I'll be glad to answer them. Pretty much, I balanced the budget for the general fund to zero, so at this time, it's set up to spend all the money throughout the year. On the water side, I've set it up to where we would take $500,000.00 out of the operating budget and move it into a savings account type deal or the construction account like we've been doing. We've been moving about $80,000.00 a month into the construction account that we had money to do something with. So, if you asked last month and I closed all the old accounts out and moved the money to where everything needs to be, so we've got about $4 million, a little over $4 million in our construction account right now. So, when I would get into the water, I listed all the stuff that we've approved to pay for, like the tank, the studies, and everything else. That way you can see that $150,000.00, $200,000.00 is what we have dedicated to spend, but we still have $2 million in the construction account. And since we're only like 83 out of 91, there's about $500,000.00 in the meter part of it that I could transfer from the construction fund back into the operating budget. But I think that we might get the operating budget without moving it back. So, I was just going to see how it worked out and just leave it in the construction fund to spend.

Director Woody – So, I have a question. Not for this year but for going forward should we establish a contingency for the budget?

General Manager Shadden - For what?

Director Woody - Well, because, like you said, there's no fluff in this budget, so...

General Manage Shadden - Well, this year there is.

Director Woody - Well, yeah, there's $500,000.00 that's going to go to a reserve, right?

General Manager Shadden – Yes, right. On our end of the construction.

President Caraway - So, we took the money that we got back from the bond last month and put that in a CD, So, that is basically our contingency fund at this point.

General Manager Shadden – Yes. About $800,000.00.

Director Woody – So, the reason I asked that because I know you said at one time somebody recommended $1,000,000.00 in a reserve for the water shore, right? And so, I looked it up and it's on it's a GSOF or whatever Okay. And they recommend a minimum of 90 days of your operating expense for operating funds in a reserve that's for emergencies, hurricanes and whatever. And so, if we had a contingency in the budget and a reserve that's dedicated to emergencies, not in a general construction fund, I mean, I think it'd be a good idea. This is something for the board to think about, but you know, there's a lot on the drainage side, but there's not a whole lot on the water side.

General Manager Shadden - Well, there's, we have over $2 million in the savings account on the drainage side.

Director Woody - Right, which is dedicated to drainage for emergencies.

General Manager Shadden - Or say grants, 20% match or whatever it is. So, are you asking me this?

Director Woody - No, just to ensure that we always have a reserve if there's a hurricane or whatever we can operate.

General Manger Shadden - I operated 10 years, no money. But yes, right now we've got 800..If you look at your CD page. I didn't get a balance book like y'all, but anyway. I need to pay cash and balance accounts. I mean, general fund, valorian tax, we still have $2,105,000.00 in there and that is to last till December, we start getting money in. So, we're in good shape as far as the amount of money we spend, even if we, we'd have to spend over $400,000.00 a month for the next four months to spend all that money. It was kind of high this month because we bought some other things, but it's normally not about 300. So, I think we're still, we're going to have money left over there. Then your disaster fund, you got $2,637,000.00. This is the money that we made from FEMA years ago, but it's so we dedicated it to the reserve fund to where for emergencies or anything else that happens or say, if we had a grant come up with a 10% or 20% match, or let's say Hurricane Ike, it was a 10% match. Now we have made the 10% by doing the construction ourselves by force of council. We made this $2,000,000.00 doing that. But if we had to, when the debris pickup started at the beginning, there was $10 million worth of debris pickup. So, Trinity Bay had to pay 10%. And, but eventually I got that money back from FEMA, but at the time we had to pay a million dollars.

The bond we paid was 2012, correct?

General Manger Shadden - Yes.

President Caraway - And so, it's still listed in here in our cash balances as an I&S fund of $53,000.00.

General Manager Shadden - I'm sorry that this is the old bond.

Director Woody - Yeah, and so I think that the drainage side is well off. My question is on the water side. I mean, because there's not a outside of what we have, you know, the bond and what's going out, you know, being sure that we have enough money in there for.

General Manager Shadden - I understand what you're saying.

President Caraway – There is $800,00.00 right now yes, but that could be improved.

Director Woody - Well, I mean, if you go off 90 days operating, 120 days operating expense, it's really over a million.

General Manager Shadden - I redid this since she sent this to you.

Director Woody - Okay.

General Manager Shadden - So here we are on.....thought this would come up on the screen.

President Caraway - So we're in so much better shape than we were three or four years ago.

Director Woody - I'm not saying we're in bad shape. I'm saying, I mean, you know, I run a business and I like that money left over.

General Manager Shadden - All right, so you got $2,637.00 in there. Your water and sewer operating fund we have $815,000.00 in that account. You water and sewer reserve fund, you've got $892,000.00, almost $900,000.00 in a CD for emergencies and stuff. So, I took the $785,000.00 and the others out of the 2012 bonds that are paid off, $53,175.00, and moved it all into that account as a savings account. So, you've got $900,000.00 in the bank right now in the water that's in a CD for anything that we needed to fund an emergency. Your meter deposit fund, right now we've got $939,000.00 in there. So, we got $40,000.00 in there that could be taken out because now we only need $904,000.00. We have to keep $904,000.00 in there. Then the next is your 2014 bonds, which is the building and it has $195,700.00 a year, and then we have a CD that we put the money into once a month, and then the checking account where we pay the note. The water construction fund, we've got $4,096,432.91. At this time, there's about 5, $600,000.00 that I could move out of that fund back into our operating account, but I don't need it. So, I'm going to leave it there. And then our project, so we closed all the 2012 out. Its paid off and we moved all that money into the CD up there. This is your, the ones, the 2026. It's $485,000.00 a year because we only financed it for 10 years. So, we got $285,000.00 to pay the note in there right now and you put money in there every month and we've already paid the note one time this year already. So, I think the next one is $109,000 as the next payment. We have money in there to pay the note. At this point we've got $12,738,825.55 in the bank.

Director Woody - Okay, well that's different than we got.

General Manager Shadden - Yes, it is. Yes, so anyway, so this is the way the way it is now, so we did all that and just busy around here.

Director Woody - Yeah, I understand.

General Manager Shadden - So anyway, but we talked about doing this the last time, but I'll break that down. Boy, don't you wish you had that money in the bank whenever you were here?

Gregg Turner - Yeah.

General Manager Shadden - Okay.

Vice President Nicely - Justin asked the right question because I had the same concerns with the water, but Manuel had the money he needed in case it was a contingency. And like Justin, I think this answered a lot of our questions to make sure that if something breaks down, just like before when I worked for a living, if I lost an engine, What am I going to do?

General Manager Shadden - We do a lot of our stuff ourselves and everything. So last hurricane that came through here, I went to a meeting in Beaumont and everybody, Lumberton, Silsbee, everybody around us was borrowing money from FEMA and we had our own money and we paid for it ourselves and and you know, so. So far we have been pretty good, maybe God just smiling on us or something, but it's been pretty good as far as being able to take care of those things.

Director Woody- Very good.

General Manager Shadden - All right, you like it? Did I answer your question?

Director Woody – You did.

General Manager Shadden - Okay. There's also $500,000.00 in the operating budget because once I did away with the $785,000.00, I'm still putting money into the construction account every month or every other month when I have the money to keep it building to where we continue to fix lift stations and do things like that. Give employee raises, so on and so forth. I gave them, you didn't see the picture, but I gave them a hamburger after we had all the problems over there. I cooked hamburgers here on Monday to show we appreciate them.

Vice President Nicely made a Motion to approve the 2026-2027 Financial Budget. The motion was seconded by Director Woody and it passed by unanimous vote.

Agenda Item 11:
RESOLUTION 26-09 CANCELLING THE DIRECTOR'S ELECTION

General Manager Shadden - Les signed up again, but Victor didn't sign up again. And nobody else applied. So hopefully the plan is that whenever his term runs out in November, the board maybe appoint Victor.

Kate Leverett, District Counsel - Well, it's a, you know, anybody can apply. The board will have to appoint somebody.

General Manger Shadden Yeah, anybody can apply, and then you will appoint somebody. Hopefully we'll consider it.

President Caraway - If I apply.

General Manger Shadden - You don't have to apply.

Vice President Nicely – We can draft you.

General Manager Shadden - There you go. That's a way to put it.

Director Woody made a Motion to approve adopting Resolution 26-09 cancelling the Directors' Election Order for Precincts 2,3,6,7,9,12 & 14 (Districts 1 and 3). The motion was seconded by Vice President Nicely, and it passed by unanimous vote.

Agenda Item 12:
RESOLUTION 26-03 TBCD WATER CONSERVATION PLAN

General Manager Shadden – I'm continuing to leave it on there. We still haven't got it back from the Texas Water Development Board. So, I'd just like to table it again until they finish, I had the engineer check on it and everything and they're working on it just hadn't got to it yet, so, but we're still in good shape under compliance to have it.

Vice President Nicely - So, what is the compliance with?

General Manger Shadden - It was about three months ago, but since it went to them to review it and they're the ones that approve it and everything, it's in good hands. So, we are in good shape since they're looking at it.

Secretary Hankamer - We've done our due diligence.

General Manager Shadden - Yes, sir.

TABLED.

Agenda Item 13:
RESOLUTION 26-05 CERTIFIED TAX VALUE FOR JEFFERSON COUNTY

General Manager Shadden – The market value for 2026 is $44,606,477.00 for a taxable value of 7,015,492.00.

President Caraway - On the ad use down there, but most of that must be on ad use, since it goes from 44

General Manger Shadden - We don't have but a little bitty piece in Jefferson County over they didn't want Spindletop Weir. So, because it had to be rebuilt and fixed back then, so they left it in our district. So, we get just a little piece of that there, and of course, we redid the spindle top weir and put it back in.

Secretary Hankamer made a Motion to approve renewing the contract with Texas Association of Counties Health & Benefits Pool for 2026-2027 health insurance premiums. The motion was seconded by Vice President Nicely, and it passed by unanimous vote.

Agenda Item 14:
RENEWING GENERAL INSURANCE WITH ARTHUR J. GALLAGHER RISK MANAGEMENT

General Manager Shadden – Yes sir, we send in all of our information on our vehicles and this is everything all the way to our Workers' Compensation, so it went up $12,013. That's not much of an increase. I think we did pretty good.

Director Woody - Business insurance through the roof.

General Manager Shadden - Yes, sir.

Vice President Nicely - How many times have we used them?

Quite a bit. In fact, we just turned in a claim. Some people got sewer in their house, and the grinder quit. And we just sent it to them. I think Crystal talked to them yesterday.
We have a vehicle that gets crashed every now and then or stuff. They're probably like our health insurance. They're probably not making a whole lot of money. We've done pretty good. We've stepped up our employee safety program and stuff. Crystal usually has a safety meeting once a month. So, we also have, still have the Verizon trackers in the vehicles to where if somebody's speeding, it send her an email alert and she calls them up to tell them, quit speeding. So, we have these kinds of things in place.

Secretary Hankamer - $12,000 increase on $500,000 is not bad. Sadly, but it's not good.

Vice President Nicely - So it sounds like they're treating us pretty good.

General Manager Shadden - They're about the only game in town for as far as water and sewer type management stuff. Whenever Victor asked me two or three years ago to try to look at it again, it was AquaSurance. He sold out to Gallagher, which is, you look at any of the baseball games, football games, they're everywhere. The biggest company in the United States. As I said, we looked, we tried through our health insurance guy, Mr. Brown, and looked for another company and tried everything we could to try to find another bidder. And we never could come up with anything. They have handled all of our claims very well.

Vice President Nicely made a Motion to approve renewing General Insurance with Arthur J. Gallagher Risk Management at a cost of $541,472.17 this is an increase of $12,013.00 from last year. The motion was seconded by Director Woody and it passed by unanimous vote.

Agenda Item 15:
EARTH BALANCE PLANT 21,940 PLUGS OF BULRUSH

General Manager Shadden – The wetlands-- Loretta came to us about two years ago and said, look, y'all going to have to do something here. So, as you can tell in this picture, it starts out in the middle. It comes out the lagoon, and it comes out the bottom into the two small skinny cells, which are 1A, 1B. Then it goes around to 2A, 2B, 3A, 3B, and then it goes out the back on this side, on the right-hand side of the page as 4A and 4B. Right now we are redoing 4A, which is the one on the right-hand

side. As you can see, there's no bulrush in the middle. It's just short circuiting and the water's flowing across so we're getting no treatment out of it. What has happened over the years, it's just, it needs to be re-leveled. We went in with a tractor and mowed the bullrush down and we cleaned out the deep zones on each end and we got our two dozers out there and we're laser leveling. We have about got it done but it rained here so it kind of slowed me down plus that's just wet topsoil on about four inches on top. We're just going to level it back out and then I'm going to have these people come in. It was Apache. They replanted it once before for us and some of the other cells that we've redone. But anyway, they bought Apache out. So, we are going to have him, we're going to laser level it and get it all ready and they'll come in and they'll plant them four feet apart. So, all the way across the whole thing. I think it was $1.61 a plant. And they're going to use -- they'll be able to go along the levees there and take some of the bulrush out of our other sales and replant it. The other bid that I got was an organization out of Florida, and they wanted $96,000.00. This is not bad at all. I replanted some of these other cells when I had, I used to pick up prisoners from the federal prison. We had a van and we picked six or eight of them up a day and all I had to do was feed them once. I'd bring them out there and I had a picture of where they replanted for us out there, but I can't get those anymore. The new warden cut it out. So, it was free labor except they like Hot Pockets. As you can see, next year we'll probably do 4B, which is the one on the bottom side. There are some open water zones and the others that need to be filled in. But we have done a ton of work for this thing, starting out in 1A and 1B. They were lower than so it wouldn't flow downhill. We had to go and haul dirt in there and rebuild the whole thing and fix the hydraulics and replant it. We've done quite a bit of work after this thing. And again, to our guys, they did it all themselves with our machines, our rented off-road dump trucks and whatever we needed to do the job with. This here, the engineers estimate to redo those two cells was $3 million. We feel like that we're going to do cell a up there for about $60,000.00. That's including the plants.

President Caraway - When will it be functional enough to do the other one?

General Manager Shadden - Probably next year. Yes, it grows pretty fast. You'd be surprised how fast the bulrush grows. But it's the same thing. It's going to have to be taken down, dried out, leveled out, and replanted. And that'll help us with our treatment there. We're still making permits. But it's just regular maintenance that needs to be done.

Vice President Nicely - So does this come out of the drainage funds or does this come out of the water?

General Manger Shadden - This comes out of the water fund. It's going to come out of the construction account.

President Caraway - Construction account, yes.

Vice President Nicely - OK. I didn't know if it was construction or general.

General Manger Shadden - No, Sir. I can't mix that money. So, it's coming out of the out of the water account.

Vice President Nicely - OK.

Director Woody made a Motion to approve having Earth Balance plant 21,940 plugs of bulrush to cover 7 acres in Cell 4-A at a cost of $36,201.00. The motion was seconded by Secretary Hankamer and it passed by unanimous vote.

Agenda Item 16:
SOLICITING BIDS TO DISASSEMBLE BUILDING AT THE WETLANDS AND REASSEMBLE AT THE STOWEEL OFFICE

General Manager Shadden – I brought this to the board once before; we have a really good building over at the wetlands and we can park all of our stuff underneath it. Instead of just moving it, I went ahead and we had LJA to do a set of plans and everything else so this thing will be Windstorm and everything just like our, my luck that building would blow into this building and they wouldn't cover any of it. So, we went ahead and we had it done right, had it engineered. KB gave us an idea that he wants $70,000 to move that building. And if you recall at one time, we were going to put 100 by 100 slab back here in the back to put stuff on that the board approved. For $155,000, we can concrete underneath this building. So instead of doing the 100 by 100 slab, we'll just do a 6-inch concrete underneath the building. So, $135,000 - $140,000, something like that is what we're looking at moving that building over here, having it re-erected with a new roof and everything else, windstorm with 6 inch concrete underneath it. That way our forklift here is not all terrain, so it has to run on the concrete. So anyway, so I'm, and this is not the final here, so I'm asking the board to let me go out for bids for this and take bids and see how they come in. Then the board will make a decision who's going to move it, whether it's KB or Alco or whoever bids on it. We will actually at that cost, we'll put it in the paper and do it as a formal bid and stuff the specifications and he has the drawings and everything else for us to put it in the paper and go out for bids.

Secretary Hankamer made a Motion approve soliciting bids to disassemble the existing building at the wetlands and reassemble at the Stowell office location. The motion was seconded by Vice President Nicely, and it passed by unanimous vote.

President Caraway – Before you proceed with the project, I want to commend y'all on putting all of our projects on here with the amount of money that we still have left to spend on because I was having an issue looking at how much money we had and trying to remember all the things that we had going on and how far along we were and how much we had left to spend and trying to figure out basically how much money we had left in those accounts that we could actually dedicate to something else. So thanks for doing that for me and I think it'll help everybody take a look at it and figure out where we're at.

II. DRAINAGE REPORT:

General Manager Jerry Shadden reported on Drainage.

III. UTILITY REPORT:

General Manager Shadden reported on Utility.

IV. EXECUTIVE SESSION

GOVERNMENT CODE 551, SUBCHAPTER D
SECTION 551.071 - CONSULTATION WITH DISTRICT'S ATTORNEY REGARDING POSSIBLE LITIGATION
SECTION 551.072 - DELIBERATION ABOUT REA L 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.

No Action taken.

VI. BOARD MEMBER REPORTS:

None.

VII. ADJOURN.

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

Meeting Adjourned at 9:49 a.m.

READ AND APPROVED:

Victor Caraway, President

Attest

Les Hankamer, Secretary

Date: _____