

Control Number: 51199



Item Number: 1

Addendum StartPage: 0

51199

DOCKET NO. _____



PETITION OF TRINITY BAY CONSERVATION DISTRICT AND GULF COAST AUTHORITY FOR APPROVAL OF SERVICE AREA CONTRACT UNDER TEXAS WATER CODE § 13.248 AND TO AMEND CERTIFICATES OF CONVENIENCE AND NECESSITY IN CHAMBERS COUNTY

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

PETITION OF TRINITY BAY CONSERVATION DISTRICT AND GULF COAST AUTHORITY FOR APPROVAL OF SERVICE AREA CONTRACT UNDER TEXAS WATER CODE § 13.248 AND TO AMEND CERTIFICATES OF CONVENIENCE AND NECESSITY IN CHAMBERS COUNTY

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

The Trinity Bay Conservation District (“the District”) and Gulf Coast Authority (“Authority”) (collectively, “Petitioners”) file this petition seeking approval to transfer a portion of Authorities’ sewer Certificate of Convenience and Necessity (“CCN”) No. 20465 to the District under Texas Water Code § 13.248, and respectfully show as follows:

I. BACKGROUND

- 1. The District is authorized to provide retail sewer service in certain areas in Chambers County pursuant to CCN No. 20399.
2. Likewise, the Authority is authorized to provide retail sewer service in certain areas in Chambers County pursuant to CCN No. 20465.
3. The District and the Authority are amenable to altering the boundaries of their respective sewer Certificates of Convenience and Necessity (“CCN”) by transferring the Property contained within boundaries of the Authority's sewer CCN to the District so that the Property is removed from the Authority's CCN and added to the District's CCN.
4. Accordingly, the District and the Authority have executed an Interlocal Agreement for Sewer CCN Transfer (“Agreement”) pursuant to Texas Water Code § 13.248 that would transfer to the District that portion of Authorities’ sewer CCN for specified areas. See Exhibit “1” – Agreement; Exhibits to “A”, “B”, and “C” to the Agreement set forth in Exhibit “2”; and Exhibit “3” – digital maps filed in accordance to 16 TAC § 24.257(a).
5. The property that is the subject of the transfer request (“Property”) is currently undeveloped

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20. 14

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22. 14

23. 14

24. 14

25. 14

by the Authority and the Authority does not currently have any retail sewer connections or wastewater facilities within the Property, and the Authority does not serve any landowner within the Property.

6. The District operates a wastewater facility within the Property that provides wastewater treatment services to approximately four hundred (400) households/businesses also in the Property.

7. No existing customers' services will change because of this Agreement.

8. Likewise, there will be no change in sewer rates as a result of this CCN transfer.

9. Petitioners respectfully seek approval of this CCN transfer and amendment of Petitioners' respective CCNs to effectuate the transfer as provided for under Texas Water Code § 13.248.

II. JURISDICTION AND AUTHORIZED REPRESENTATIVES

Pursuant to Texas Water Code § 13.248 and 16 TAC § 24.253, the Public Utility Commission of Texas (the "Commission") may, after notice and hearing, approve contracts between retail public utilities designating areas and customers to be served by the retail public utilities.

Trinity Bay Conservation District's authorized representative for service of all pleadings and other documents in this docket and legal representative is:

Hubert Oxford IV
Benckenstein & Oxford, LLP
3535 Calder Avenue, Suite 300
Beaumont, Texas 77706
Telephone: (409) 951-4721
Facsimile: (409) 351-0000
Email: hoxfordiv@benoxford.com

Gulf Coast Authority's authorized representative for service of all pleadings and other documents in this docket and legal representative is:

Sara M. Burgin
Bracewell, LLP
111 Congress Avenue, Suite 2300
Austin, Texas 78701-4061
Telephone: (512)494-3654
Facsimile: (800)404-3970

Email: sara.burgin@bracewell.com

III. REQUEST FOR TRANSFER OF SEWER SERVICE AREA

As reflected in Petitioners' Interlocal Agreement for Sewer CCN Transfer, Petitioners desire to transfer specified portions of Gulf Coast Authorities' sewer CCN No. 20465 to the Trinity Bay Conservation District pursuant to Section 13.248 of the Texas Water Code. The location of this service area is indicated in (i) Exhibit "A", Exhibit "B", and Exhibit "C" included in the Agreement, attached hereto as **Exhibit 1**; (ii) the PDF maps, which are attached hereto as **Exhibit "2"**; and the digital maps attached hereto as **Exhibit 3**. Trinity Bay Conservation District and Gulf Coast Authority are retail public utilities, existing CCN holders, and are eligible for this transfer.

In accordance with 16 TAC § 24.253, Authority provide the following information in support of their Petition:


1. A copy of the executed Interlocal Agreement for Sewer CCN Transfer is included as **Exhibit 1**.
2. Maps of the requested transfer areas are attached in accordance with 16 TAC §24.257(a) as **Exhibits "2" and "3"**.
3. The number of the Authority's customers that receive actual physical service and who will be transferred to the District is zero.
4. The information required by 16 TAC § 24.253(c)(2) pertaining to public notice, which includes the affidavits attesting to the dates of the Petitioners' respective public meetings along with copies of the agendas and minutes, is attached as **Exhibit 4**.

{Intentionally Left Blank}

IV. PRAYER

Petitioners respectfully request the Commission to approve the transfer of a portion of Gulf Coast Authorities' sewer CCN No. 20465 to Trinity Bay Conservation District, and the related amendment of each Petitioners' sewer CCNs as contemplated by the attached Agreement.

Respectfully submitted,



Hubert Oxford IV
State Bar No.
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Telephone: (409) 951-4721
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Email: hoxfordiv@benoxford.com


**ATTORNEY FOR
TRINITY BAY CONSERVATION DISTRICT**

LIST OF EXHIBITS

- Exhibit "1"** – Interlocal Agreement for Sewer CCN Transfer;
- Exhibit "2"** – Exhibits "A", "B", and "C" to the Agreement - Mapping of relevant CCN area;
- Exhibit "3"** – Digital mapping data of relevant CCN area; and
- Exhibit "4"** – Affidavits attesting to the dates of Petitioners' respective public meetings with accompanying minutes and agendas.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was transmitted by fax, email, hand delivery and/or regular, first class mail on this 18th day of August, 2020, to the parties of record, in accordance with 16 Tex. Admin. Code § 22.74.



Hubert Oxford IV

Exhibit "1"
Interlocal Agreement for Sewer CCN Transfer

AN INTERLOCAL AGREEMENT FOR SEWER CCN TRANSFER

This SEWER CCN TRANSFER AGREEMENT is entered into this 9th day of July, 2020 (this "Agreement"), by and among the **Gulf Coast Authority**, a reclamation district created pursuant to Article XVI, Section 59 of the Texas Constitution under Chapter 409, Acts of the 61st Legislature of Texas, Regular Session, 1969 (the "Authority"), **Trinity Bay Conservation District**, a conservation and reclamation district created pursuant to Chapter 282, Acts of the 51st Legislature of Texas, Regular Session, 1949 (Article 8280-135, Vernon's Texas Civil Statutes) (the "District") in connection with the boundary lines of the Certificate of Convenience and Necessity ("CCNs") held by GCA for the provision of sewer services to users pursuant to the Texas Water Code.

RECITALS:

WHEREAS, the Authority is authorized to provide retail sewer service under sewer CCN No. 20465, issued by the Public Utility Commission of Texas ("PUC") to the Authority for certain areas in and about Chambers County, the boundaries of which are more fully described in **Exhibit A** and attached hereto; and

WHEREAS, the District provides retail sewer service under sewer CCN. 20399, issued by the PUC, for the provision of retail sewer service to certain areas in and about Chambers County and Jefferson County, the boundaries of which are more fully described in **Exhibit B** and attached hereto; and

WHEREAS, the boundaries of the Authority's CCN and the District's CCN are adjacent to one another; and

WHEREAS, the District has requested that the Authority transfer a portion of the Authority's sewer CCN located at or near Hankamer, Texas that is east of the Trinity River within the eastern portion of Chambers County and more particularly described in **Exhibit C** (the "Property"), to the District so that the District can provide retail sewer services to the Property; and

WHEREAS, the Property is currently undeveloped and the Authority does not currently have any retail sewer connections or wastewater facilities within the Property, and the Authority does not serve any landowner within the Property; and

WHEREAS, the District currently has sewer connections and wastewater facilities adjacent to, or near the Property; and

WHEREAS, the District and the Authority are amenable to altering the boundaries of their respective sewer CCNs by transferring the Property contained within boundaries of the Authority's sewer CCN to the District so that the Property is removed from the Authority's CCN and added to the District's CCN;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT:

1. In accordance with Section 13.248 of the Texas Water Code, but at all times subject to the final approval of the PUC, the Authority hereby agrees to the modification of the boundaries of its CCN No. 20465 to exclude the area contained within the Property, such area to be transferred from the Authority's CCN No. 20465 to the area to be encompassed within CCN No. 20399.
2. In accordance with Section 13.248 of the Texas Water Code, but at all times subject to the final approval of the PUC, the District hereby agrees to the expansion and modification of the boundaries of its CCN No. 20399 to include the area contained within the Property, such area to be transferred from Authority CCN No. 20465 to the area to be encompassed within CCN No. 20399.
3. The District shall be responsible for preparing and filing an application and pursuing the PUC's approval of the CCN transfer of the Property between the Authority and District. The District shall also be responsible for hiring a third party-vendor to prepare hard copy maps with supporting electronic metadata for the Property that satisfies the PUC rules. The District agrees to provide a copy of the complete application and other documents that it intends to file with the PUC to the Authority for the Authority review before they are filed with the PUC, and to receive the Authority's written approval, which shall not be unreasonable withheld, before filing them with the PUC.
4. The District agrees to pay all expenses of the Authority in connection with this transfer, including, but not limited to, the following:
 - a. legal fees for the District;
 - b. PUC administrative fees;
 - c. fees associated with preparing hard copy maps and electronic maps with supporting electronic metadata for the Property filed in connection with the PUC application; and
 - d. legal fees of the Authority related to the transfer of the Property, some of which have been incurred prior to execution of this Agreement. (The Authority will present copies of invoices for legal fees to the District's representative, and the District agrees to promptly reimburse the Authority for same.)
5. The District and the Authority agree that no compensation other than that described in Provision 4 above shall be due and owing between the Authority and the District in conjunction with such transfer as no real or personal property of either party is being affected by such transfer. The parties agree that such compensation fairly compensates each party for the services or functions performed under this Agreement, and that each party has current revenues available to pay for the obligations it has assumed under this Agreement.

6. The District shall not commence providing retail sewer services for compensation to any retail customer on the Property until the PUC has authorized the CCN transfer of the Property between the District and Authority.

7. The District shall not approve any documents indicating that the District is the retail sewer services provider for the Property prior to final PUC authorization of the CCN transfer of the Property between the District and Authority.

8. The District agrees that, upon approval of the revision to its CCN boundaries by the PUC to include the Property within the boundaries of CCN No. 20399, the Authority shall have no further obligation to provide retail sewer service to the Property and that the District shall be solely responsible for the provision of retail sewer service to any owner or occupant of, or customers on, the Property under such terms and condition as are allowed under its CCN and any applicable governmental statutes and regulations.

GENERAL PROVISIONS

1. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED, AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. ALL ACTS REQUIRED OR PERMITTED TO BE PERFORMED HEREUNDER ARE PERFORMABLE IN CHAMBERS COUNTY, TEXAS, AND IT IS AGREED THAT ANY CIVIL ACTION BROUGHT TO ENFORCE OR CONSTRUE THE TERMS OR PROVISIONS HEREOF OR TO ENJOIN OR REQUIRE THE PERFORMANCE OF ANY ACT IN CONNECTION HEREWITH, SHALL BE BROUGHT IN A COURT OF COMPETENT JURISDICTION SITTING IN CHAMBERS COUNTY, TEXAS. IT IS AGREED THAT ANY ADMINISTRATIVE LAW ACTION BROUGHT TO ENFORCE OR CONSTRUE THE TERMS OR PROVISIONS HEREOF OR TO ENJOIN OR REQUIRE THE PERFORMANCE OF ANY ACTION IN CONNECTION HEREWITH, SHALL BE BROUGHT AT THE PUC OR ITS SUCCESSOR AGENCY.

2. Severability. In the event one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

3. Unintended Omission. If any punctuation, word, clause, sentence, or provision necessary to give meaning, validity or effect to any other word, clause, sentence, or provision appearing in this Agreement shall be omitted here from, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence, or provision shall be supplied by inference.

4. Amendment. This Agreement shall not be amended or terminate except by an instrument signed by all parties to this Agreement.

5. Entire Agreement. This Agreement reflects the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.

6. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall be construed as one and the same instrument.

7. Authorized by Governing Bodies. Each party to this Agreement represents that this Agreement has been authorized by its governing body.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

GULF COAST AUTHORITY

DocuSigned by:
By: Lori Trawick
18F3F579DF6047E
Its: General Manager

TRINITY BAY CONSERVATION DISTRICT

By: [Signature]
Its: President

EXHIBIT A






TRANSFER AGREEMENT

GULF COAST WASTE DISPOSAL AUTHORITY
CCN NO. 20465
ORIGINAL BOUNDARY

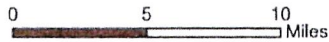
GENERAL LOCATION

JUNE 2020

Legend

-  GCA CCN NO. 20465
-  ROADWAY
-  RIVER
-  COUNTY LINE
-  CITY LIMIT

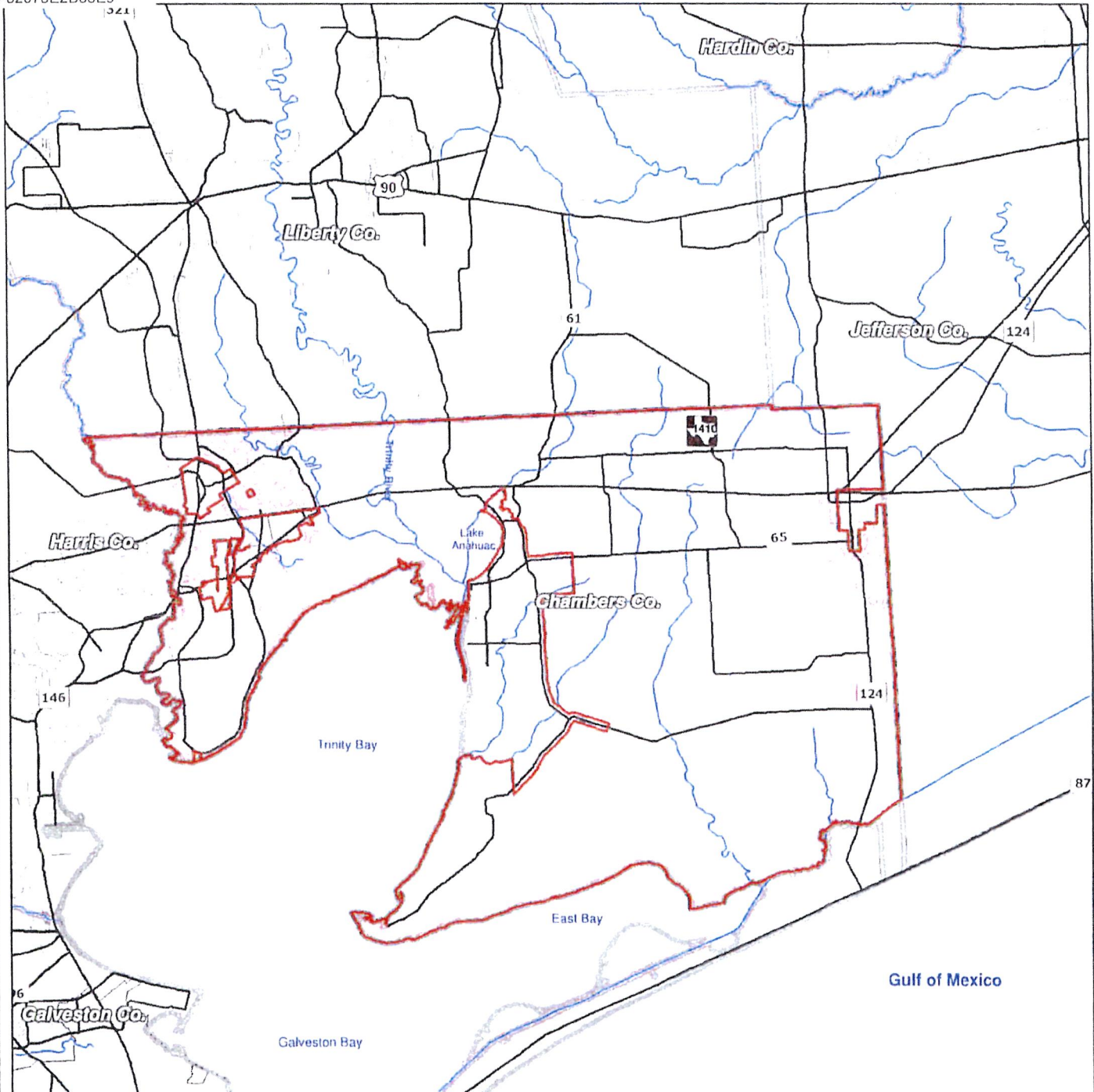
DATA SOURCE: COUNTY LINE - ESRI,
ROADS - TXDOT, RIVER - ESRI



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OR SURVEYING PURPOSES. IT DOES NOT
REPRESENT AN ON-THE-GROUND SURVEY AND
REPRESENTS ONLY THE APPROXIMATE RELATIVE
LOCATION OF PROPERTY BOUNDARIES.



2929 Briarpark Drive, Suite 600 Houston, Texas 77042
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EXHIBIT B






TRANSFER AGREEMENT

TRINITY BAY CONSERVATION DISTRICT
CCN NO. 20399
ORIGINAL BOUNDARY

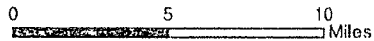
GENERAL LOCATION

JUNE 2020

Legend

-  TBCD CCN NO. 20399
-  ROADWAY
-  RIVER
-  COUNTY LINE
-  CITY LIMIT

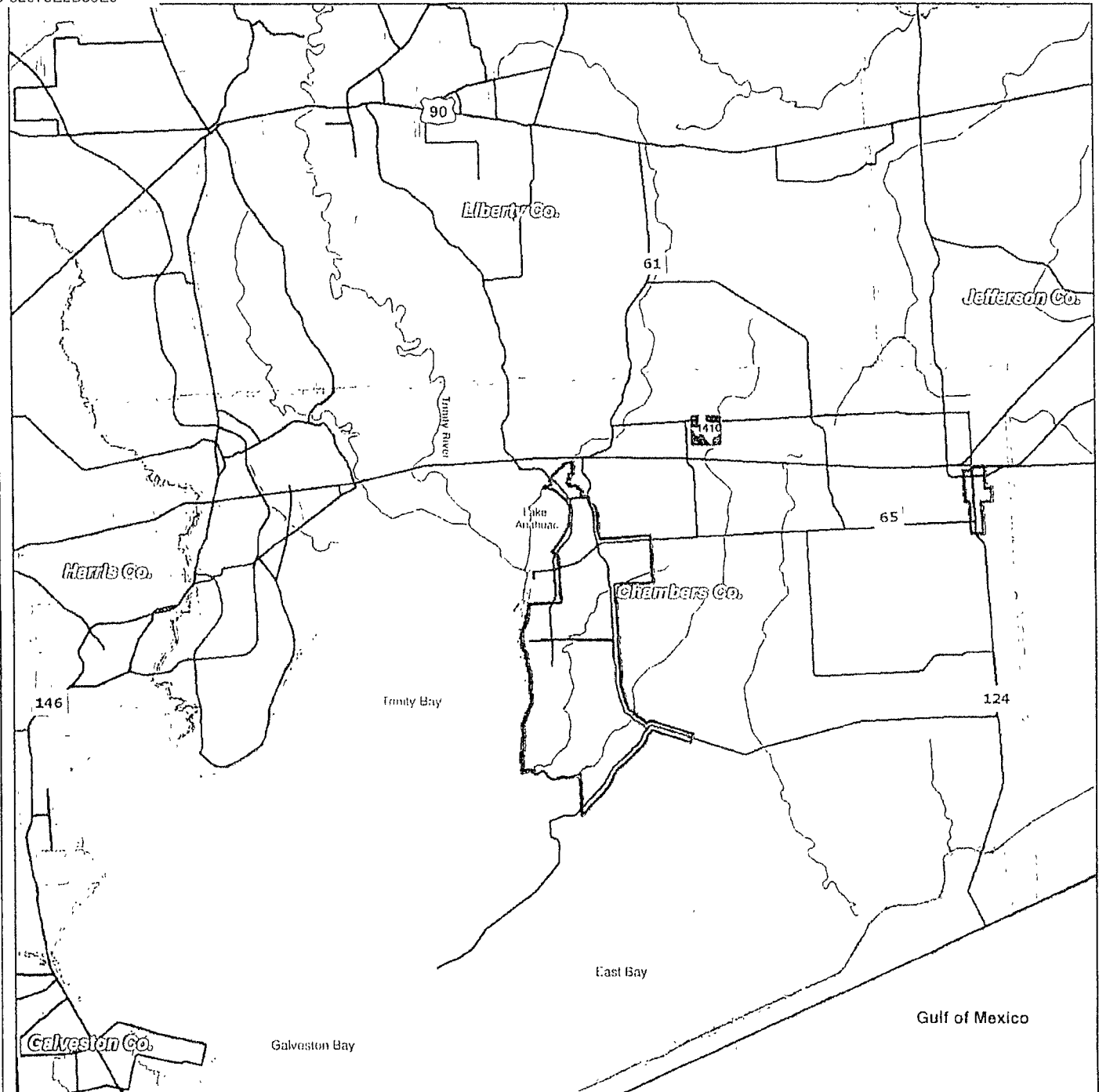
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ROADS - TXDOT, RIVER - ESRI



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EXHIBIT C



TRANSFER AGREEMENT

GULF COAST WASTE DISPOSAL AUTHORITY
CCN NO. 20465
TO
TRINITY BAY CONSERVATION DISTRICT
CCN NO. 20399

GENERAL LOCATION

JUNE 2020

Legend

-  REQUESTED CCN TO BE TRANSFERRED
-  ROADWAY
-  RIVER
-  COUNTY LINE
-  CITY LIMIT

DATA SOURCE: COUNTY LINE - ESRI,
ROADS - TXDOT, RIVER - ESRI



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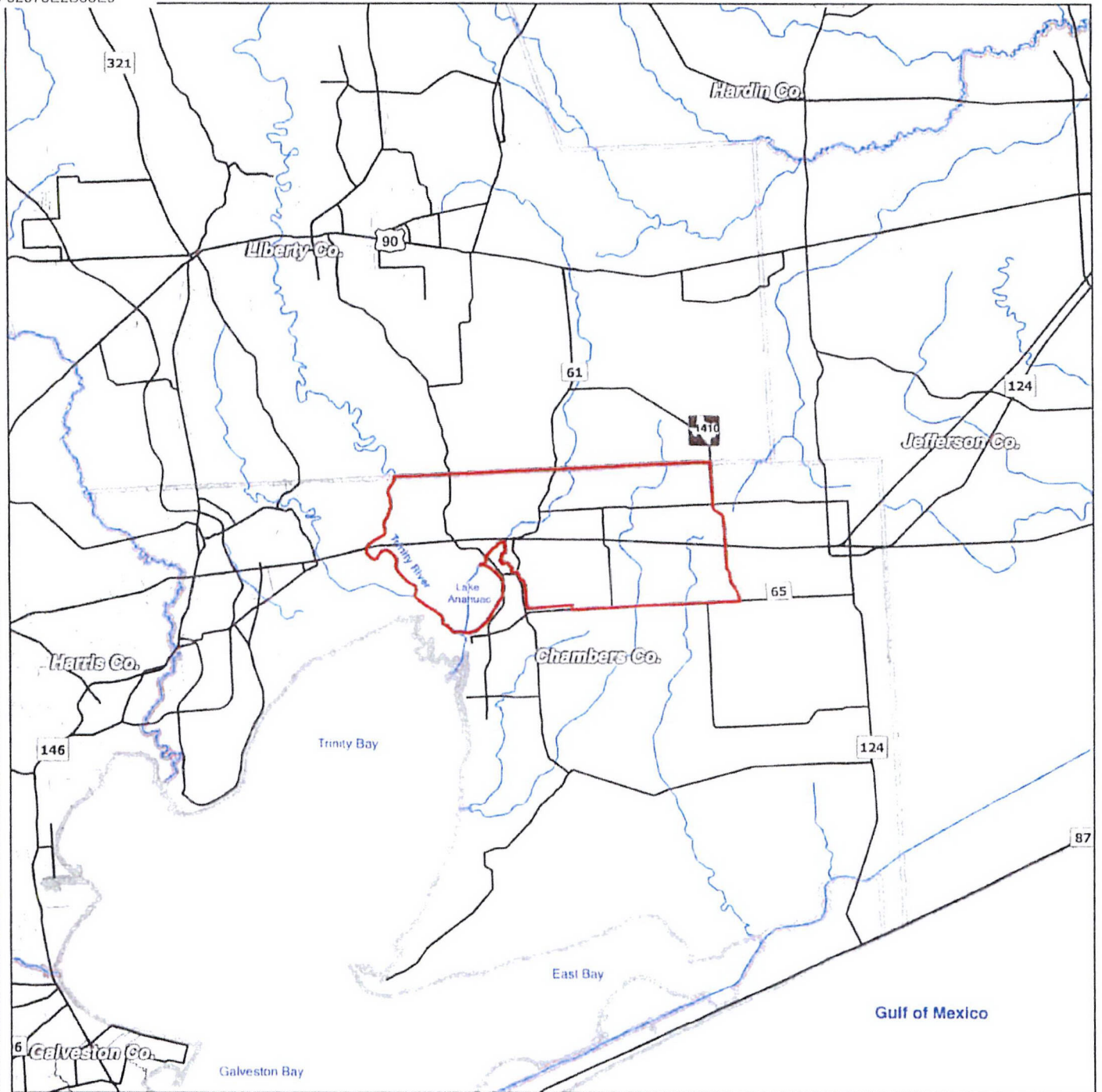


Exhibit 2

Exhibit "A", Exhibit "B", and Exhibit "C" to Agreement

TRANSFER AGREEMENT

GULF COAST WASTE DISPOSAL AUTHORITY
CCN NO. 20465


TO

TRINITY BAY CONSERVATION DISTRICT
CCN NO. 20399

GENERAL LOCATION

JUNE 2020

Legend

 REQUESTED CCN TO BE TRANSFERRED

 ROADWAY

 RIVER

 COUNTY LINE

 CITY LIMIT

DATA SOURCE: COUNTY LINE - ESRI,
ROADS - TXDOT, RIVER - ESRI

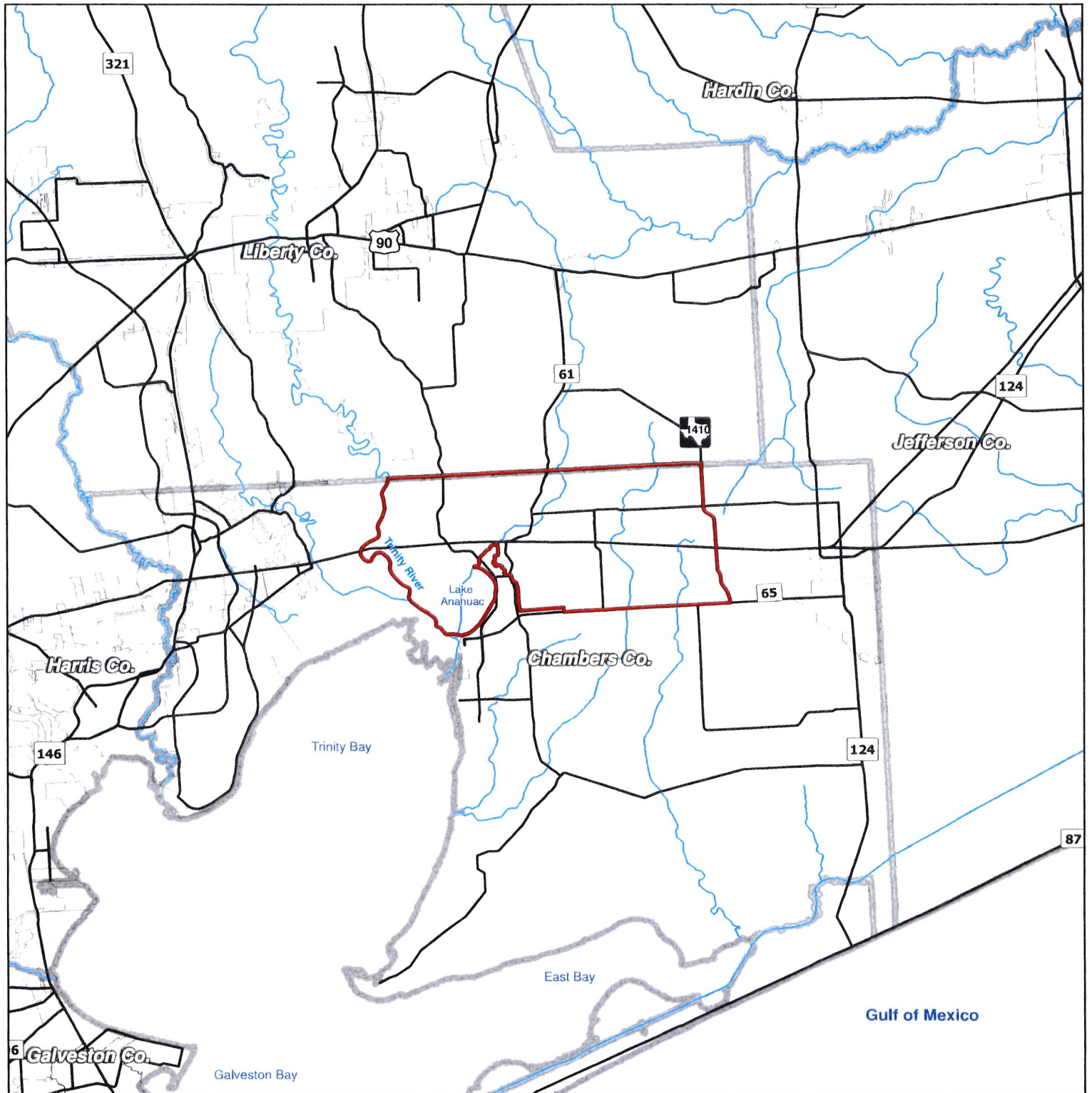


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TRANSFER AGREEMENT

GULF COAST WASTE DISPOSAL AUTHORITY
CCN NO. 20465
ORIGINAL BOUNDARY

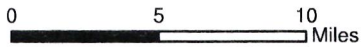
GENERAL LOCATION

JUNE 2020

Legend

-  GCA CCN NO. 20465
-  ROADWAY
-  RIVER
-  COUNTY LINE
-  CITY LIMIT

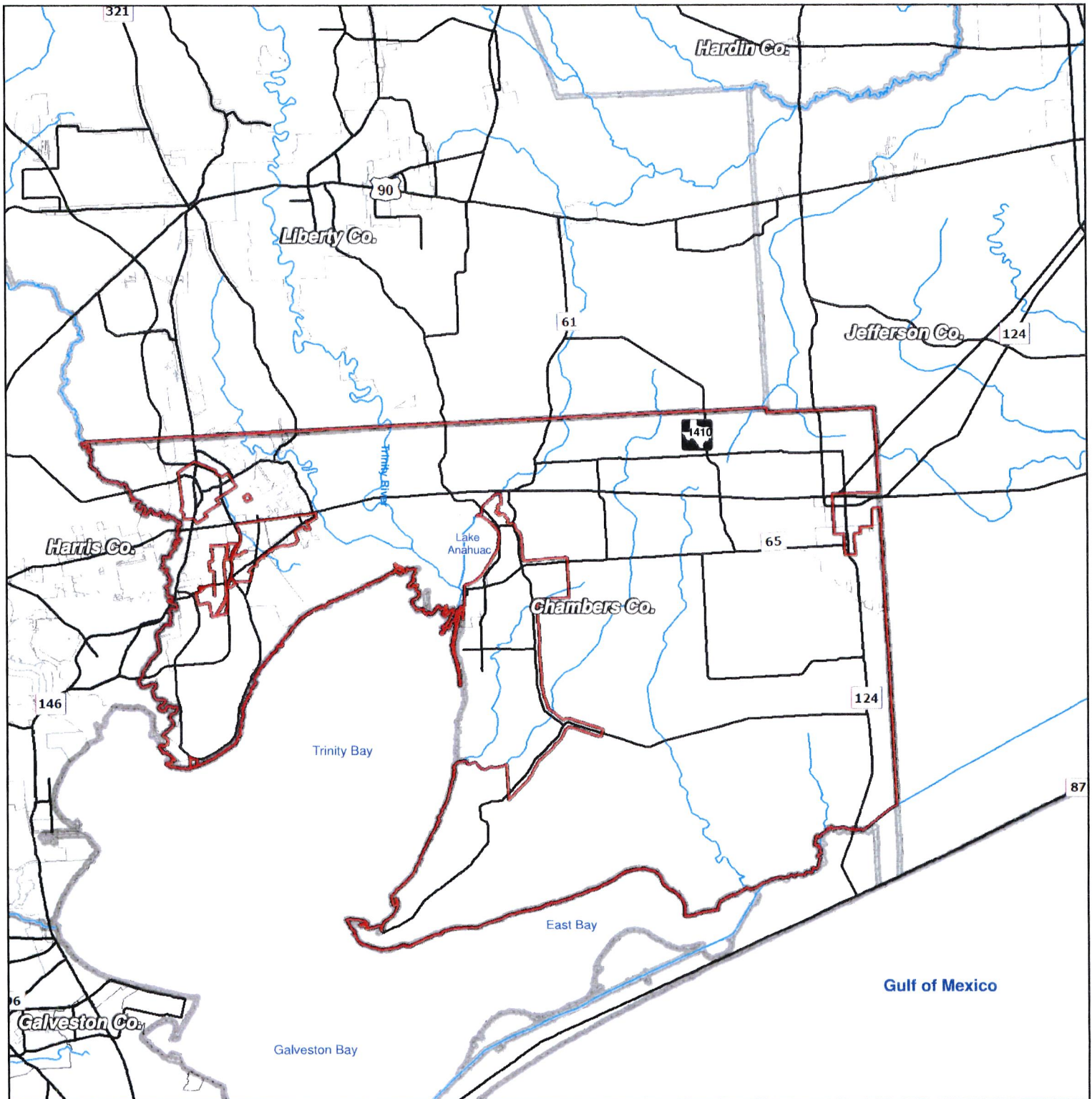
DATA SOURCE: COUNTY LINE - ESRI,
ROADS - TXDOT, RIVER - ESRI



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TRANSFER AGREEMENT

TRINITY BAY CONSERVATION DISTRICT
CCN NO. 20399
ORIGINAL BOUNDARY

GENERAL LOCATION

JUNE 2020

Legend

-  TBCD CCN NO. 20399
-  ROADWAY
-  RIVER
-  COUNTY LINE
-  CITY LIMIT

DATA SOURCE: COUNTY LINE - ESRI,
ROADS - TXDOT, RIVER - ESRI



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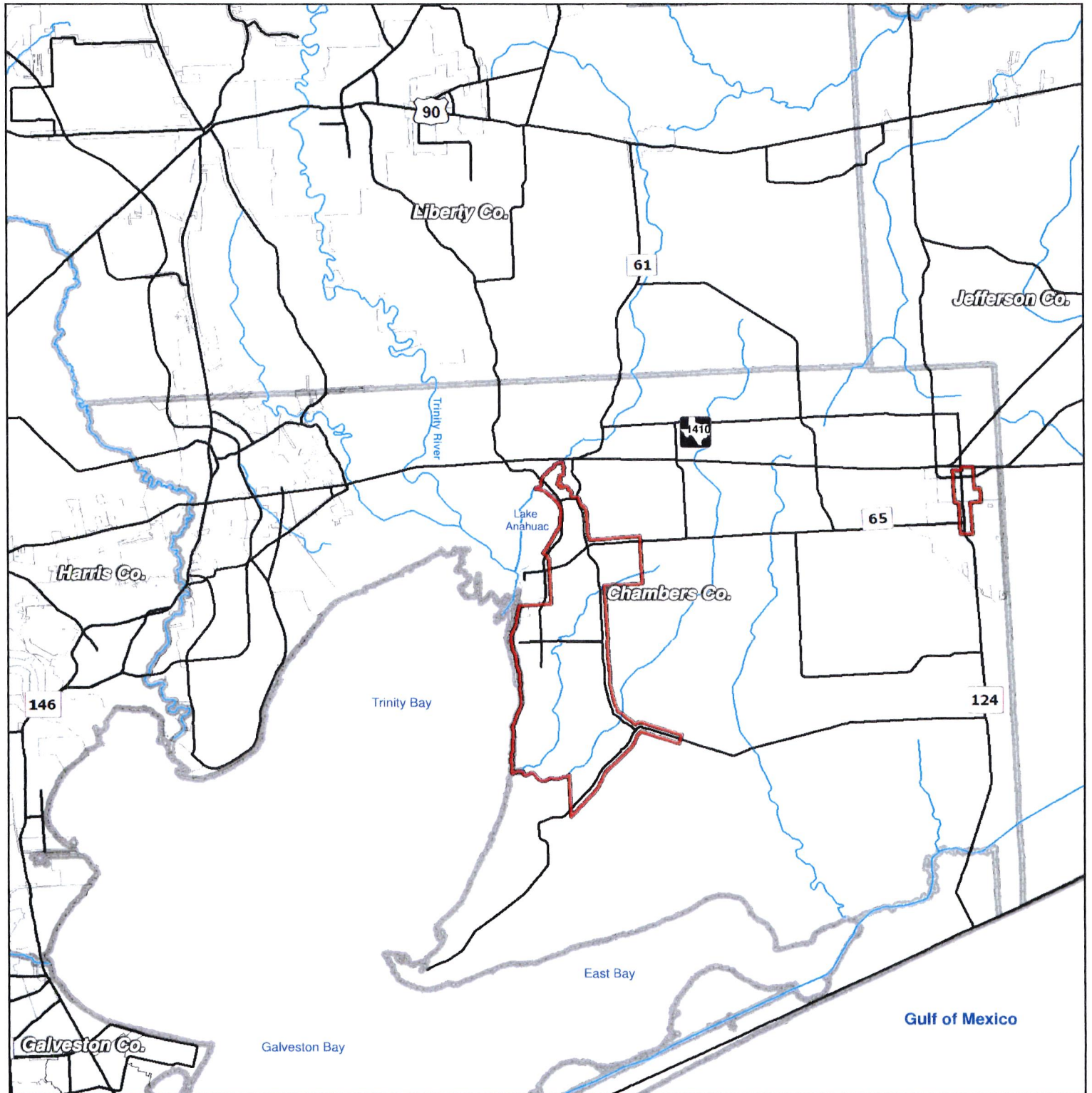


Exhibit “3”

In accordance with the Commission’s March 16, 2020 Order Suspending Rules in Docket No. _____, the digital mapping data exhibits identified below will be filed electronically through the Commission’s Interchange system.

Exhibit "4"

PETITION OF TRINITY BAY §
CONSERVATION DISTRICT AND GULF §
COAST AUTHORITY FOR APPROVAL §
OF SERVICE AREA CONTRACT §
UNDER TEXAS WATER CODE § 13.248 §
AND TO AMEND CERTIFICATES OF §
CONVENIENCE AND NECESSITY IN §
CHAMBERS COUNTY §

BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS

AFFIDAVIT OF LORI TRAWEEK

STATE OF TEXAS §
COUNTY OF CHAMBERS §

On this day, Lori Traweek appeared before me, the undersigned notary public, and after I administered an oath to him, upon his oath, he said:

1. "My name is Lori Traweek. I am the General Manager for the Gulf Coast Authority (Authority). I am more than 21 years of age and capable of making this affidavit ("Affidavit"). I have personal knowledge of the facts stated herein, which are true and correct.
2. I am employed as the General Manager of the Gulf Coast Authority. One of my duties is to prepare and post notices of Board of Directors Agendas at least 72 hours prior to Board meetings in accordance with the Texas Open Meetings Act.
3. I have prepared this affidavit to address Public Utility Commission Rule 24.253(c)(3) in support of the Gulf Coast Authorities' joint petition with Trinity Bay Conservation District filed under Section 13.248 of the Texas Water Code requesting approval of the Parties' Texas Water Code Section 13.248 Retail Sewer Certificate of Convenience and Necessity Service Area Transfer Agreement (CCN Transfer Agreement), which is effective July 9, 2020.
4. I am aware of Public Utility Commission Rule 24.253(c)(3) which requires that "[i]f notice was provided in accordance with paragraph (1) or (2) of this subsection, both parties to the contract under this section shall ensure that the following are filed with the commission: an affidavit attesting to the date that notice was provided and copies of the notice that was sent." Both Parties are complying with paragraph (2) of Rule 24.253(c) by submitting with our petition their respective meeting agendas and meeting minutes, which reflect our respective notices to the public and action taken regarding our above-referenced CCN Transfer Agreement.
5. By this affidavit, I am attesting to the date that Gulf Coast Authorities' notice was provided

and am attaching a copy of that notice specifically, the Gulf Coast Authority Board's publicly noticed agenda for its meeting held on July 9, 2020, beginning at 5:30 PM. as well as the minutes of that meeting showing the action taken to Approve the CCN Transfer Agreement. I am personally aware that this notice was timely posted at least 72 hours in advance of this meeting.

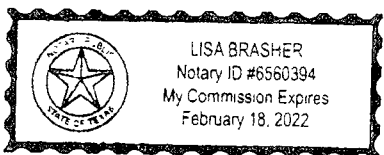
6. This affidavit is also filed in accordance with Texas Rules of Evidence 803(6) and 902(10) to ensure this attached notice/agenda and minutes are helpful to the Administrative Law Judge and admissible. These attachments are an exact duplicate of the original records and are true and correct copies of the notice/agenda and minutes. It is the regular practice of the Gulf Coast Authority to make and/or maintain these types of records, or to incorporate into Gulf Coast Authority records, at or near the time of each act, event, condition, or opinion set forth in the records, or reasonably sooner thereafter. It is the regular practice of Gulf Coast Authority for these types of records to be made by, or from information transmitted by, persons with knowledge of the matter set forth in them, or to incorporate those documents into Gulf Coast Authority records. It is the regular practice of Gulf Coast Authority to make, keep or incorporate these types of records in the course of regularly conducted business activity.

FURTHER AFFIANT SAYETH NOT.

By: *Lori Traweck*
Lori Traweck, General Manager

STATE OF TEXAS §
COUNTY OF CHAMBERS §

This instrument was acknowledged before me on August 18th, 2020 by Lori Traweck, General Manager of the Gulf Coast Authority, a Reclamation District.



Lisa Brasher
Notary Public, State of Texas



Gulf Coast Authority

910 Bay Area Boulevard • Houston, Texas 77058

Phone. 281 488 4115 • Fax 281 488 3331 • www.gcatx.org

**NOTICE OF BOARD MEETING
GULF COAST AUTHORITY**

Notice is hereby given of a meeting of the Regular Session of the Board of Directors of the Gulf Coast Authority (GCA), and in accordance with the order of the Office of the Governor issued March 16, 2020, this meeting will be held at 5:30 p.m. July 9, 2020 in GCA's Board Room at 910 Bay Area Blvd., Houston, Texas, by an audio/video conference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19). **There will be no public access to the location described above.**

Join Zoom Meeting

<https://zoom.us/j/93895042690?pwd=RmtaT2hPc2NVTDZb1NBbU3aUgyQT09>

Meeting ID: 938 9504 2690

Password: 487606

One tap mobile

+13462487799,,93895042690# US (Houston)

At this meeting, the Board will consider the following matters:

1. Receive Public comments, if any, on agenda items 2 through 10.
2. Approval of the minutes of the June 3, 2020 Special Session and June 11, 2020 Regular Session Board Meetings.
3. Discussion and Possible Action – Consideration for Approval of an Agreement to transfer part of GCA's Certificate of Convenience and Necessity (CCN) to provide sewer service in Chambers County to Trinity Bay Conservation District.
4. Discussion and Possible Action – Consideration for Approval of Sodium Hypochlorite Contract Renewal for the Bayport Facility.
5. Discussion and Possible Action – Consideration for Approval of Emergency Repair of Regenerative Thermal Oxidizer 2602 for the Bayport Facility.
6. Discussion and Possible Action – Consideration for an Approval of the Microsoft Enterprise Agreement Contract for all Microsoft Software used by the Authority for three years.

7. Discussion and Possible Action – Consideration for an Aeration Basin Coating Project for the Odessa South Facility.
8. Discussion and Possible Action – Consideration for an Extension of the Maintenance Contract with Tripple S Maintenance for the Odessa South Facility.
9. Discussion and Possible Action – Governance and Nominating Committee Report and Recommendation for Approval of GCA's revised Mission Statement.
10. Discussion and Possible Action – Consideration of Changes to the 2020 Annual Board Retreat.
11. Adjournment.



W. Chris Peden, Secretary
Gulf Coast Authority

Closed Meeting: If during the meeting the Board members present decide to deliberate any matter above in closed meeting as permitted by Texas Government Code Chapter 551, Subchapter D, including Sections 551.071 (consultation with attorney), 551.072 (real property), 551.074 (personnel), or 551.076 (security device), then the Board members may conduct a closed meeting.

The Agenda and agenda packet for this meeting may be viewed at: <https://www.gcatx.org/why-gca/board-meeting-agendas/>. A recording of the telephonic meeting will be available in accordance with the Open Meetings Act upon written request.

ATTACHMENT 1

MINUTES OF MEETING

July 9, 2020

COUNTIES OF CHAMBERS,
GALVESTON, AND HARRIS

The Board of Directors of the Gulf Coast Authority met in Regular Session on July 9, 2020, at 5:30 p.m., via audio/video conference as permitted by the Governor's order dated March 16, 2020.

The Board Meeting was called to order by Franklin D. R. Jones, Jr., Chairman of the Board of Directors. Other Members of the Board of Directors present were:

Billy Enochs

Lamont E. Meaux

W. Chris Peden

Mark Schultz

Kevin Scott

Rita Standridge

Gloria Matt

Also present were Lori Traweek, General Manager; Elizabeth Fazio Hale, Assistant General Manager; Scott Harris, Chief Operations Officer; and Gordon Pederson, Chief Technical Officer; and other staff members as well as the following consultants: Scott Bounds and Derra Purnell, of Olson & Olson, L.L.P., General Counsel for the Authority; and Alan H. Raynor and Molly Carson, McCall, Parkhurst & Horton, L.L.P., Bond Counsel.

5099. (#1)

Chairman Jones asked to receive any public comments, if any, from public participants on the call regarding agenda items #2 through #10. No public participants were on the call.

5100. (#2)

Chairman Jones presented copies of the Minutes of the June 3, 2020 Special Session board meeting and the June 11, 2020 Regular Session board meeting, which the Directors had previously received by mail. Chairman Jones asked for any additions or corrections to the minutes. There being none expressed, Director Schultz moved for approval of the Minutes of the June 3, 2020 Special Session board meeting and the June 11, 2020 Regular Session board meeting. Director Scott seconded the motion. Whereupon, the motion was carried by the following vote:

“Aye” 8; “Nay” 0

5101. (#3)

Next item on the Agenda was consideration for the Approval of an Agreement to Transfer Part of GCA’s Certificate of Convenience and Necessity (CCN) to provide sewer service in Chambers County to Trinity Bay Conservation District. The Hankamer Wastewater Treatment Plant is owned and operated by the Trinity Bay Conservation District (TBCD). TBCD has entered into an agreement with Chambers County to construct a new wastewater treatment plant at the site of the existing wastewater treatment plant, and the plant will have the capacity to provide wastewater treatment services both for properties and for existing TBCD utility customers that are within the Gulf Coast Authority (GCA) Certificate of Convenience and Necessity (CCN) area in Chambers County. TBCD requested that GCA transfer a portion of its CCN in Chambers County to it in order that TBCD may provide wastewater treatment

services to the area. GCA does not have any operational facilities or customers within the CCN area that TBCD has requested GCA release to TBCD. GCA staff did not object to TBCD construction of the new wastewater treatment plant on TBCD property, nor did staff object to the TBCD providing sanitary sewer services to any customers in this area. GCA staff recommended that the Board authorize an interlocal agreement to transfer a portion of GCA's CCN in the area of the Hankamer Wastewater Treatment Plant to TBCD so that TBCD may provide wastewater treatment services to this portion of Chambers County. Director Meaux moved to approve the Agreement to Transfer Part of GCA's Certificate of Convenience and Necessity (CCN) to provide sewer service in Chambers County to Trinity Bay Conservation District. Director Standridge seconded the motion. Whereupon, the amendment to the motion was carried by the following vote:

"Aye" 8; "Nay" 0

5102. (#4)

Next item on the Agenda was consideration for the approval of Sodium Hypochlorite Contract Renewal for the Bayport Facility. During the May 2016 Board Meeting a contract was awarded to DXI Industries, Inc. for the provision of Sodium Hypochlorite to the Bayport Facility. The contract award to DXI was at the price of \$854.60 per ton of available chlorine. The contract was awarded with a one-year initial term and the right to extend the contract for a period of five years, in one-year increments, upon mutual agreement regarding any escalation of cost. The initial Board approved rate was \$854.60 per ton of available chlorine. GCA and DXI agreed to a 5% price increase in 2017 (\$897.40 per ton of available chlorine). The 2020 proposed increase to \$1,037.40 per ton of available chlorine represents an increase less than 25% above the original bid unit price. GCA staff contacted 3 additional suppliers to receive their current rates for Sodium Hypochlorite. Skyhawk provided a rate of \$1,712 per ton of available chlorine.

Shrieve provided a rate of \$2,448 per ton of available chlorine. Univar – No response to request. The 2020 approved budget has been evaluated, and there are available funds to pay for the increased costs. GCA staff recommended that the Board approve the extension of the contract with DXI for one year for the provision of Sodium Hypochlorite at the rate of \$1,037.40 per ton of available chlorine. Director Peden moved to approve the contract renewal of the Sodium Hypochlorite at the rate of \$1,037.40 per ton of available chlorine for the Bayport Facility. Director Matt seconded the motion. Whereupon, the amendment to the motion was carried by the following vote:

"Aye" 8; "Nay" 0

5103. (#5)

Next Item on the Agenda was consideration for the approval of Emergency Repair of Regenerative Thermal Oxidizer 2602 for the Bayport Facility. The hot gas bypass duct work of Bayport's Regenerative Thermal Oxidizer 2602 (RTO 2602) has significant corrosion to the extent that hot gas has overheated a control valve and presents a safety/reliability concern. With the support of Technical Services, Bayport has installed a temporary repair to allow for continued operation without an air permit deviation. A permanent repair must be implemented to avoid a situation that endangers lives, property, and the continuation of a vital process. The impact of not addressing the current condition of the RTOs is an unsafe work environment and repetitive deviations against the Bayport Air Permit. Further deterioration due to corrosion could also result in structural damage to the extent the RTO is not safe to operate. As such, Staff requested proposal on an expedited schedule to complete an emergency repair like that currently underway for RTO 2601 due to similar corrosion issues. Proposal responses: Gulf Coast Environmental - \$175,000 (materials only), Hugh Patrick - \$402,400 (labor and materials), Nitro Environmental – Declined to quote and Polsys – Did not respond to request

by deadline. GCA Technical Services estimated the cost of materials for this repair at \$170,800. This expenditure will be funded by reprioritizing capital project money from the approved First and Second Step Recirculation Pumps and Piping Project that cannot be spent this year due to project schedule / resource issues. GCA Staff recommended the Board reject the proposal from Gulf Coast Environmental as incomplete (lacks fabrication and installation costs) and accept the proposal from Hugh Patrick for \$402,400. Director Standridge moved to approve the Emergency Repair of Regenerative Thermal Oxidizer 2602 for the Bayport Facility and accept proposal from Hugh Patrick for \$402,400. Director Meaux seconded the motion. Whereupon, the amendment to the motion was carried by the following vote:

“Aye” 8; “Nay” 0

5104. (#6)

Next Item on the Agenda was consideration for the approval of the Microsoft Enterprise Agreement Contract for all Microsoft Software used by the Authority for three years. In 2017, GCA renewed an earlier Enterprise Agreement with Microsoft through a DIR cooperative contract for \$142,006.31 per year for three years for a total of \$444,018.93 plus applicable fees. This new renewal of the Enterprise Agreement with Microsoft for the licensing of all Microsoft software used throughout the Authority will be \$154,165.50 per year for a total of \$462,496.40. The Microsoft Enterprise Agreement gives GCA the right to use Microsoft software at all our facilities for a 3-year period. This contract is purchased through the Texas Microsoft reseller, SHI Government Solutions, Inc. This is a sole source contract purchased through Microsoft's DIR Contract Number DIR-SDD-2503. This contract does not have to be competitively bid by GCA because it is being acquired using the Texas Department of Information Resources Cooperative and because these are products that cannot be purchased from any other vendor.

Staff recommended that the Board approve this request for renewal for a 3-year period at \$462,496.40. Director Peden moved to approve the Microsoft Enterprise Agreement Contract renewal for all Microsoft Software used by the Authority for a three-year period at \$462,496.40. Director Schultz seconded the motion. Whereupon, the motion was carried by the following vote:

“Aye” 8; “Nay” 0

5105. (#7)

Next item on the Agenda was consideration for an Aeration Basin Coating Project for the Odessa South Facility. Competitive sealed proposals were received and opened at 3:30 p.m. on June 24, 2020 for the Odessa Facility's Aeration Basin Coating Project. The scope of work consists of mobilizing, installing scaffolding, hydro blasting walls and effluent weir box, conducting concrete repair and rebar repair as necessary, and applying coating to all internal surfaces of the basin including, but not limited to, the walls and the effluent weir box as outlined in this contract. The project was requested under Texas Government Code Section 2269.151, which allows the Board to make a public works contract by competitive sealed proposals. The proposal valuation was based on a weighted average of the following criteria: Price and Warranty Period, with the highest score determining the best value bid. Three proposals were received. Two proposals were complete and could be compared in the evaluation as competitively presented. The scores for the proposals are presented below:

	Price			Warranty Period		Total Weighted
	Bid	Early Completion	Score	Bid (months)	Score	
Qualitex Blasting and Coating	\$145,000	\$5,000	95	12	3.3	98.3
Tripple S Oilfield and Construction, LLC	\$198,774.94	\$5,000	69.9	18	5	74.9

A third proposal was received from Armando & Sons Coating and Sandblasting in an unsealed format (email) and received after the designated due date/time. This proposal was returned and not evaluated. After review and evaluation of the proposals received, the staff recommended awarding the contract to Qualitex Blasting and Coating in the amount of \$150,000. Director Meaux moved to approve the Aeration Basin Coating Project for the Odessa South Facility and award contract to Qualitex Blasting and Coating in the amount of \$150,000. Director Schultz seconded the motion. Whereupon, the motion was carried by the following vote:

“Aye” 8; “Nay” 0

5106. (#8)

Next item on the Agenda was consideration for the Maintenance Agreement Contract renewal for the Odessa Facility. After competitive sealed proposals were received in June 2019 for maintenance services at the Odessa Facility, the GCA Board of Directors awarded a contract to Tripple S. Oilfield services for ongoing maintenance support for the Odessa Facility that includes general maintenance support around the facility in the estimated amount of \$437,766.50. The term of the contract is one year with the option to extend the contract for two additional one-year periods. The original price for evaluation was based on staff's estimated minimum required support over the next year based on the hourly rates submitted in the bid. The contract also establishes that the price structure for the extensions are to be based upon the percentage increase in the Employment Cost Index for wages and salaries, for private industry workers in construction, as published by the Bureau of Labor Statistics from the Effective Date of the Amended and Restated Agreement. Tripple S Oilfield has met or exceeded expectations during the initial one-year term of the contract and staff recommended that the Board authorize the extension of the service contract for one year including the contract price adjustments.

Director Schultz moved to approve the Odessa Facility's Maintenance Agreement Contract renewal to Tripple S Oilfield for one year including the contract price adjustments. Director Standridge seconded the motion. Whereupon, the motion was carried by the following vote:

"Aye" 8; "Nay" 0

5107. (#9)

Next item on the Agenda was the Governance and Nominating Committee report and recommendation for approval of the GCA's revised Mission Statement. The Governance and Nominating Committee met in Committee Session on June 15, 2020. The Committee Chair gave a committee report and presented a recommendation to approve an updated GCA Mission Statement. Director Peden moved to approve GCA's revised and updated Mission Statement: Protecting the waters of the State of Texas through environmentally sound, economically feasible and technologically advanced wastewater and water management practices. Director Scott seconded the motion. Whereupon, the motion was carried by the following vote:

"Aye" 8; "Nay" 0

5108. (#10)

Next item on the Agenda was a discussion with consideration of changes to the 2020 Annual Board Retreat.

There being no further business, Director Meaux moved to adjourn the meeting at 6:11 p.m. Director Peden seconded the motion. Whereupon, the motion was carried by the following vote:

"Aye" 8; "Nay" 0

PASSED, ADOPTED AND APPROVED THIS 13th DAY OF August 2020.

DocuSigned by:
Franklin D. R. Jones, Jr.
B34F0A73E6E445B
Chairman

ATTEST:

DocuSigned by:
Chris Peden
5321D937EC494F1
Secretary

ATTACHMENT 1

**PETITION OF TRINITY BAY
CONSERVATION DISTRICT AND GULF
COAST AUTHORITY FOR APPROVAL
OF SERVICE AREA CONTRACT
UNDER TEXAS WATER CODE § 13.248
AND TO AMEND CERTIFICATES OF
CONVENIENCE AND NECESSITY IN
CHAMBERS COUNTY**

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**BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

AFFIDAVIT OF JEFFREY JENKINS

STATE OF TEXAS §
COUNTY OF CHAMBERS §

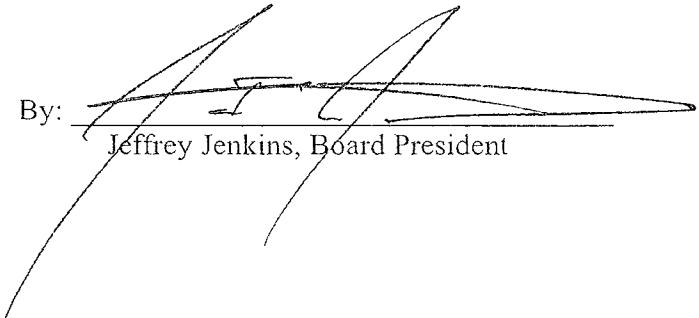
On this day, Jeffrey Jenkins appeared before me, the undersigned notary public, and after I administered an oath to him, upon his oath, he said:

1. "My name is Jeffrey Jenkins. I am the President of the Board of Directors for the Trinity Bay Conservation District (District). I am more than 21 years of age and capable of making this affidavit ("Affidavit"). I have personal knowledge of the facts stated herein, which are true and correct.
2. I am the President of the Board of Directors for the Trinity Bay Conservation District and work directly with the General Manager and staff who prepare and post notices of Board of Directors Agendas at least 72 hours prior to Board meetings in accordance with the Texas Open Meetings Act.
3. I have prepared this affidavit to address Public Utility Commission Rule 24.253(c)(3) in support of the Trinity Bay Conservation Districts' joint petition with Gulf Coast Authority filed under Section 13.248 of the Texas Water Code requesting approval of the Parties' Texas Water Code Section 13.248 Retail Sewer Certificate of Convenience and Necessity Service Area Transfer Agreement (CCN Transfer Agreement), which is effective July 9, 2020.
4. I am aware of Public Utility Commission Rule 24.253(c)(3) which requires that "[i]f notice was provided in accordance with paragraph (1) or (2) of this subsection, both parties to the contract under this section shall ensure that the following are filed with the commission: an affidavit attesting to the date that notice was provided and copies of the notice that was sent." Both Parties are complying with paragraph (2) of Rule 24.253(c) by submitting with our petition their respective meeting agendas and meeting minutes, which reflect our respective notices to the public and action taken regarding our above-referenced CCN Transfer Agreement.
5. By this affidavit, I am attesting to the date that Trinity Bay Conservation Districts' notice was provided and am attaching a copy of that notice- specifically, the Trinity Bay

Conservation District Board's publicly noticed agenda for its meeting held on June 19, 2020, beginning at 9:00 A.M. as well as the minutes of that meeting showing the action taken to Approve the CCN Transfer Agreement. I am personally aware that this notice was timely posted at least 72 hours in advance of this meeting.

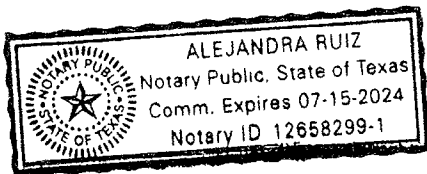
6. This affidavit is also filed in accordance with Texas Rules of Evidence 803(6) and 902(10) to ensure this attached notice/agenda and minutes are helpful to the Administrative Law Judge and admissible. These attachments are an exact duplicate of the original records and are true and correct copies of the notice/agenda and minutes. It is the regular practice of the Trinity Bay Conservation District to make and/or maintain these types of records, or to incorporate into Trinity Bay Conservation District records, at or near the time of each act, event, condition, or opinion set forth in the records, or reasonably sooner thereafter. It is the regular practice of Trinity Bay Conservation District for these types of records to be made by, or from information transmitted by, persons with knowledge of the matter set forth in them, or to incorporate those documents into Trinity Bay Conservation District records. It is the regular practice of Trinity Bay Conservation District to make, keep or incorporate these types of records in the course of regularly conducted business activity."

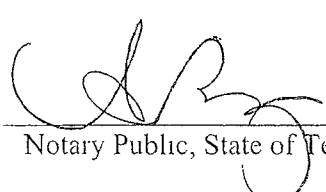
FURTHER AFFIANT SAYETH NOT.

By: 
Jeffrey Jenkins, Board President

STATE OF TEXAS §
COUNTY OF CHAMBERS §

This instrument was acknowledged before me on August 18, 2020 by Jeffrey Jenkins, Board President of the Trinity Bay Conservation District, a Conservation and Reclamation District.




Notary Public, State of Texas

**PETITION OF TRINITY BAY
CONSERVATION DISTRICT AND GULF
COAST AUTHORITY FOR APPROVAL
OF SERVICE AREA CONTRACT
UNDER TEXAS WATER CODE § 13.248
AND TO AMEND CERTIFICATES OF
CONVENIENCE AND NECESSITY IN
CHAMBERS COUNTY**

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**BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

AFFIDAVIT OF JEFFREY JENKINS

STATE OF TEXAS §
COUNTY OF CHAMBERS §

On this day, Jeffrey Jenkins appeared before me, the undersigned notary public, and after I administered an oath to him, upon his oath, he said:

1. "My name is Jeffrey Jenkins. I am the President of the Board of Directors for the Trinity Bay Conservation District (District). I am more than 21 years of age and capable of making this affidavit ("Affidavit"). I have personal knowledge of the facts stated herein, which are true and correct.
2. I am the President of the Board of Directors for the Trinity Bay Conservation District and work directly with the General Manager and staff who prepare and post notices of Board of Directors Agendas at least 72 hours prior to Board meetings in accordance with the Texas Open Meetings Act.
3. I have prepared this affidavit to address Public Utility Commission Rule 24.253(c)(3) in support of the Trinity Bay Conservation Districts' joint petition with Gulf Coast Authority filed under Section 13.248 of the Texas Water Code requesting approval of the Parties' Texas Water Code Section 13.248 Retail Sewer Certificate of Convenience and Necessity Service Area Transfer Agreement (CCN Transfer Agreement), which is effective July 9, 2020.
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FURTHER AFFIANT SAYETH NOT.

By: _____
Jeffrey Jenkins, Board President

STATE OF TEXAS §
COUNTY OF CHAMBERS §

This instrument was acknowledged before me on _____, 2020 by Jeffrey Jenkins, Board President of the Trinity Bay Conservation District, a Conservation and Reclamation District.

Notary Public, State of Texas

ATTACHMENT 1



NOTICE OF A SPECIAL MEETING
OF
TRINITY BAY CONSERVATION DISTRICT
FRIDAY, JUNE 19, 2020
9:00 O'CLOCK AM

NOTICE IS HEREBY GIVEN in accordance with order of the Office of the Governor issued March 17, 2020 Trinity Bay Conservation District will conduct its Special Meeting, scheduled for June 19, 2020 at 9:00 a.m. located at 2500 SH 124 Stowell, Texas 77661, by a telephonic meeting in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). There will be no public access to the location above.

The public toll-free dial-in-number to participate in the telephonic meeting is hosted through Conference Calling. The Toll-Free Dial-In Number is: +1 (646) 749-3122 and the Access Code Number is. 316-925-901

The public will be permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting. A recording of the telephonic meeting will be made and will be available to the public in accordance with the Open Meetings Act, upon written request.

**AGENDA
REGULAR MEETING**

I. ADMINISTRATION

1. Call to Order
2. Pledge
3. Public Comment
4. Review and consider changes to Signature Cards
5. Review and consider adopting Order Calling Director`s Election for November 6, 2020 for Precincts 2,4, and 5 and appointing an Elections Administrator.
6. Review and consider entering into a Joint Election Agreement with Chambers County for the November 6, 2020 Election for Precinct 2,4, and 5
7. Review and consider Funding Agreement; Memorandum of Understanding with Chambers County to build a .3 Million Gallon per Day Mechanical Sewer Plant in Hankamer with a General Land Office Grant of \$2,701,783.00 and Trinity Bay paying \$362,000.00 and any overages; and ratify Agreement for Utility Services executed by District Manager on May 21, 2020.
8. Review and consider entering into a contract between Gulf Coast Authority and Trinity Bay Conservation District to amend Trinity Bay Conservation District`s certificate of convenience and necessity boundaries pursuant to Chapter 13.248 of the Texas Water Code and 30 TAC 24.253.
9. Review preliminary applicants filed with the Texas Water Development Board (“TWDB”) for the Flood Infrastructure Fund (“FIF”) for:
 - a. Spindletop Bayou;
 - b. Spring Branch; and
 - c. Mayhaw Bayou filed by Jefferson County Drainage District No. 3.

10. Review and consider personnel matters relating to the authority of the General Manager to enter into contract with Entre' Computers to lease computers.

II. 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.

III. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION.

IV. ADJOURN.



JERRY SHADDEN, GENERAL MANAGER
TRINITY BAY CONSERVATION DISTRICT

6. 16 2022
DATE

A packet containing all existing supportive documentation for this agenda is available for inspection upon receipt of a written request and can be made available at 2500 SH 124 Stowell, Texas 77661 between the hours of 7:00 A.M. and 5:30 P.M., Monday-Thursday. Please call Jerry Shadden at (409) 296-3602 or e-mail him at jerry@tbcd.org to arrange a viewing or copies of the documents.

Trinity Bay Conservation District is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call Jerry Shadden at (409) 296-3602 for information. Hearing impaired or speech disabled persons equipped with telecommunication devices for the deaf may utilize the statewide Relay Texas Program, 1-800-735-2988.

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
TRINITY BAY CONSERVATION DISTRICT**

A special meeting of the Board of Commissioners of the Trinity Bay Conservation District (“District”) was called at 9:00 a.m. on the 19th day of June 2020, at the Trinity Bay Conservation District (“TBCD” or “Department”) located at located at 2500 SH 124 Stowell, Texas 77661 pursuant to notice duly posted according to law.

This meeting was held in person and via videoconference as provided for in Texas Government Code 551.127 as modified by the May 12, 2020 Proclamation by Governor Abbott in which the Governor acted to maintain government transparency and continued government operations while reducing face-to-face contact for government open meetings. In addition, members of the public were able to participate and address the Directors during the videoconference meeting and a recording of the meeting was made and is available to the public.

The roll was called of the Directors, to-wit:

Directors	Position	Attendance
Mr. Jeffrey Jenkins	President	In person
Mr. Gregg Turner	Vice-President	In Person
Mr. Tommy Gilbert	Secretary	In person
Mrs. Dorothy Faye Hamilton	Director	In person
Mr. Cody Bauer	Assistant Treasurer	In person

All said members were present, thus constituting a quorum. In addition to the above-named Directors, the following persons were also present:

Attendee	Position	Attendance
Mr. Jerry Shadden	General Manger	In person
Mr. Hubert Oxford	General Counsel	In person
Mr. Mike Will	Plant Operations Supervisor	Conference Call
Mr. Richie Devillier	Interested Citizen	Conference Call
Mr. Stevie Devillier	Interested Citizen	Conference Call
Mr. Rick Nicely	Interested Citizen	Conference Call
Ms. Gloria Roemer	Seabreeze Beacon	In person
Ms. Charissa Nelson	Seabreeze Beacon	In person
Mr. Ryan Curogo	Honorable Mayes Middleton’s Office	In person

President Jenkins called the meeting to order at 9:02 a.m. and lead the meeting. First, he asked those present to recite the Pledge of Allegiance and Pledge to the State Flag of Texas. Next, he called for public comment but there was none.

Afterwards, President Jenkins asked the Directors to consider the action items on the agenda. At the outset, President Jenkins asked the Board to move to Agenda Item No. 10.

10. Review and consider personnel matters relating to the authority of the General Manager to enter into contract with Entre' Computers to lease computers.

President Jenkins introduced the agenda item by explaining the purpose of having the discussion was to investigate and consider whether the General Manager, Mr. Jerry Shadden, acted outside of his authority when he executed an agreement with Entre, without Board approval, on September 17, 2019 to: 1) service the District's computers; and 2) lease thirteen (13) computers, one (1) server, and managed network for thirty-six (36) months at a cost of \$3,217.51 per month or \$115,830.36 total. (See Exhibit "A-1") After the agenda item was introduced, Mr. Shadden was asked if he wanted to discuss the matter in Executive Session pursuant to Section 551.074- Personnel Matters of the Texas Government Code. Mr. Shadden declined the offer and stated he wanted the issue discussed in an open meeting. The Board agreed to the request.

After being presented with the problem surrounding the executing the Entre agreement, Mr. Shadden explained that this was a mistake on this part as he thought he was simply renewing the prior service agreement with Entre that was also a thirty-six ("36") month agreement that commenced on June 6, 2016; revised on September 15, 2016; and that expired on June 16, 2019. (See Exhibit "A-2"). Per the initial agreement, the District paid \$1,107.48 per month, or 39,869.28 total, to service the District's computers. As with the September 17, 2019 Agreement, there was no Board approval of this agreement either.

Attorney Oxford then interjected and explained that Mr. Shadden had provided him with a Purchasing Policy in Word format that was allegedly adopted on April 22, 2011 (See Exhibit "A-3"). Attorney Oxford explained that he had not had a chance to review the minutes for this meeting to verify if the policy was adopted but since it was provided by Mr. Shadden, he made reference to sections III(j), IV(a), IV(g), and V(h). Per Mr. Oxford, each of these provisions of the Purchasing Policy required Board approval for any expenditure over \$75,000.00. In addition, Attorney Oxford, advised that the expenditure over \$75,000.00 without Board approval and without going through the public bidding process was in violation of Section 49.273 of the Texas Water Code and possibly, Section 2254 of the Texas Government Code since a portion of the contract was for professional services.

After the explanation of the issue at hand and the potential violations of the District's Purchasing Policy, Texas Water, Code, and Texas Government Code, the General Manager, Board, and several members of the public engaged in an extensive dialogue concerning: 1) the actions of the General Manager; 2) extraneous claims by the General Manager; 3) potential solutions to resolving the perpetual conflict between certain Board members and management by hiring an outside law firm to identify the source of the conflict; 4) management styles; and 5) potential punishment for the execution of the September 17, 2019 agreement with Entre.

At the end of the rather lengthy discussion and because of Director Shadden's decision to execute the September 17, 2019 agreement with Entre without receiving Board approval and without going through the mandated bid process, Director

Hamilton made motion to buy-out Mr. Shadden's employment agreement pursuant to Section 3(A), which states:

In the event Employee is terminated, other than by death or just cause, by the Board during such time that Employee is willing and able to perform his duties under this Agreement, then in that event, Employer agrees to pay Employee the compensation and benefits package contained in this Agreement for the remaining tenure on the contract or for one year, whichever is less in a lump sum within 30 days of separation. In the event Employee is terminated because of just cause, death, or indictment and subsequent conviction of any illegal act involving personal gain or moral turpitude, whether or not such illegal act was in the course and scope of his employment, then, in that event, Employer shall have no obligation to pay any severance pay as provided in this Section 3 of this Agreement.

However, after Director Hamilton made her motion, there was not an immediate second. The Board and Mr. Shadden continued their argument regarding the severity of the claim and Mr. Shadden's body of work as the General Manager

At 9:51 a.m. the Board recessed for a break and then reconvened at 9:58 a.m. Shortly thereafter, Director Hamilton re-urged her motion for the same reasons as previously stated, to buy-out Mr. Shadden's employment agreement by paying compensation and benefits package. This motion was seconded by Director Bauer and approved by Directors Hamilton, Bauer, and Jenkins. Directors Turner and Gilbert opposed the motion.

Immediately after the Board voted to approve the motion to buy-out Mr. Shadden's contract, Directors Turner and Gilbert left the meeting.

4. Review and consider changes to Signature Cards.

Upon the completion of Agenda Item No. 10, President Jenkins asked the Board to return to Agenda Item No. 4. Attorney Oxford presented the Board with Resolutions 20-03 and 20-04. He explained that on June 10, 2020, the Board members considered the approval of the Resolution 20-03 but tabled the matter. The purpose of Resolution 20-03 is to open a trust account for the purpose of holding \$362,000 in payments made to the District by Dutton Lake, LLC for engineering services to design the packaged sewer plant at Hankamer resulting from the Community Block Grant Development ("CDBG") funds assigned by Chambers County. However, despite the agenda item being tabled, the Board members still signed and dated the Resolution. Consequently, Attorney Oxford asked for a motion to ratify the Board members prior signatures so that the signed resolution would be effective. (See Exhibit "B-1").

Regarding Resolution 20-04, Attorney Oxford explained that this resolution changed the signature cards on all the other District accounts by removing Mike Winzer and David Hoyt as signers and added Director Cody Bauer on the accounts. (See Exhibit "B-2"). However, in light of the Board action for Agenda Item No. 10 earlier in the meeting, he suggested changing the Resolution to remove Mr. Jerry Shadden as a signatory on the District's accounts and potentially including the name of a new Interim General Manager in his place.

The Board concurred with Attorney Oxford's recommendations and a motion was made by Director Hamilton to: 1) to adopt Resolution 20-03 and ratify the signatures from July 10, 2020 Resolution; and 2) approve Resolution 20-04 subject to removing Mr. Jerry Shadden as a signatory and adding an interim General Manager that is going to be considered at an upcoming Special Meeting. This motion was seconded by Director Bauer and was approved by the unanimous consent of all Directors present

5. Review and consider adopting Order Calling Director's Election for November 6, 2020 for Precincts 2,4, and 5 and appointing an Elections Administrator.

Attorney Oxford explained that the Board has met its existing deadlines and explained that the next deadlines will occur in August. Therefore, because Mr. Shadden was going to be nominated as the Election Administrator but is no longer employed by the District and Attorney Oxford wanted to review prior Orders Calling for an Election, he asked the Board to table this agenda item.

The Board agreed and a motion was made by Director Hamilton to table this agenda item. This motion was seconded by Director Bauer and was approved by the unanimous consent of all Directors present.

6. Review and consider entering into a Joint Election Agreement with Chambers County for the November 6, 2020 Election for Precinct 2,4, and 5.

Again, Attorney Oxford asked that this agenda item be tabled because he stated that the Joint Election Agreement had not prepared and submitted by the County Clerk. However, Attorney Oxford also reported that he participated in an extensive phone call with the County Clerk who assured him that she was very familiar with the past election problems at Trinity Bay and she has already begun to take precautions to avoid similar problems in the past. As such, he strongly recommended that the District utilize the County Clerk to administer the upcoming November 3, 2020 Board member elections.

After this discussion, a motion was made by Director Hamilton to table this agenda item. This motion was seconded by Director Bauer and was approved by the unanimous consent of all Directors present.

7. Review and consider Funding Agreement; Memorandum of Understanding with Chambers County to build a .3 Million Gallon per Day Mechanical Sewer Plant in Hankamer with a General Land Office Grant of \$2,701,783.00 and Trinity Bay paying \$362,000.00 and any overages; and ratify Agreement for Utility Services executed by District Manager on May 21, 2020.

Attorney Oxford was once again called to discuss this agenda item. Attorney Oxford passed out copies of the modified Funding Agreement and reviewed the proposed changes with the Board. (*See Exhibit "C-1"*). He also presented the

Board with e-mail correspondence with the County Attorney in which the County Attorney explained that the terms in the agreement with the District was substantially similar as the agreements entered between Chambers County and other political subdivisions receiving CDBG funds. (See **Exhibit “C-2”**).

Furthermore, Attorney Oxford presented the Board with the Agreement for Utility Services that was executed by the prior General Manager on May 21, 2020 and explained that the agreement, between the District and Dutton Lake, LLC, required Dutton Lake to pay \$362,000.00 for engineering services to design the packaged sewer plant at Hankamer resulting from CDBG funds assigned by Chambers County. (See **Exhibit “C-3”**) Attorney Oxford explained that he wanted the Board to ratify this agreement because it was signed by the former General Manager after the District May 20, 2020 Regular Meeting but never reviewed by the Board. Further, Attorney Oxford stated that he has reviewed the agreement and verified that it clearly states that Dutton Lake will make the payment for engineer services without any expected payment from the District in any form whatsoever.

After reviewing the Agreements discussed, a motion was made by Director Hamilton to authorize the President to Execute the revised Funding Agreement set forth in Exhibit “C-1” and to ratify the former General Manager’s actions to execute the Agreement for Utility Services with Dutton Lake, LL.C. (See **Exhibit “C-3”**). This motion was seconded by Director Bauer and was approved by the unanimous consent of all Directors present.

8. Review and consider entering into a contract between Gulf Coast Authority and Trinity Bay Conservation District to amend Trinity Bay Conservation District’s certificate of convenience and necessity boundaries pursuant to Chapter 13.248 of the Texas Water Code and 30 TAC 24.253.

Attorney Oxford explained that the proposed packaged wastewater disposal plant that forms the basis of a CDBG grant that is scheduled to be constructed north of Interstate 10 in Hankamer but whose jurisdiction is in the Certificate of Convenience and Necessity (“CCN”) of the Gulf Coast Authority (“Authority”). Therefore, to qualify for the CDBG funds, the General Land Office (“GLO”) has informed the District’s engineers that the CCN for this area needs to be transferred to the District. He then presented the proposed Interlocal Agreement initially drafted by the District’s prior counsel and recommended that the Board authorize the President to execute the agreement set forth as **Exhibit “D”**.

In so doing, Attorney Oxford explained that it was his understanding that the execution of this agreement was time sensitive because the Authority’s Board was going to consider the Interlocal Agreement at their July 9, 2020 Regular Meeting and assuming they approve it, the District would need to provide proof the approvals by both Boards along with a letter application and the Agreement to the Public Utility Commission (“PUC”), who authorizes the transfer. Furthermore, the District had pending deadlines by the GLO to design and build the facility after the approval by the PUC.

Recognizing the importance of the Interlocal Agreement for CCN Transfer to the impending deadlines, a motion was made by Director Hamilton to authorize the Board President to execute the Interlocal Agreement and to file the necessary paperwork with the PUC to transfer the sewer CCN from the Authority to the District as described in the Interlocal Agreement. This motion was seconded by Director Bauer and was approved by the unanimous consent of all Directors present.

9. Review preliminary applicants filed with the Texas Water Development Board (“TWDB”) for the Flood Infrastructure Fund (“FIF”) for:

Attorney Oxford presented the District’s Board with two (2) projects that were submitted on behalf of the District by LJA Engineering and correspondence from LJA Engineering for the FIF. (See Exhibits “E-1” and “E-2”). Attorney Oxford explained that the purpose of this agenda item was to: 1) inform the Board of the June 15, 2020 application submittal; 2) explain to the Board the application process; 3) provide information on the projects submitted; and 4) receive ratification from the Board for applications submitted. In so doing, he informed the Board that the applications submitted were nothing more than bookmarks and did not in any way commit the District to pursue either project. (See Exhibit “E-3” for an explanation of FIF program).

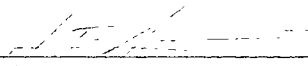
Since LJA was unable to attend the meeting, Attorney Oxford presented an e-mail from LJA explaining the two (2) proposed projects. (See Exhibit “E-4”). According to LJA, the two projects submitted were the result of meetings in which the residents of the District focused on two hot spots of concerns following Hurricane Harvey and Tropical Storm Imelda: 1) flooding from Spindletop Bayou; and 2) flooding in the Hankamer area.

Regarding the Spindletop Bayou project, LJA reports that the preliminary results from their study indicate that there is a major restriction to Spindletop between Highway and Interstate 10. The estimated cost for this project is \$11,500,000 and the impacted area is 36,000 acres. According to the application, if approved, the project on Spindletop Bayou includes deepening of a section of channel by 4 ft for a length of 5,000 ft in order to decrease water level in the bayou south of Interstate-10 and will replace four (4) bridge crossings where the bayou intersects Interstate 10. As a result, the deepening of the bayou and the replacement of crossing on the interstate will substantially reduce the flooding in the area. In addition, if approved, should lower the flood water elevation on Interstate 10 by approximately two (2) feet or more and will open the highway for safe passage. The impact area of this proposed project covers a total of approximately 36,000 acres.

Turning to the second project, the application proposes clearing and grubbing approximately 27.5 acres in the Hankamer area that spans 12,000 feet along the Albritta Gulley. The cost of this project is estimated to be \$ 316,804.41 and the area impacted is 2,300 acres.

Upon the completion of FIF program and the proposed projects submitted, a motion was made by Director Hamilton to support and ratify the proposed projects submitted by LJA for the Flood Infrastructure Fund for to: 1) deepen Spindletop Bayou and replace crossing on Interstate; and 2) cleaning 12,000 feet along Albritta Gully in the Hankamer area. This motion was seconded by Director Bauer and was approved by the unanimous consent of all Directors present.

There being no further business, President Jenkins informed the Directors that the Board needed to have another Special Meeting to discuss engaging an interim General Manager and asked that this meeting be held on July 25, 2020 at 9:00 a.m. Those Board members in attendance agreed subject to Directors Turner and Gilbert's availability and/or consent to proceed. He then called for a motion to adjourn the meeting at 10:46 a.m. Director Bauer then made motion to adjourn. This motion was seconded by Director Hamilton with the unanimous consent of all the Directors present.



Jeffrey T. Jenkins, President
Date: 7/15/2020