

DRAINAGE DISTRICT NO. 3
Jefferson County, Texas

MINUTES OF MEETING

OCTOBER 27, 2021

7:30 A.M.

A meeting was held October 27, 2021, at 7:30 A.M. in the District's office located at 24460 Hwy 124, Hamshire, Texas. All Commissioners were present. Also present was County Commissioner Sinegal, Pct 3. Also 12 citizens of the District was present.

1. Meeting was called to order at 7:30 A.M. by Chairman McCall. He announced that this meeting was being recorded for the purpose of transcribing the minutes.

2. Minutes of previous meeting were read and approved.

3. After Commissioner Rose read the public meeting rules regarding comments, Billy Hooper addressed the Board regarding flooding concerns. After a lengthy discussion the Board and Commissioner Sinegal agreed to explore an interlocal agreement between the County and the District to try and address flooding problems in the District.

4. Office Update -

A. Commissioners reviewed the districts checks written September 30 to October 15, 2021.

B. Commissioners reviewed the monthly financial report presented by Shanna Verret which showed an ending fund balance of \$1,383,943.88, down \$58,256.05 this month.

C. Commissioners reviewed the monthly insurance summary which showed a profit of \$46,843.78 on active employees and a loss of \$76,199.70 on retirees.

D. Motion was made by Commissioner Rose and seconded by Commissioner Boykin to accept the certified tax roll of \$211,224,892. All voted AYE.

E. Commissioners reviewed medical benefits for retirees that was already approved.

F. Commissioners approved TCDRS rate change.

G. Commissioners reviewed SETX Gov't Employee Benefit Pool and motion made by Commissioner Rose and seconded by Commissioner Boykin to agree to pay employees \$750.00 deductible.

H. Commissioners approved Funchess, Mills, & White to conduct 2021 Audit.

I. Motion was made by Commissioner Rose and seconded by Commissioner Boykin to extend depository contract with Wells Fargo through November 30, 2021. All voted AYE.

J. Motion was made by Commissioner Rose and seconded by Commissioner Boykin to allow securities exchange with Wells Fargo dated September 27, 2021. All voted AYE.

K. Motion was made by Commissioner Rose and seconded by Commissioner Boykin to approve Depository Contract with Allegiance Bank, beginning December 1, 2021 for 4 years. All vote AYE.

L. Superintendent announced that employee Eric Burrell quit his job with the District on August 30, 2021.

4. Project/Equipment Update –

A. Equipment Update

1. Superintendent Folsom reported that chipper has been repaired for a cost of \$1915.76.

B. Project Update –

1. Superintendent Folsom reported that Perez project on I-10 has been completed.

2. Also project on Serrant property on Hwy 124 is complete.

3. Superintendent Folsom reported that the project on 175 acres on Hwy 73 & Kiker Rd has been completed.

4. Superintendent Folsom reported that the District is considering work on drainage issues on Clodfelter property on Englin Rd, David Hix property on East Hamshire Rd., and Tommy Wedling property on Shellhamer Rd.

5. New Business –

A. Meeting Updates – Superintendent Folsom reported that he had a Zoom meeting with LaDonna Waters with TXDOT on September 21, 2021. They discussed the need to improve ditches in the District to allow excess water flow from I-10 project to pass thru the District.

B. No Board Comments –

C. Next regular meeting date was set for Wednesday, November 17, 2021 at 7:30 a.m.

With no further business, meeting adjourned at 9:45 a.m.

LeRoy McCall, Jr. Chairman

Frank R. Rose, Secretary

Reginald C. Boykin, Sr., Commissioner

DRAINAGE DISTRICT NO. 3

Jefferson County, Texas

Maintained Operations Fund

Expenditures

SEPTEMBER 31 TO OCTOBER 15, 2021

DATE	CHECK No.	PAYEE	AMOUNT	DESCRIPTION
9/31/2021	12007*	PAYROLL ACCOUNT	\$ 9,753.50	SALARIES & AUTO ALLOWANCE
9/31/2021	EFT	IRS - FICA TAXES	\$ 1,192.94	FICA TAXES
9/31/2021	EFT	TEXAS COUNTY & DISTRICT RETIREMENT	\$ 936.63	EMPLOYER CONTRIBUTION
9/31/2021	12009*	UNITED HEALTH	\$ 1,103.32	RETIREE MEDICAL SUPPLEMENT
9/31/2021	12032	UNITED HEALTH	\$ 1,104.72	RETIREE RX SUPPLEMENT
9/31/2021	12033	DAVID POOL	\$ 750.00	INSURANCE DEDUCTIBLE REIMBURSEMENT
9/31/2021	12034	GULF COAST SCREW & SUPPLY	\$ 294.58	BOLTS & SCREWS
9/31/2021	12035	GULFWAY LUMBER COMPANY	\$ 61.35	BOLTS & SCREWS
9/31/2021	12036	OFFICE DEPOT	\$ 366.94	COPYING & OFFICE SUPPLIES
9/31/2021	12037	SOUTHERN TIRE MART	\$ 25.95	TIRES & TUBES
9/31/2021	12038	BEAUMONT TRACTOR COMPANY	\$ 1,684.20	TRACTOR REPAIR
9/31/2021	12039	DYNAMIC POWER SYSTEMS	\$ 661.24	EQUIPMENT REPAIR
9/31/2021	12040	WAUKESHA-PEARCE INDUSTRIES	\$ 1,915.76	EQUIPMENT REPAIR
9/31/2021	12041	CENTERPOINT ENERGY	\$ 80.50	NATURAL GAS
9/31/2021	12042	VERIZON	\$ 134.03	MOBILE PHONE SERVICE
9/31/2021	12043	ENTERGY	\$ 330.80	ELECTRICITY
9/31/2021	12044	FRED FOLSOM	\$ 7.00	REIMBURSEMENT FOR TRUCK INSPECTION 2015 DODGE
		TOTAL	\$ 20,403.46	
		checks are out of sequential order due to printer error 9/15/2021		
10/15/2021	12045	PAYROLL	\$ 7,665.50	SALARIES
10/15/2021	12046	SOUTHEAST TX GOVT EMPLOYEE BENEFIT POOL	\$ 10,425.08	INSURANCE - MEDICAL & DENTAL
10/15/2021	12047	COUNTY TREASURER	\$ 23.73	LIFE INSURANCE
10/15/2021	12048	GULF COAST AUTOMOTIVE	\$ 103.48	HOSES & FITTINGS
10/15/2021	12049	WAUKESHA-PEARCE INDUSTRIES, INC.	\$ 208.49	EQUIPMENT REPAIRS
10/15/2021	12050	SHANNA VERRET	\$ 95.85	REIMBURSEMENT FOR TAXES ON DISTRICT MOBILE PHONE & CASE
10/15/2021	12051	CENTERPOINT ENERGY	\$ 39.10	NATURAL GAS - SHOP
10/15/2021	12052	WEST JEFFERSON CO. MWD	\$ 27.67	WATER
10/15/2021	12053	HAMSHIRE WASTE	\$ 68.00	WASTE DISPOSAL
10/15/2021	12054	JUX TECHNOLOGIES	\$ 68.00	WEB SITE HOSTING
10/15/2021	12055	ALLISON GETZ-TAX COLLECTOR	\$ 1,440.18	2021 TAX COLLECTION FEES
10/15/2021	12056	CNA SURETY	\$ 100.00	BOND RENEWAL
		TOTAL	\$ 20,265.08	
		TOTAL	\$ 60,940.62	

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
September 2021

	Sep 21	Budget	Oct '20 - Sep 21	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
REVENUES					
101 - Current Taxes	5,809.66	50,491.33	613,744.12	605,896.00	605,896.00
102 - Delinquent Taxes	3,897.57	666.66	45,157.92	8,000.00	8,000.00
103 - Interest	118.54	416.66	1,345.97	5,000.00	5,000.00
104 - Rendition Penalty	0.00	0.00	0.00	0.00	0.00
106 - Miscellaneous	0.00	0.00	70.64	0.00	0.00
Total REVENUES	9,825.77	51,574.65	660,318.65	618,896.00	618,896.00
Total Income	9,825.77	51,574.65	660,318.65	618,896.00	618,896.00
Gross Profit	9,825.77	51,574.65	660,318.65	618,896.00	618,896.00
Expense					
1 - SALARIES					
1002 - Clerical	3,888.00	3,888.58	46,656.00	46,663.00	46,663.00
1009 - Dept Head / Foreman	5,886.84	5,921.33	70,791.22	71,056.00	71,056.00
1010 - Commissioners	900.00	900.00	10,800.00	10,800.00	10,800.00
1015 - Extra Help	0.00	3,166.66	0.00	38,000.00	38,000.00
1048 - Equipment Operators/Asst	4,832.16	13,465.08	97,024.78	161,581.00	161,581.00
1050 - Over Time	0.00	0.00	0.00	0.00	0.00
Total 1 - SALARIES	15,507.00	27,341.65	225,272.00	328,100.00	328,100.00
2 - FRINGE BENEFITS					
2001 - FICA Expenses	1,192.94	2,401.50	17,034.05	28,818.00	28,818.00
2002 - Retirement	936.63	1,611.16	16,400.78	19,334.00	19,334.00
2003 - Insurance	17,625.83	21,592.16	207,937.18	259,106.00	259,106.00
2004 - Worker's Compensation	0.00	916.66	4,677.00	11,000.00	11,000.00
2006 - Auto Allowance	1,550.00	1,550.00	18,600.00	18,600.00	18,600.00
2007 - Retirement Wage Contg	10.72	2,500.00	338.63	30,000.00	30,000.00
2008 - Health Ins. Savings Acct	750.00	1,187.50	5,281.05	14,250.00	14,250.00
Total 2 - FRINGE BENEFITS	22,066.12	31,758.98	270,268.69	381,108.00	381,108.00
3 - MATERIALS & SUPPLIES					
3006 Batteries	0.00	208.33	1,069.93	2,500.00	2,500.00
3008 Bolts Nuts Nails & Screws	494.78	83.33	494.78	1,000.00	1,000.00
3009 Antifreeze & Coolant	0.00	150.00	0.00	1,800.00	1,800.00
3010 Books & Printed Matter	529.50	416.66	564.50	5,000.00	5,000.00
3012 Prints, Maps & Etc	0.00	83.33	0.00	1,000.00	1,000.00
3014 Chains & Hooks	0.00	41.66	0.00	500.00	500.00
3016 Chemicals Weed Control	0.00	1,083.33	299.97	13,000.00	13,000.00
3018 Cleaners & Solvents	651.36	125.00	1,135.35	1,500.00	1,500.00
3020 Metal Culvert Pipe	0.00	1,250.00	889.20	15,000.00	15,000.00
3022 Copying Supplies	112.99	166.66	1,196.01	2,000.00	2,000.00

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
September 2021

	Sep 21	Budget	Oct '20 - Sep 21	YTD Budget	Annual Budget
3027 Electrical Supplies	0.00	250.00	0.00	3,000.00	3,000.00
3030 Fencing Material	0.00	416.66	0.00	5,000.00	5,000.00
3032 Concrete, Sand, Aggregat	2,322.27	583.33	2,322.27	7,000.00	7,000.00
3034 Diesel Fuel	0.00	2,500.00	9,232.69	30,000.00	30,000.00
3036 Diesel Fuel ON ROAD	0.00	1,250.00	4,516.05	15,000.00	15,000.00
3037 Gasoline	0.00	583.33	1,649.58	7,000.00	7,000.00
3040 Hardware - Misc	554.45	250.00	2,217.39	3,000.00	3,000.00
3041 Hose & Fittings & Filters	0.00	666.66	2,061.98	8,000.00	8,000.00
3048 Lumber, Timbers, Rope	0.00	208.33	0.00	2,500.00	2,500.00
3050 Medical & Safety	0.00	250.00	1,048.67	3,000.00	3,000.00
3051 Motor Oil & Grease	1,073.98	833.33	1,315.30	10,000.00	10,000.00
3056 Paint & Brushes	0.00	83.33	0.00	1,000.00	1,000.00
3072 Rope Wire Manila & Burlap	0.00	66.66	0.00	800.00	800.00
3073 Spare Parts, Heavy Equip	0.00	33.33	0.00	400.00	400.00
3077 Computer Supplies	0.00	125.00	34.99	1,500.00	1,500.00
3078 Office Supplies	253.95	208.33	1,313.42	2,500.00	2,500.00
3080 Steel Angle Iron Rods, Etc	0.00	208.33	0.00	2,500.00	2,500.00
3083 Tires & Tubes	1,298.67	666.66	4,886.87	8,000.00	8,000.00
3084 Minor Equipment	0.00	833.33	4,112.14	10,000.00	10,000.00
3095 Welding Supplies	0.00	166.66	0.00	2,000.00	2,000.00
3099 Sundry	49.10	166.67	812.46	2,000.11	2,000.11
Total 3 - MATERIALS & SUPPLIES	7,341.05	13,958.24	41,173.55	167,500.11	167,500.11
4 - MAINTENANCE & UTILITES					
4001 Cooling and Heating	0.00	83.33	0.00	1,000.00	1,000.00
4009 Building & Structure	0.00	83.33	0.00	1,000.00	1,000.00
4010 Tractors & Mowers	4,250.56	833.33	6,613.32	10,000.00	10,000.00
4011 Equipment Repairs	2,577.00	2,500.00	3,897.05	30,000.00	30,000.00
4013 Marine Craft	0.00	166.66	47.91	2,000.00	2,000.00
4014 - Auto - Truck	913.87	166.66	929.62	2,000.00	2,000.00
4015 Communication Equip	0.00	100.00	0.00	1,200.00	1,200.00
4020 Miscellaneous	0.00	41.66	0.00	500.00	500.00
4030 Tools	74.68	250.00	89.67	3,000.00	3,000.00
4051 Freight	0.00	25.00	0.00	300.00	300.00
4052 Postage	0.00	41.66	252.05	500.00	500.00
4053 Natural Gas/Butane	80.50	291.66	1,529.05	3,500.00	3,500.00
4054 Telephone	134.03	500.00	5,171.34	6,000.00	6,000.00
4056 Electricity	330.80	500.00	3,509.05	6,000.00	6,000.00
4057 Water & Sewer	27.67	166.66	339.32	2,000.00	2,000.00
4058 Garbage Waste Disposal	68.00	100.00	816.00	1,200.00	1,200.00
Total 4 - MAINTENANCE & UTILITES	8,457.11	5,849.95	23,194.38	70,200.00	70,200.00

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
September 2021

	Sep 21	Budget	Oct '20 - Sep 21	YTD Budget	Annual Budget
5 - MISCELLANEOUS SERVICES					
5009 Professional Services	112.00	750.00	8,706.14	9,000.00	9,000.00
5021 Dues & Subscriptions	719.50	241.67	2,842.50	2,900.00	2,900.00
5027 Engineering Fees	0.00	833.33	0.00	10,000.00	10,000.00
5028 Assessor/Collector Fees	0.00	166.66	1,465.80	2,000.00	2,000.00
5029 Attorney Fees	0.00	750.00	0.00	9,000.00	9,000.00
5031 Filing, Records & Photos	0.00	8.33	0.00	100.00	100.00
5032 Accounting Services	0.00	41.66	0.00	500.00	500.00
5036 Treasurer Commision	0.00	83.33	0.00	1,000.00	1,000.00
5038 Supplemenal Tax Refunds	0.00	166.66	0.00	2,000.00	2,000.00
5040 Insurance Autos & Trucks	0.00	500.00	4,051.00	6,000.00	6,000.00
5041 Insurance Property	0.00	300.00	3,520.00	3,600.00	3,600.00
5043 Insurance General Liab	0.00	125.00	701.00	1,500.00	1,500.00
5044 Insurance Official Liab	0.00	166.66	1,623.00	2,000.00	2,000.00
5045 Bonds Surety & Notary	0.00	83.33	242.50	1,000.00	1,000.00
5053 Equipment Rental	360.00	1,041.66	3,430.00	12,500.00	12,500.00
5054 Contract Aerial Spraying	0.00	833.33	0.00	10,000.00	10,000.00
5055 Contract Spraying	0.00	833.33	0.00	10,000.00	10,000.00
5062 Travel & Meeting Expense	0.00	66.66	0.00	800.00	800.00
5064 Training & Education	0.00	125.00	267.00	1,500.00	1,500.00
5074 Independent Auditor Fees	0.00	1,458.33	16,547.66	17,500.00	17,500.00
5095 Bank Service Charges	0.00	250.00	149.66	3,000.00	3,000.00
5098 Appraisal District Fees	993.52	750.00	5,123.66	9,000.00	9,000.00
5099 Sundry	0.00	83.33	0.00	1,000.00	1,000.00
Total 5 - MISCELLANEOUS SERVICES	2,185.02	9,658.27	48,669.92	115,900.00	115,900.00
6 - CAPITAL OUTLAY					
6001 Office Machines	0.00	333.33	0.00	4,000.00	4,000.00
6002 Excavation Equipment	0.00	2,500.00	0.00	30,000.00	30,000.00
6011 Machinery & Equipment	0.00	12,500.00	4,457.34	150,000.00	150,000.00
6014 Building & Structures	0.00	3,416.66	0.00	41,000.00	41,000.00
6022 Furniture & Fixtures	0.00	416.66	0.00	5,000.00	5,000.00
6042 Auto Truck & Trailer	0.00	416.66	0.00	5,000.00	5,000.00
6045 Land/ROW Acquisitions	0.00	416.66	0.00	5,000.00	5,000.00
Total 6 - CAPITAL OUTLAY	0.00	19,999.97	4,457.34	240,000.00	240,000.00
Reconciliation Discrepancies	0.00		-1.00		
Total Expense	55,556.30	108,567.06	613,034.88	1,302,808.11	1,302,808.11
Net Ordinary Income	-45,730.53	-56,992.41	47,283.77	-683,912.11	-683,912.11

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
 September 2021

	Sep 21	Budget	Oct '20 - Sep 21	YTD Budget	Annual Budget
Other Income/Expense					
Other Expense					
Transfer Account	0.00	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00
Net Income	-45,730.53	-56,992.41	47,283.77	-683,912.11	-683,912.11

DRAINAGE DISTRICT No. 3
Statement of Cash Flows
September 2021

	<u>Sep 21</u>
OPERATING ACTIVITIES	
Net Income	-46,816.03
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	365.83
EMPLOYEE PAID EXPENSES:202-0400 Employee Insurance	185.35
EMPLOYEE PAID EXPENSES:202-0600 Employee Retirement	1,085.50
Net cash provided by Operating Activities	<u>-45,179.35</u>
Net cash increase for period	-45,179.35
Cash at beginning of period	<u>1,442,200.03</u>
Cash at end of period	<u><u>1,397,020.68</u></u>

GROUP: DD3 Active
 PERIOD: 1/1/2021-12/31/2021

SUMMARY REPORT

MONTH	PAID MEDICAL CLAIMS	% OF TOTAL CLAIMS PAID	PAID VISION CLAIMS	% OF TOTAL CLAIMS PAID	PAID DENTAL CLAIMS	% OF TOTAL CLAIMS PAID	PAID PRESCRIPTION CLAIMS	% OF TOTAL CLAIMS PAID	TOTAL CLAIMS PAID	ADMIN	TOTAL EXPENSES	BILLED PREMIUM	NET PROFIT/(LOSS)
January	\$ 1,040.74	14.50%	\$ -	0.00%	\$ 450.00	0.00%	\$ 5,687.83	79.23%	\$ 7,178.57	\$ 1,187.58	\$ 8,366.15	\$ 13,195.35	\$ 4,829.20
February	\$ 392.51	33.72%	\$ -	0.00%	\$ 95.00	0.00%	\$ 676.54	58.12%	\$ 1,164.05	\$ 1,452.46	\$ 2,616.51	\$ 16,138.48	\$ 13,521.97
March	\$ 1,121.41	20.55%	\$ -	0.00%	\$ 1,717.50	0.00%	\$ 2,617.02	47.97%	\$ 5,455.93	\$ 1,452.46	\$ 6,908.39	\$ 16,138.48	\$ 9,230.09
April	\$ 986.65	19.61%	\$ -	0.00%	\$ -	0.00%	\$ 4,045.21	80.39%	\$ 5,031.86	\$ 1,452.46	\$ 6,484.32	\$ 16,138.48	\$ 9,654.16
May	\$ 1,405.71	36.75%	\$ -	0.00%	\$ -	0.00%	\$ 2,419.04	63.25%	\$ 3,824.75	\$ 1,452.46	\$ 5,277.21	\$ 16,138.48	\$ 10,861.27
June	\$ 7,007.27	70.25%	\$ -	0.00%	\$ 744.00	0.00%	\$ 2,224.17	22.30%	\$ 9,975.44	\$ 1,452.46	\$ 11,427.90	\$ 16,138.48	\$ 4,710.58
July	\$ 8,200.55	92.80%	\$ -	0.00%	\$ 220.00	0.00%	\$ 416.57	4.71%	\$ 8,837.12	\$ 1,452.46	\$ 10,289.58	\$ 16,138.48	\$ 5,848.90
August	\$ 18,865.57	112.52%	\$ -	0.00%	\$ -	0.00%	\$ (2,099.28)	-12.52%	\$ 16,766.29	\$ 1,452.46	\$ 18,218.75	\$ 16,138.48	\$ (2,080.27)
September													
October													
November													
December													
TOTALS	\$ 39,020.41	67.01%		0.00%	\$ 3,226.50	0.00%	\$ 15,987.10	27.45%	\$ 58,234.01	\$ 11,354.82	\$ 69,588.83	\$ 126,164.71	\$ 56,575.88
MONTHLY AVERAGE	\$ 4,877.55		\$ -		\$ 403.31		\$ 1,998.39		\$ 7,279.25	\$ 1,419.35	\$ 8,698.60	\$ 15,770.59	\$ 7,071.98
ANNUAL PROJECTIONS	\$ 58,530.62		\$ -		\$ 4,839.75		\$ 23,980.65		\$ 87,351.02	\$ 17,032.24	\$ 104,383.25	\$ 189,247.07	\$ 84,863.81
PROJECTED MONTHLY AVERAGE PER ENROLLEE	\$ 812.93		\$ -		\$ 80.66		\$ 333.06		\$ 1,226.65				
PROJECTED MONTHLY AVERAGE PER MEMBER	\$ 487.76		\$ -		\$ 50.41		\$ 199.84		\$ 738.01				

ALLISON NATHAN GETZ
TAX ASSESSOR-COLLECTOR



TERRY WUENSCHERL
CHIEF DEPUTY

October 7, 2021

Drainage District #3
Shanna Verret
P O Box 120
Hamshire, TX 77622

Dear Ms. Verret:

Attached is the **2021 Certified Tax Roll Summary**. Pursuant to the Texas Property Tax Code, Section 26.09, this certified tax roll summary should be approved by your Board of Directors at your next board meeting. After the approval, please return your resolution for retention in the Tax Office.

If you should have any questions or require further information, please feel free to call.

Sincerely,

A handwritten signature in cursive script that reads "Allison Nathan Getz".

ALLISON NATHAN GETZ, PCC
Assessor-Collector of Taxes
Jefferson County, Texas

ANG:ce

Attachment

cc: Fred Folsom
drainage3@jcdd3.org

grandcp.ltr

Tax Collection System - JEFFERSON COUNTY
 Certified Roll Jurisdiction Summary
 Processing For Tax Year: 2021 County Code: ALL Tax Unit: ALL

Jurisdiction: 47 DRAINAGE DISTRICT #3				
Total Parcels:	3,429	Tax Rate:	0.3033350	
Market Value:	320,783,721	State Hom:	0	Opt Hom: 0.2000000
		State O65:	0	Opt O65: 40,000
		Disabled:	40,000	Opt Disabled: 0
AG Exclusion Count:	841	AG Exclusion Amt:	59,051,100	
Timber Exclusion Count:	9	Timber Exclusion Amt:	1,092,825	
HS Capped Count:	414	HS Capped Amt:	9,893,315	
Assessed Value:	250,746,481			
Prorated-Exxv Count/Amt:	44	2,123,263	Freeport Count/Amt:	2 7,311,087
100% Exempt Vet Count/Amt:	9	1,140,861	Pollution Control Count/Amt:	3 154,740
Pro Youth Associations Count/Amt:	1	35,790	Hb366 Count/Amt:	7 1,129
Pro Misc Exempts Count/Amt:	2	13,159		
State Homestead Count:	0	State Homestead Amt:	0	
Local Homestead Count:	728	Local Homestead Amt:	18,827,909	
State Over 65 Count:	0	State Over 65 Amt:	0	
Local Over 65 Count:	256	Local Over 65 Amt:	9,016,597	
Surviving Spouse Count:	0	Surviving Spouse Amt:	0	
State Disabled Count:	0	State Disabled Amt:	0	
Local Disabled Count:	26	Local Disabled Amt:	767,279	
Total VET Count:	14	Total VET Amt:	129,775	
Partial Exempt Values:	28,741,560			
Taxable Value:	211,224,892			
Total Levy Amt:	641,509.88			
Late AG Penalty Count:	8	Late AG Penalty Amt:	150.58	
Late Rendition Penalty Count:	19	Late Rendition Penalty Amt:	640.48	
Frozen Account Count:	0			
Frozen Homesite Value:	0			
Frozen Taxable Value:	0			
Unfrozen Levy Amt:	0.00			
Frozen Levy Amt:	0.00			
Frozen Levy Loss Amt:	0.00			
Total Non-Exempt Parcel Count:	3,429			

RESOLUTION

BE IT RESOLVED PURSUANT TO THE TEXAS PROPERTY TAX CODE, SECTION 26.09, THAT THE BOARD OF DIRECTORS OF DRAINAGE DISTRICT #3 HEREBY APPROVE THE 2021 TAX ROLL THIS 27th DAY OF October, 2021.

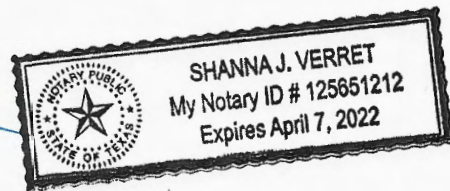
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For Drainage District #3

Sworn to and subscribed before me, the undersigned authority, this 27th day of October, 2021.

Shanna J. Verret

Notary Public in and for the State of Texas



September 23, 2021

Dear Retiree,

We have important news to share with you about your 2022 Post-65 Retiree Benefits.

To provide the best insurance value available, factoring coverage, service, and price, **Texas Association of Counties Health and Employee Benefits Pool (TAC HEBP)** has made the decision to partner with **Amwins Group Benefits, LLC** to enhance CountyChoice Silver, a Post-65 healthcare program and services for 2022.

The new CountyChoice Silver Post-65 retiree health-care program will be effective **January 1, 2022** and will either closely match or offer better benefits when compared to the existing UnitedHealthcare package.

Program enrollment and servicing will be handled by **Amwins Group Benefits, LLC.**, a division of Amwins Group, Inc. Amwins is known for its high customer service standard and will be managing your policy as well as handling monthly payment processing.

For Post-65 retiree coverage effective January 1, 2022, your county or district entity will continue to offer the package that was offered in 2021. These are custom benefit plans and are only available through TAC HEBP CountyChoice Silver (CCS) program for Post-65 retirees.

Attached to this letter is a summary outlining your plan benefits.

If you would like to remain in your existing plan options for 2022, there is no action required of you at this time. Unless we hear from you, you will be automatically enrolled in your current plans.

If your coverage is currently billed to the County, that will continue. If you pay for your coverage directly, you will receive a bill from Amwins in December.

If you would like to request that you not be enrolled into the new plan effective January 1, 2022, please call the Amwins Group Benefits Customer Care Center at **1-855-419-5720**, 7 a.m. – 7 p.m. local time, Monday through Friday no later than **October 15, 2021**.

(continued on reverse)

Important Information:

You must continue paying your Medicare Part B premium to be eligible for coverage under the Group Retiree Medical and Prescription Drug Plan.

2022 Post-65 Retiree Enrollment Timeline

Below are key dates you need to be aware of to ensure you enroll on time.

Function	Amwins Post-65 Retiree Benefits
Retiree Enrollment Change Request Deadline	October 15, 2021
Welcome Kits to Retirees	To arrive before January 1, 2022
ID Cards	To arrive before January 1, 2022

Next Steps

- Read the attached introduction to the Amwins Group Retiree Healthcare Plans.
- Our Amwins Customer Care Center is ready to assist you with any questions you may have regarding your new program.

We are excited to bring these options to our Post-65 Retirees. This is one more way we are able to meet our mission of bringing members together to provide quality health care benefits to our retirees at an exceptional value.

Sincerely,

CountyChoice Silver
Texas Association of Counties Health and Employee Benefits Pool

Introducing the Amwins Group Retiree Healthcare Plans

Below you will find highlights of the new Amwins plans. Amwins will send you more of your plan details in the mail shortly. Until then, Amwins is ready for any questions you have. Call the Amwins Customer Care Center toll-free at **1-855-419-5720**, 7 a.m. – 7 p.m. local time, Monday through Friday.

If not already enrolled in a Prescription Drug Plan, the Transamerica Retiree Medical Plans and the Retiree RxCare Prescription Drug Plan can be paired together for your medical and prescription drug coverage. Below, you can find highlights of what these plans offer.

The **Transamerica Retiree Medical Plan** is a medical insurance plan that helps pay for some or all of the costs Original Medicare (Parts A and B) doesn't cover. You will receive a new Medical ID card and welcome materials from Amwins before January 1st.

The **Retiree RxCare Group Prescription Drug Plan** helps cover some of your prescription drug costs. This plan is also known as a Medicare Part D plan. If you are enrolled in this plan you will receive a new Prescription Drug ID card and welcome materials from Amwins before January 1st. Some highlights of this plan include:

- Convenient home delivery of your prescription drugs.
- Medication Therapy Management (MTM) is a free service that is being offered by Retiree RxCare to help you get better results from your medications.
- Retiree RxCare provides free aids and services to people with disabilities to communicate effectively, such as: written information in large print and electronic formats.
- Retiree RxCare also provides free language services to people whose primary language is not English, such as: Qualified interpreters and information written in other languages.

If you have any questions regarding your current Prescription Drugs, please call the Amwins Group Benefits Customer Care Center at **1-855-419-5720**, 7 a.m. – 7 p.m. local time, Monday through Friday

Again, If you would like to remain in your existing package option for 2022, there is no action required of you at this time.

Voluntary Dental and Vision Plans

If you are in need of Dental or Vision Benefits, the Amwins Customer Care Team is ready to assist you with your enrollment into a dental or vision plan that best fits your geographical location and budget. Please call an Amwins Group Benefit Specialists at **1-855-419-5720**, 7 a.m. – 7 p.m. local time, Monday through Friday, to find the best plan for you.



Medicare (Part A) – Hospital Services	Medicare Pays	Plan Pays	You Pay
HOSPITAL CONFINEMENT BENEFIT*			
Semiprivate room and board, general nursing and miscellaneous services and supplies:			
First 60 days	All but \$1,484	\$1,484 (Part A deductible)	\$0
61 st through 90 th day	All but \$371 per day	\$371 per day	\$0
91 st through 150 th day (while using 60 lifetime reserve days)	All but \$742 per day	\$742 per day	\$0
Once Lifetime Reserve days are used:			
Additional 365 days:	\$0	100% of Medicare Eligible Expenses	\$0
Beyond the Additional 365 days:	\$0	\$0	All costs
SKILLED NURSING FACILITY CARE*			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital:			
First 20 Days	All approved amounts	\$0	\$0
21 st through 100 th day	All but \$185.50 a day	Up to \$185.50 a day	\$0
101 st day and after	\$0	\$0	All costs
BLOOD DEDUCTIBLE – Hospital Confinement and Out-Patient Medical Expense			
When furnished by a hospital or skilled nursing facility during a covered stay.			
First 3 pints	\$0	3 pints	\$0
Additional amounts	100%	\$0	\$0
HOSPICE CARE			
Available as long as your doctor certifies you are terminally ill and you elect to receive these services.	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance
Medicare (Part B) – Medical Services	Medicare Pays	Plan Pays	You Pay
OUT-PATIENT MEDICAL EXPENSES - In or Out of the Hospital and Out-Patient Hospital Treatment , such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment:			
Medicare Part B Deductible: First \$203 of Medicare-approved amounts**	\$0	\$203 (Part B Deductible)	\$0
Remainder of Medicare-approved amounts	Generally 80%	Generally 20%	0%
Part B Excess Charges (Above Medicare Approve Amounts)	\$0	100%	0%

Medicare (Part B) – Medical Services	Medicare Pays	Plan Pays	You Pay
BLOOD			
First 3 pints	\$0	All costs	\$0
Next \$203 of Medicare Approved Amounts**	\$0	\$203 (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES			
Blood tests for Diagnostic Services	Blood tests for Diagnostic Services	Blood tests for Diagnostic Services	Blood tests for Diagnostic Services
Medicare (Parts A & B)	Medicare Pays	Plan Pays	You Pay
HOME HEALTH CARE – Medicare Approved Services:			
Medically necessary skilled care services and medical supplies	100%	\$0	\$0
DURABLE MEDICAL EQUIPMENT			
First \$203 of Medicare Approved Amounts**	\$0	\$203 (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0
Benefits Not Covered by Medicare	Medicare Pays	Plan Pays	You Pay
FOREIGN TRAVEL - Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA:			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of charges	\$0	80% to a lifetime maximum of \$50,000	20% and amounts over the \$50,000 lifetime max

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

**Once you have been billed the first dollars of Medicare-Approved amounts for covered services (which are noted with two asterisks), your Medicare Part B Deductible will have been met for the calendar year.

Benefits are paid only for those expenses which have been approved as eligible by the Federal Medicare program.

Benefits will not be paid for any expenses which are not determined to be Medicare Eligible Expenses by the Federal Medicare Program or its administrators, except as otherwise specified.

This policy's renewability, cancellability and termination provisions are at the option of the group policy holder except in cases of non-payment of premium

The summary of program benefits described herein is for illustrative purposes only. In case of differences or errors, the Group Policy governs.

Description	Rx Option 1
Prescription Drug Plan	Custom Plan
Part D Gap Coverage	Full Gap Coverage
Rx Deductible	\$0
Formulary	Retiree RxCare Part D
PART D 30 DAY STANDARD RETAIL SUPPLY	
NOTE: 90 DAY RETAIL SUPPLY IS AVAILABLE FOR 3X COPAY AMOUNT	
Tier 1: Generic	\$5
Tier 2: Preferred Brand	\$25
Tier 3: Non-Preferred Brand	\$60
Tier 4: Specialty Tier	25%
PART D 90 DAY STANDARD MAIL ORDER SUPPLY	
Tier 1: Generic	\$10
Tier 2: Preferred Brand	\$50
Tier 3: Non-Preferred Brand	\$120
Tier 4: Specialty Tier	25%
Initial Coverage Limit	\$4,430
TrOOp Threshold	\$7,050
Catastrophic Coverage over TrOOp (greater amount of)	2022 Standard CMS Values
Copay for Generics	\$3.95
Copay for all other drugs	\$9.85
OR Coinsurance	5%

GROUP RETIREE PAYMENT SUMMARY

TAC HEBP 2022 Payment Summary		
<u>Plan Name</u>	<u>Plan Provider</u>	<u>Cost Per Month*</u>
Group Retiree Medical Plan	Transamerica	\$261.00
Group Retiree Part D Plan	Retiree RxCare	\$264.80

*The costs above reflect the full monthly cost and do not include your employer subsidy, if applicable.

Special Note Regarding 2022 Plan Assessments

TCDRS' long-term outlook anticipates that rates and returns will remain below historical norms. The forecasts show decreased returns across all asset classes. Soundness requires synchronizing assumptions with expectations. Thus, the TCDRS board reduced the investment return assumption to 7.5%. A reduction in the assumption was consistent with the recommendation of Milliman, our consulting actuaries. The investment return assumption is important as it determines how much benefit funding is expected to come from investments versus employer contributions. In addition, the inflation assumption has also been decreased to 2.5% which impacts wage growth and payroll growth.

These assumptions are reflected in this valuation and most employers will see increases in their required contribution rates for 2022. Supporting employers through this transition is TCDRS' most important investment. The board has used a portion of system reserves and re-amortized liabilities to help mitigate the increases. In addition, one of TCDRS' strengths is that employers have the ability to annually adjust benefits based on local needs and budgets. If employers need to reduce costs, TCDRS staff is available to help you understand your options.



Plan Assessment for Plan Year 2022
Jefferson County Drainage District #3 – 404
Participation Date – 2/1/1968

It's that time of year again — time to look at your TCDRS retirement plan and decide whether or not your benefits are adequate and affordable. This plan assessment will give you an overview of the benefits you provide as well as how much it will cost to provide these benefits in the upcoming plan year.

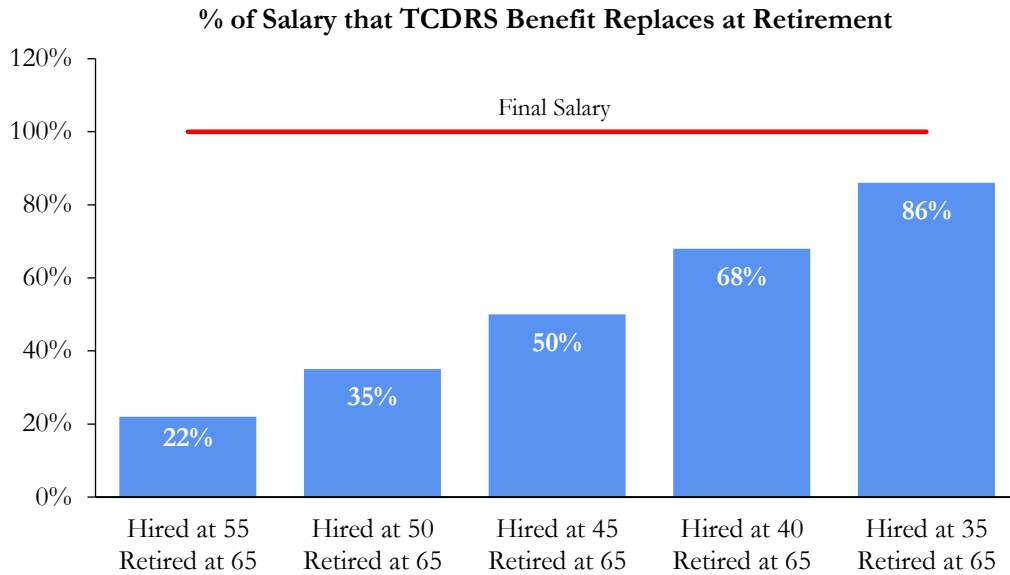
	2022 Plan
Basic Plan Options	
Employee Deposit Rate	7%
Employer Matching	200%
Prior Service Credit	No Employees Eligible
Retirement Eligibility	
Age 60 (Vesting)	10 years of service
Rule of	80 years total age + service
At Any Age	30 years of service
Optional Benefits	
Partial Lump Sum	Yes
Group Term Life	None
Retirement Plan Funding	
Total Normal Cost Rate	16.06%
Employee Deposit Rate	<u>-7.00%</u>
Employer-Paid Normal Cost Rate	9.06%
UAAL / (OAAL) Rate	<u>0.02%</u>
Required Rate	9.08%
Elected Rate	N/A
Total Contribution Rate	
Retirement Plan Rate	9.08%
(greater of required and elected rate)	
Group Term Life Rate	<u>N/A</u>
Total Contribution Rate	9.08%
Valuation Results (Dec. 31, 2020)	
Actuarial Accrued Liability	\$1,894,290
Actuarial Value of Assets	<u>\$1,900,702</u>
Unfunded / (Overfunded) AAL	(\$6,412)
Funded Ratio	100.3%

Notes:

No COLAs have been adopted.

What You Are Providing

The TCDRS benefit is based on employee deposits, which earn 7% compound interest each year, and employer matching at retirement. The following chart shows the estimated TCDRS benefit as a percentage of final salary prior to retirement for a new hire:

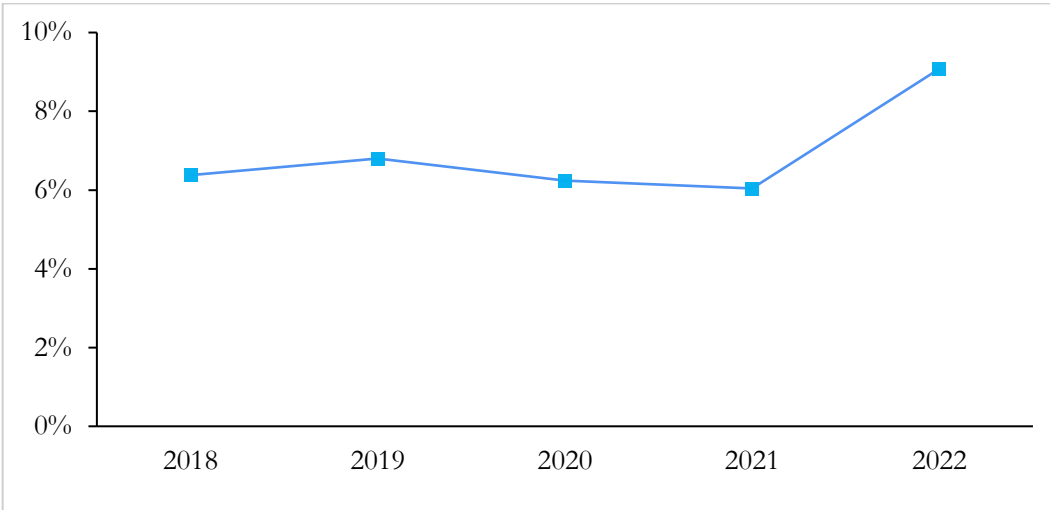


Assumptions

- Employees are new hires and will work for you until retirement.
- Your current plan provisions will remain in effect through an employee's retirement.
- Current laws governing TCDRS will continue as they are.
- Graded salary scales give bigger raises early in careers, with smaller raises later in careers (see Summary Valuation Report at [TCDRS.org/Employer](https://www.tcdrs.org/Employer)).
- Based on Single Life benefit.

Reasons for Rate Change

Below is a record of your required rate history for your retirement plan over the last five years.



Reasons for Rate Change	2018-2019	2019-2020	2020-2021	2021-2022
Beginning Rate	6.38%	6.80%	6.24%	6.04%
Plan Changes Adopted	0.00%	0.00%	0.00%	N/A
Investment Return	-1.22%	0.70%	-0.54%	-0.54%
Elected Rate/Lump Sum	0.00%	0.00%	0.00%	0.00%
Demographic/Other Changes	1.23%	-1.26%	0.34%	0.84%
Assumptions/Methods ⁽¹⁾	0.41%	0.00%	0.00%	2.74%
Ending Rate	6.80%	6.24%	6.04%	9.08%
Valuation Year	2017	2018	2019	2020
Funded Ratio	102.8%	101.9%	102.1%	100.3%

1. 2021-2022: Includes reductions to the investment return and inflation assumptions, and method adjustments designed to mitigate the impact of the reductions.

A complete Summary Valuation Report for the Dec. 31, 2020 valuation will be available mid-May at TCDRS.org/Employer.

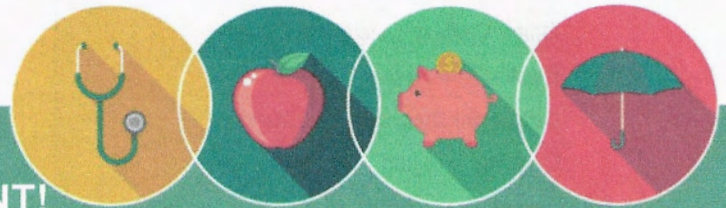
Next Steps

If you are interested in making plan changes, please contact your Employer Services Representative at 800-651-3848. Your benefit selections are due by Dec. 15, 2021.

2022 Annual Enrollment Benefits Guide

Health - Financial - Work-Life

October 15—29, 2021



WELCOME TO ANNUAL ENROLLMENT!

Annual Enrollment is the only opportunity you have to make changes to your 2022 Benefits Plan, unless you have a qualifying event. This guide provides an overview of your benefits so be sure to review all the benefits offered and carefully make your elections to ensure you and/or your family have the coverage you need.

Enrollment

Re-enrolling in coverage during Annual Enrollment is optional. However, it is important to review your current elections and your eligible dependents. It is your responsibility to remove a dependent who no longer meets eligibility requirements (divorced spouse, child attained age 26, etc.). Please note the following:

- **If you take no action by October 30, 2021**, you and your dependents will receive the same medical, dental, life insurance and disability insurance benefits you had in 2021.
- **Adding new dependents** will require supporting documentation to show proof of eligibility before enrollment in 2022 plans.
- **To make changes**, please submit a Benefits Enrollment and Change Form to Shanna.
- **Changes made during Annual Enrollment** are effective January 1—December 31, 2022.

What's Changing for 2022

- **No Plan Changes for Medical or Dental**

Choose Carefully!

Due to IRS regulations, you cannot change your elections until the next Annual Enrollment period, unless you have a qualified life event during the year. Following are examples of the most common qualified life events:

- Marriage or divorce
- Birth or adoption of a child
- Child reaching the maximum age limit
- Death of a spouse or child
- You lose coverage under your spouse's/RDP's plan
- You gain access to state coverage under Medicaid or CHIP

Making Changes

To make changes to your benefit elections, you must contact Shanna at the Drainage District No. 3 office within 30 days of the qualified life event (including newborns). Be prepared to show documentation of the event such as a marriage license, birth certificate or a divorce decree. If changes are not submitted on time, you must wait until the next Annual Enrollment period to make your election changes.

Medical Plan

Below is a high-level overview of the coverage available and what you pay. For complete coverage details, please refer to the Summary Plan Description (SPD).

Key Medical Benefits	UHC PPO In-Network Only
Deductible (per calendar year)	
Individual / Family	\$750 / \$2,250
Out-of-Pocket Maximum (per calendar year)	
Individual / Family	\$3,000 / \$5,500
Covered Services	
Employee Health Clinic	\$0
On-Site Neuromuscular Program (NCS)	\$0
Doctor Virtual Visit	\$0
Office Visits (physician/specialist)	Deductible then 20%
Routine Preventive Care	No charge
Outpatient Diagnostic (lab/X-ray)	Deductible then 20% (Preferred Lab paid at 100%)
Complex Imaging	Deductible then 20%
Ambulance	Deductible then 20%
Emergency Room	*\$250 copay for Hospital ER / \$500 Copay for Free Standing ER, Deductible then 20% (\$2,000 ER Copay Maximum)
Urgent Care Facility	\$100 copay
Inpatient Hospital Stay	Deductible then 20%
Outpatient Surgery	Deductible then 20%

Express Scripts Prescription Drug

Prescription Drug coverage is through Express Scripts. Visit www.ExpressScripts.com to learn more about the plan.

Drug Type	Retail 30 Day Supply	Retail 90 Day Supply	Express Scripts Mail Order
\$0 Copay Generic Drugs	\$0 copay for generic statins and generic oral anti-diabetic drugs		
Over-the-Counter Drugs	\$2	\$6	\$6
Generic	The greater of: \$10 or 20%	The greater of: \$30 or 20%	\$20
Preferred Brand	The greater of: \$25 or 30%	The greater of: \$70 or 30%	\$85
Non-Preferred Brand	The greater of: \$50 or 40%	The greater of: \$130 or 40%	\$160
Specialty	\$60 Copay with a 30-day supply limit. Must be filled through Express Scripts Specialty Pharmacy, Accreddo.		

* The plan covers **OTC Nasal Sprays**: Flonase Allergy OTC, Nasacort Allergy 24HR and Rhinocourt OTC; **Non-sedating Antihistamines**: Allegra, Claratin, Xyzal Allergy & Zyrtec; **Proton Pump Inhibitors**: Nexium 24 hr, Prevacid 24 hr, Prilosec OTC and Zegerid OTC. Your prescription must state "OTC" for the drugs to be covered for \$2 copay. **Mandatory Generic**—If you or your provider request a brand drug when a generic is available, you will pay the brand copay plus the cost difference between the brand & generic.

Vision Plan

A Vision Plan is included, at no additional cost, for those members enrolled in the UHC Medical Plan.

The Vision Plan is a separate network from the medical network. The vision plan gives you the freedom to seek care from the provider of your choice. However, you will maximize your benefits and reduce your out-of-pocket costs if you choose a provider who participates in the Vision network.

Following is a high-level overview of the coverage available.

Key Vision Benefits	In-Network	Out-of-Network Reimbursement
Exam Copay (once yearly)	\$0	N/A
Exam Allowance	Covered 100%	Up to \$52

Dental

Dental Coverage is offered through UHC*. Following is a high-level overview of the coverage available and what you pay.

Key Dental Benefits	High Dental
Deductible (per calendar year)	
Individual / Family	\$50 / \$150
Benefit Maximum (per calendar year; Preventive, Basic, and Major Services combined)	
Per Individual	\$1,500
Covered Services	
Preventive Services	No charge
Basic Services	Deductible then 20%
Major Services	Deductible then 50%
Orthodontia	Deductible then 50%; \$1,500 Max. Benefit

*Your plan does not require you to use an in-network provider; however, if you use an in-network provider, you will receive a greater discount for services.

Disability Insurance

Long-Term Disability insurance provides benefits that replace part of your lost income when you become unable to work due to a covered injury

Long-Term Disability	
Benefits begin.....	After 90 days of disability
The plan pays.....	Up to 60% of your monthly earnings Limit: \$6,000 Monthly
Benefits generally continue.....	Until your disability ends or you reach age 65 or Social Security Retirement age

Life and AD&D

Life Insurance provides your named beneficiary(ies) with a benefit in the event of your death. **Accidental Death and Dismemberment (AD&D) Insurance** provides specified benefits to you in the event of a covered accidental bodily injury that directly causes dismemberment (i.e., the loss of a hand, foot, or eye). In the event that your death occurs due to a covered accident, both the Life and the AD&D benefit would be payable.

Basic Life/AD&D (Company-paid)

This benefit is provided at **NO COST** to you.

Benefit Amount	
	1 times your base salary up to a \$100,000 maximum

Supplemental Life/AD&D (Employee-paid)

If you determine you need more than the basic coverage, you may purchase additional coverage through for yourself and your eligible family members.

	Benefit Option	Guaranteed Issue*
Employee	\$10,000 increments; minimum of \$10,000 up to \$400,000	\$150,000
Spouse/RDP	\$5,000 increments; minimum of \$10,000 up to \$250,000 (not to exceed 100% of your basic and additional life coverage)	\$10,000
Child(ren)	Under age 26 - Up to \$10,000	\$10,000

*During Annual Enrollment, you may increase your Supplemental Life amount by \$10,000 (\$5,000 for your spouse) up to the Guaranteed Issue amount without providing Evidence of Insurability (EOI). If EOI is required, you must submit the form to Standard Insurance (do NOT submit to Shanna or SETGEBP).

NCS Treatment Program

NCS can resolve most problems in less than 4 treatment sessions (sessions are 15 minutes long). Treatment is done on-site, at a County location, and is free to employees and their dependents (MUST be enrolled in the UHC Medical Plan in order to participate).

NCS can treat the following:

Sciatica Back Pain Wrist Pain Hip Pain
Shoulder Pain Knee Pain Migraines Other Pain

Make an appointment at:

- www.nmcsonline.com/SETGEBP
- Select "Create New Account" and complete the on-screen form
- Select "Appointment" and choose your preferred location/date/time and make a minimum of 4 appointments (appointments cannot be on consecutive days)
- Questions? Contact NCS at 817-380-4183

Free Standing ER Copay Changes

After you meet your plan deductible, you'd pay a \$500 copay plus 20% coinsurance for a single visit to a freestanding ER. You also have a separate Out-of-Pocket Max of \$2,000 (this is in addition to the \$3,000 individual Out-of-Pocket Max). If you need to be admitted to the hospital and have to be transported, you would incur additional costs versus going straight to a hospital-based ER.

However, the copay for care in a hospital-based ER is \$250.

- **Use the ER wisely**—Visit the ER for *life-threatening emergencies only*
- **Go to the right place for care**—Use urgent care or walk-in clinics for non-life-threatening emergencies
- **Use the UHC myNurseLine**—Call the 24-hour Nurse Line at 1-888-567-4659 to get guidance from a trained nurse if you are not sure where to go for care
- **Have a Virtual Visit with a board-certified physician 24/7**—Schedule a Virtual Visit on myuhc.com for \$0 copay
- **Use the Employee Health Clinic**—Schedule an appointment with the Employee Health Clinic for \$0 copay

What's a Freestanding ER?

- Freestanding ERs aren't typically in-network. Freestanding ERs usually aren't affiliated with a hospital; they are often owned by independent groups or individuals.
- Because they're not contracted with UHC, you're not protected by a negotiated rate like you are if you use a hospital-affiliated ER that is in-network.

How can you tell it's a Freestanding ER?

- Freestanding ERs aren't attached to hospitals and are required by law to have the word "Emergency" in their signage.

Contact Information

Coverage	Carrier	Phone #	Website/Email
Medical	United HealthCare	(888) 567-4659	www.myuhc.com
Dental	United HealthCare	(877) 816-3596	www.deltadental.com
Vision	United HealthCare	(800) 638-3120	www.myuhc.com
Prescription Drug	Express Scripts	(800) 282-2881	www.ExpressScripts.com
Life/AD&D (SETGEBP)	Standard Insurance	(409) 835-8672, Option1	N/A
Long Term Disability (SETGEBP)	Reliance Standard	(409) 835-8672, Option1	N/A

Questions?

If you have additional questions, you may also contact:

Southeast Texas Government Employee Benefits Pool
(409) 835-8672 Option 1

Drainage District No. 3 HR Team
(409) 246-3495



DISCLAIMER: The material in this benefits brochure is for informational purposes only and is neither an offer of coverage or medical or legal advice. It contains only a partial description of plan or program benefits and does not constitute a contract. Please refer to the Summary Plan Description (SPD) for complete plan details. In case of a conflict between your plan documents and this information, the plan documents will always govern. **Annual Notices:** Various federal laws require that employers provide disclosure and annual notices to their plan participants. The company will distribute all required notices annually.



TERRY S. WHIDDON, CPA
RYAN C. HARKEY, CPA
KIMBERLY E. PENNY, CPA
PATTI R. MITCHELL, CPA

DAVID E. WHITE, CPA
(1952-2020)

October 8, 2021

Jefferson County Drainage District No. 3
LeRoy McCall, Jr., Chairman
P.O. Box 120
Hampshire, Texas 77622

Dear Mr. McCall:

We are pleased to confirm our understanding of the services we are to provide Jefferson County Drainage District No. 3 for the year ended September 30, 2021. We will audit the financial statements of the governmental activities, and fiduciary fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of Jefferson County Drainage District No. 3 as of and for the year ended September 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Jefferson County Drainage District No. 3's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Jefferson County Drainage District No. 3's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedule
3. Schedule of Change in Net Pension Liability and Related Ratios
4. Schedule of Employers Contributions
5. Schedule of Changes in OPEB Liability and Related Ratios

We have also been engaged to report on supplementary information other than RSI that accompanies Jefferson County Drainage District No. 3's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Annual Audit Report Requirements for Texas Water Districts and Authorities.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Jefferson County Drainage District No. 3's financial statements. Our report will be addressed to Board of Directors of Jefferson County Drainage District No. 3. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgement prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financials statements, depreciation schedule and related matters.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Jefferson County Drainage District No. 3's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements of Jefferson County Drainage District No. 3 in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. We will also assist in preparing the District's depreciation schedule based on information provided by you. The other services are limited to the financial statements services and depreciation schedule previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. Management is responsible for the preparation of the depreciation schedule.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services, depreciation schedule and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of FMW, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of FMW, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a federal agency, or its designee. The federal agency or its designee may intend or

decide to distribute the copies or information contained therein to others, including other governmental agencies.

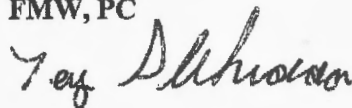
We expect to begin our audit on approximately November 15, 2021 and to issue our reports no later than February 12, 2022. Terry S. Whiddon, CPA is the engagement principal and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to Jefferson County Drainage District No. 3 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

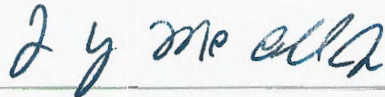
FMW, PC



RESPONSE:

This letter correctly sets forth the understanding of Jefferson County Drainage District No. 3.

Governance
Signature:



Title:

Leroy McCall, Jr., Chairman



September 24, 2021

Jefferson County Drainage District No. 3
Charlie Hallmark, County Treasurer
1149 Pearl Street
Beaumont, Texas 77701

Mr. Hallmark,

Wells Fargo is honored to serve as the depository bank for the Jefferson County Drainage District # 3 and is offering to extend the terms of the existing contract through November 30, 2021.

All expressed and implied services granted under the current depository contract would be honored for this extended contractual period.

We appreciate your business and look forward to continuing our successful relationship. Please let us know if we can assist with the transition to the District's new depository bank.

Best regards,

Orlando A. Saenz, CTP

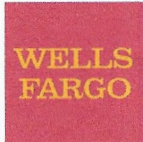
**Vice President, Relationship Manager
Government Banking**

Wells Fargo Commercial Banking
12650 N. Featherwood Dr. Ste 210 | Houston, TX 77034
MAC T0170-021 | Phone: (281) 971-2160 | Cell: (346) 262-6035

Orlando.A.Saenz@wellsfargo.com



MM BMO
 Public Funds Collateral Management Team
 333 Market Street 4th Floor
 MAC: A0109-040
 San Francisco, CA 94105



September 10, 2021

Jefferson County Drainage Dist 3
 Attn: Shanna Verrett

Tel#: 409-243-3495
 Fax#: 409-839-2347
 Email: sverret@windstream.net

Subject: Request to Release and Substitute collateral PL-0001221

Respond by: 09/14/2021

Wells Fargo Bank, N.A. currently holds pledged collateral in the name of your organization to cover your deposits in excess of FDIC insurance limits. Currently FDIC insures the deposits of governmental accounts on a per Official Custodian basis as follows: the aggregate balances in demand deposits accounts are insured up to \$250,000 per Official Custodian and the aggregate balances in time and savings accounts are insured up to \$250,000 per Official Custodian.

Total deposits net FDIC as of: 09/09/2021 \$ 1,322,910.99
 (Total deposits less applicable FDIC insurance x collateral requirement)

Total Market Value of Collateral held as of 09/09/2021 \$ 1,801,219.85

Market Value of Collateral after transaction will be equal or greater than current market value. Please sign and fax back to me at **866-686-5441** for processing. If you have any questions, please call me at **877-479-6603**.

Sincerely,

Sheila Lynch, Vice President

Please accept this letter as a formal request to RELEASE the following securities for WUB564/ ABA: 121-000-248:

CUSIP	Security Description	Original Face	Market Value
3132A5GQ2	FR ZS4707	1,446,223.00	\$391,598.00

Please accept this as a Substitution:

CUSIP	Security Description	Original Face	Market Value
31418DHK1	FN MA3833	950,000.00	\$394,216.00

The Federal Reserve Bank requires verbal confirmation of your release approval. Please expect a call from a Federal Reserve Bank Representative to confirm this transaction.

Customer: Jefferson County Drainage Dist 3

[Handwritten Signature]
 (Customer) Authorized Signature

LeRoy McCall, Jr.
 Print Name

September 27, 2021
 Date

drainage3@jcdd3.org

409-243-3495

Email Address

Telephone #

Wells Fargo Bank, N.A.

Together we'll go far



DEPOSITORY CONTRACT

This Depository Contract ("Contract") is made and entered into by and between **JEFFERSON COUNTY DRAINAGE DISTRICT NO. 3**, a Special District of the State of Texas, whose address is 24460 Walden Highway 124, Hamshire Jefferson County, Texas, 77622, hereinafter referred to as "**District**" and **ALLEGIANCE BANK**, a financial institution chartered under the laws of the Office of the Comptroller of the Currency ("**Bank**" and/or "**Depository**") whose address is 55 I-H 10 N, Beaumont, Texas 77707.

RECITALS

1. The District desires to deposit public funds to (1) comply with the law, (2) insure the highest degree of safety and security of public funds, (3) insure that all obligations of the District are met on a timely basis, with the assistance of reliable, dependable and timely commercial bank services, (4) maximize the total dollars earned by the District with interest bearing accounts in order to be prudent and effective custodians of the taxpayer's financial resources, (5) cooperate with a bank that is committed to be attentive to the District's money matters and maintain a good working relationship with the District, and (6) compensate Bank for services provided; and

2. Bank desires to maintain such deposits and secure public funds under certain specified terms and conditions. In accordance with section 116 of the Texas Local Government Code, Bank submitted its written bid proposal and Best and Final Offer in response to Jefferson County's request for proposals, on behalf of the District, and the District through its Board of Commissioners accepted the Bank's proposal as the Depository for the funds herein stated.

3. The parties agree that in the event of any conflict among the documents reference in this AGREEMENT, the order of precedence shall be as follows: 1) this AGREEMENT; 2) Exhibit A: Best and Final Offer; 3) Exhibit B: Bank's Response to Jefferson County's Formal Request for Proposal for "RFP# 21-008/DC" specific to "Jefferson County Drainage District No. 3's Depository Contract"; and 4) Exhibit C: Jefferson County's Formal Request for Proposal on behalf of the District, RFP# 21-008/DC, including any, and all Addendums.

In consideration of these purposes and of the mutual covenants and agreements contained in this Depository Contract, it is agreed as follows:

1. TERM

1.1 Term This Contract shall commence on December 1, 2021 and remain in full force and effect for a period of four (4) years.

1.2 Option At termination of the primary term of this Contract, parties shall have the option to extend the Contract for two one-year extensions, under the same terms and conditions provided Bank is not then in default of any term, condition, or covenant in this Contract and provided both parties agree to an extension.

2. EXCHANGE OF INFORMATION In performance of this contract, the parties agree that the following individuals may be contacted for information or inquiries:

A. Bank Personnel

<u>Information/Inquiry</u>	<u>Contact Person</u>	<u>Title</u>
Account Executive Transmission	Josh Rodriguez	VP Government Banking
Accounting/ Customer Service	Josh Rodriguez	VP Government Banking
Deposit Discrepancies	Josh Rodriguez	VP Government Banking
Processing Procedures	Josh Rodriguez	VP Government Banking
Credit Card Merchant Services	Josh Rodriguez	VP Government Banking
Investments/ Pledged Securities	Josh Rodriguez	VP Government Banking

B. District Personnel

<u>Information/Inquiry</u>	<u>Contact Person</u>	<u>Title</u>
General Information	Shanna Verrett	Administrative Assistant
Investments, Pledged	Charlie Hallmark	Treasurer, Jefferson County
Securities, Safekeeping	Charlie Hallmark	Treasurer, Jefferson County
Investments, Bookkeeping	Charlie Hallmark	Treasurer, Jefferson County

3. SERVICES AND COSTS

Allegiance Bank, as such Depository hereby acknowledges itself duly and firmly bound for the faithful performance of all of the duties and obligations devolving by law upon it as such Depository; that all funds deposited with it as such Depository shall be faithfully kept by it as such Depository and accounted for according to law; that with respect to the funds belonging to the District, or under its jurisdiction and control, it will, in accordance with applicable law, pay on due and proper presentation all checks and drafts drawn upon it as such Depository of said District, when sufficient collected funds are on deposit therefore in accordance with applicable law.

3.1 Receipt and Safekeeping of Funds:

3.1.1 Generally. Bank agrees to receive and safely keep any and all public funds offered for deposit by the District and to reimburse and pay same to the District, or whoever may be lawfully entitled to receive same upon request. The District agrees to pay fees subject to the results of the monthly account analysis, which is more fully described in paragraph 3.4.3.

3.1.2 Types of Accounts. Bank shall at all times maintain any and all bank accounts open and held in the name of the District, which accounts may include but not be limited to, the following types: checking accounts, and any number of additional accounts necessary by the District during the term of this contract.

- 3.1.3 Crediting Deposits. Bank agrees that all deposits, with the exception of Electronic Deposit Service (Check21), including Automatic Clearing House (“ACH”) and wire transfers will be credited to the District on date of deposit. Electronic Deposit Service (Check21) will be credited on the next business day.
- 3.1.4 Coins. Bank agrees to count and deposit coins as requested by the District at no charge.
- 3.1.5 Armored Car Services. Bank does not provide this service for the District.
- 3.1.6 Safekeeping Services. Bank does not currently offer Safekeeping Services but will work with whomever the District chooses to provide this service. Subject to paragraph 3.3.1, Bank agrees to wire funds to the third-party depository satisfactory to the District upon request by the District.

3.2 Distribution of Funds

- 3.2.1 Generally. Bank shall at all times transfer funds upon proper request by the District and honor and pay all proper drafts and checks of the District. The District agrees to pay fees per check paid and for any item returned subject to the results of the monthly account analysis, which is more fully described in paragraph 3.4.3.
- 3.2.2 Overdrafts. “Overdraft” as used in this paragraph means that the daily cash balance in all District accounts will be added together and if a negative balance occurs, the District’s account is considered to be over-drafted. Bank agrees to promptly notify the District’s Administrative Assistant, or his/her designee, by telephone or other means, of the existence of any overdraft situation to enable the District to respond to such overdraft before charging for the overdraft. After such notification, the District shall have a period of one (1) business day to respond to such overdraft before incurring charges for insufficient funds.
- 3.2.3 Stop Payment Orders. Bank agrees to honor stop payment orders from the District through Bank’s online banking service for fees subject to the results of the monthly account analysis, which is more fully described in paragraph 3.4.3.

3.3 Special Transactions

- 3.3.1 Wire Transfers. Bank agrees to provide incoming wire services to the District and to provide outgoing wire services for fees subject to the results of the monthly account analysis as described in paragraph 3.4.3. Bank shall notify the District of incoming wire transfers and failures of outgoing wire transfers within one (1) hour of the transaction.
- 3.3.2 Automatic Clearing House. Bank agrees to initiate as well as receive Automatic Clearing House (“ACH”) transactions as requested by the District through the Bank’s approved web-hosted application. Bank agrees to notify the District of any rejected or returned ACH item generated by the District by sending email notifications. The District agrees to transmit direct deposit information to Bank using the Federal Reserve standard ACH format through the Bank’s web-hosted application by 4:00pm at least one (1) business day prior to the District’s payday.
- 3.3.3 Positive Pay. Bank agrees to provide a means for the District to upload disbursed check information that will be compared to checks that are presented to the bank for clearing. Any discrepancies shall be cleared by a designated District employee before checks are paid by the bank.
- 3.3.4 Remote Deposit. Bank agrees to provide the District with Remote Deposit services. The District agrees to pay fees subject to the results of the monthly account analysis, which is more fully described in paragraph 3.4.3. Additionally, Bank agrees to provide the District with a Remote Deposit scanner at no cost.
- 3.3.5 Electronic Data Interchange. Bank agrees to provide ACH addendum information (EDI) through Bank’s online banking service.
- 3.3.6 Optical Image. Bank agrees to provide images of statements, checks and deposit slips through Bank’s online banking service for fees subject to the results of the monthly account analysis, which is more fully described in paragraph 3.4.3.
- 3.3.7 Credit Card Processing. Bank agrees to provide point of sale service and equipment for electronic banking regarding Visa/MasterCard or similar merchant acceptance as an authorized merchant under Bank.

- 3.3.8 Credit Cards. Subject to receipt and acceptance of the District's application and credit approval. Bank agrees to provide the District with 5 Active Visa Credit Cards and 10 Standby Emergency Visa Credit Cards issued through First Bankcard.
- 3.3.9 Expedited Services. Bank agrees to expedite transactions involving federal and state checks, letters of credit and wire transfers when known or upon request of the District.
- 3.3.10 Services for Employees. Bank agrees to cash, without charge to the District or any District employee, such employee's payroll check, whether or not the employee has an account with Bank.
- 3.3.11 Obtaining Change. Bank agrees to make change of coin and currency to the District at no charge.

3.4 Recordkeeping

- 3.4.1 Daily Activities Reports. Bank agrees to provide daily account activity and balances on all accounts of the District through the Bank's online banking service for fees subject to the results of the monthly account analysis, which is more fully described in paragraph 3.4.3. Bank agrees to provide previous day activity information by 8:30 a.m. each morning, which shall include, but is not be limited to: 1) account number, 2) ledger balance, 3) collected balance, 4) number of debit and credit transactions 5) itemized debit and credit activity with descriptions and 6) check number, date cleared, and check amount cleared on demand accounts.
- 3.4.2 Monthly Statements. Bank shall keep true and accurate records of all money and funds deposited, debited or credited in any and all accounts of the District and shall provide monthly statements for all accounts through Bank's online banking service for fees subject to the results of the monthly account analysis, which is more fully described in paragraph 3.4.3. The cut-off date for bank statement purposes for all District accounts will be the last working day of each month. Bank will ensure that statements are delivered to the District's Administrative Assistant within three (3) working days of the cut-off date.

3.4.3 Monthly Account Analysis and Summary. Bank agrees to provide a monthly account analysis and a summary analysis for each and every account of the District, both of which shall list all services, charges per unit and total and activity volume to verify the net service charge or the excess earnings. Bank shall provide to the District an earnings credit rate with a minimum of 0.75% for the life of the contract. Service charges shall be charged to the District's master account subsequent to notification of the District. The schedule of fees for Bank's depository services to the District are as follows:

SERVICES	UNIT PRICE
<u>Account Services</u>	
Monthly Maintenance	10.0000
Stop Payment	15.0000
Insufficient Funds	15.0000
E-Statements (No Paper)	.0000
Special Handling Return Item	3.0000
Chargeback	3.0000
Collection(s) Domestic	15.0000
Collection(s) International	25.0000
Cashier(s) Check	5.0000
<u>Depository Services</u>	
Checks Written	.1000
Checks Deposited On Us	.1000
Checks Deposited Local	.1000
ACH Credits	.1000
ACH Debits	.1000
Deposit Correction	5.0000
Deposit	.3000

Information Reporting/BEB

Premium Reporting	35.0000
Web CD Per User	30.0000
Online Stop Payment	10.0000

ACH Origination Services

Per Month Fee	25.0000
Per Batch	.0000
ACH Per Item	.1000
Same Day Per Item	1.0000
Per NOC Transaction	3.0000
Per Return Transaction	5.0000
Per Incoming Addenda	.1000
External Transfers	1.0000
ACH Setup Fee	.0000

Wire Transfer Services

International Wire Monthly Service	25.0000
Incoming Wire Domestic	6.0000
Outgoing Online Domestic Wire	10.0000
Outgoing Online International Wire	15.0000
Outgoing Domestic Wire	15.0000
Outgoing Wire Email Advice	.0000
Incoming Wire Email Advice	.0000
Wire Setup Fee	.0000

Remote Deposit Services

Deposit Express Monthly Service	40.0000
Deposit Express Deposit(s)	.3000
Deposit Express Payment Capture	.0800

Positive Pay Services

Check Positive Pay Per Module	5.0000
Check Positive Pay Per Account	10.0000
ACH Positive Pay Per Module	5.0000
ACH Positive Pay Per Account	10.0000
Per File Transmission	1.0000
Positive Pay Per Item Keyed	.0500
Positive Pay Payee Match	5.0000
Per Check Positive Pay Exception	3.0000
Positive Pay ACH Exception	3.0000
Fraud Prevention Service Setup F	.0000

Account Reconciliation

Deposit Recon Per Account	20.0000
Full Account Recon Per Account	25.0000
Partial Acct Recon Per Account	15.0000
Account Recon Per Item	.0500

Coin & Currency Services

Vault Services	500.0000
Change Order	2.0000
Coin Roll	.0800
Vault Services Setup Fee	.0000

Sweep Services

ZBA Monthly Services	10.0000
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Secure File Transfer Protocol

SFTP Set Up Fee	.0000
SFTP ACH File Upload Module	10.0000
SFTP Per File Transmission WT	5.0000
SFTP Per File Transmission PP	5.0000

3.4.4 Cost for banking services not detailed in 3.4.3 that are requested by the District will be negotiated, and the District will pay for those new services by direct fee payment.

3.4.5 Monthly Account Reconciliation. Bank agrees to provide to the District a monthly paid item file for all accounts specified by the District and additionally provide a monthly bank statement for all District accounts for fees subject to the results of the monthly account analysis, which is more fully described in paragraph 3.4.3.

3.5 Special Banking - Related Needs and Supplies

3.5.1 Miscellaneous Needs and Supplies: Bank agrees to provide all supplies including checks, deposit slips, deposit bags, endorsement stamps and color-coded supplies at no charge to the District for duration of the contract. This also includes replacement, at no cost, of the remote deposit scanner during the term of the contract.

3.5.2 Processing. Bank agrees to process deposits for fees subject to the results of the monthly account analysis as described in paragraph 3.4.3.

3.6 Modification of Services. Bank agrees that services may also be added as needed by the District, provided however, that cost of new services will be negotiated at the time the new service is added, and any such modification will be evidenced by a written amendment to this contract.

4. EARNINGS ON DEPOSITS

4.1 Certificates of Deposit. The Bank agrees to pay the District on certificates of deposit at the market rate as of the date of deposit or purchase.

4.2 Interest Bearing Checking and Savings Accounts. Interest on checking accounts shall be 0.30% on all balances for the first year of this contract. Subsequent years will be at market rate, currently 0.20% with an increased floor of 0.20% for the life of the contract. Such rate shall be calculated at the end of each month and credited to the District's accounts.

4.3 Investments. Bank agrees to assist the District upon request, in purchasing investments that comply with the requirements of the Public Funds Investment Act as last amended and the District's current investment policies based on the following terms and conditions:

- a. Sweep account. Bank's market interest rate is currently significantly higher than sweep offerings and is fully collateralized offering the District both interest income and security. Due to the current interest rate environment, sweep fees and the interest rate terms provided in Bank's bid response, Bank does not recommend a sweep account at this time. If a sweep account becomes a better option, Bank will inform the District.
- b. Bank will be available to consult with the District concerning purchase of individual securities approved for purchase by the Public Funds Investment Act.
- c. Bank agrees to make its best efforts to provide acceptable investment alternatives to the District, but reserves the right to terminate any or all of the investment services described above in the event Bank determines in its sole discretion that continued provision of such investment service is not feasible or advisable.
- d. Bank agrees to review the District's Investment Policy and furnish the District with an Acknowledgment and Certification of the District's Investment Policy that complies with the Public Funds Investment Act, as amended.

5. SECURITY FOR DEPOSITS

Generally. Bank promises that all funds of the District which are on deposit with Bank will be insured by the Federal Home Loan Bank of Dallas, to the extent permitted by law, and secured in compliance with the provisions of the Public Funds Collateral Act as it presently exists or is hereafter amended, and any other applicable local, state or federal laws, by pledging certain securities as collateral to the District. Allegiance Bank, desires to qualify as such Depository by pledging securities with the District's Board of Commissioners in the amount provided by law under Section 116.058, Local Government Code, specifically Federal Home Loan Bank Letters of Credit and Securities eligible under Texas Government Code, 2257.002 (4)(F). Provided that the market value of securities which the bank is obligated to pledge is never below the total deposits. Once Letters of Credit are issued by the Federal Home Loan Bank on behalf of the District, the original Letter of Credit will remain in the possession of the Jefferson County Treasurer for the duration

of the contract. The bank will monitor daily, the balances of all District deposits to ensure adequate collateral coverage per the Texas Public Funds Code 2257. Monthly collateral reports will be provided to the District, if the District requires confirmation of collateral, it can be requested of the bank at any time and provided to the District in a timely manner.

Depositor may sell all or any part of such collateral and out of the proceeds thereof, pay Depositor all damages and losses sustained together with any expenses incurred by it of any kind on account of such failure. Collateral may be sold by Depositor at public or private sale provided however that Depository shall have one business day notice of the time and place of the sale, and Depository and Custodian shall have the right to bid at such sale.

When securities pledged hereunder shall be in excess of the amount required under the provisions of Section 116.054, Local Government Code, and other pertinent statutes, the District's Board of Commissioners shall permit the release of such excess. When the funds on deposit with said Depository Bank shall for any reason increase beyond the amount of security provided, said Bank shall immediately pledge additional securities to the District's Board of Commissioners hereunder to the end that securities pledged shall at no time be less than the total amount of funds on deposit in the Depository Bank and covered by this Depository Contract.

- 5.1 Recordkeeping. Bank agrees to maintain a separate, accurate and complete record relating to pledged investment securities and transactions related to same, which shall be reported to the County Treasurer and the District's Administrative Assistant or their designees at the end of each month or at any time requested by the County Treasurer. This report will reflect the total pledged securities itemized by name, type/description/cusip number, par value, market value at month end, maturity date and rating agency rate, if available.

6. INSURANCE REQUIREMENTS

Bank shall procure and maintain for the duration of the contract, insurance in accordance with the terms hereof. The cost of such insurance shall be paid by the vendor and included in any bids.

- 6.1 Minimum scope of Insurance
Coverage shall be at least as broad as:

1. Bankers Professional Liability Insurance

2. Financial Institution Bond (Commercial Crime)
3. Cyber Liability

6.2 Minimum limits of Insurance- Bank shall maintain throughout contract limits not less than:

Insurance Type	Limit
Banker's Professional Liability	\$5,000,000 Per Occurrence
Cyber Liability	\$5,000,000 Per Occurrence
Financial Institution Bond (Commercial Crime)	\$1,000,000 Per Occurrence

6.3 Deductibles and self-insured retentions -Any deductible or self-insured retentions must be declared.

6.4 Other Insurance Provisions

The policies are to contain, or be endorsed to contain the following provisions:

1. Banker's Professional Liability - At all times during the term of this Agreement, Vendor agrees to maintain Banker's Professional Liability Insurance coverage for claims arising from the negligent acts, errors, or omissions for services or operations performed by the Vendor under this Agreement. The Vendor shall ensure both that (1) any policy retroactive date is on or before the date of commencement of the Project; and (2) any policy has a reporting period of at least two years after the date of completion or termination of this Agreement. The Vendor agrees that, for the time period defined above, any changes that reduce coverage will be presented to Campus for review. "Claims made" policy is acceptable coverage which must be maintained during the course of the project and up to two (2) years after completion and acceptance of the project by the District.
2. All Coverages- Bank shall immediately notify the District by certified mail, return receipt requested if it suspends, voids, cancels, fails to renew or reduces coverage to any policy required by this contract.
3. Acceptability of insurers- All insurance shall be issued by responsible insurance companies eligible to do business in the State of Texas and having an A.M. Best Financial rating of A- VI or better.

4. Verification of Coverage-Bank shall furnish the District with certificates of insurance affecting coverage required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance must be submitted on a form approved by the Texas Department of Insurance. Certificates of Insurance similar to the ACCORD form are acceptable. The District will not accept Memorandums of Insurance or Binders as proof of insurance. The District reserves the right to require complete copies of all required insurance policies at any time.

7. GENERAL PROTECTIVE PROVISIONS

- 7.1 Periodic Evaluations. The District or Bank shall be entitled to a meeting at least once every six (6) months to evaluate the working relationship between the District and the Bank for the purpose of addressing any problems and seeking reasonable solutions, with a five (5) business day request from either party
- 7.2 No Endorsement. Bank agrees that it will not advertise or publish, without prior written consent of the District, the fact that the District has entered into this contract, except as may be necessary to comply with proper request for information from or filing of reports of federal, state, or local governmental agencies.
- 7.3 Confidentiality. Bank records relating to the District's accounts shall be open to review. Any request shall be referred to the District's Administrative Assistant on the date of such request, to ensure confidentiality and compliance with this contract and the Texas Public Information Act. Notwithstanding the foregoing, Bank shall allow the audit and review of such records as mandated by the Bank's regulating bodies.
- 7.4 Force Majeure. In the event that performance by the District or Bank of any of its obligations under the terms of the Contract shall be interrupted or delayed by an act of nature, by acts of war, riot, or civil commotion, by an act of State, by strikes, fire, flood.
- 7.5 Non-assignment. This contract may not be assigned by one party without the written consent of the other party; and if assigned, it shall extend to and be binding upon the respective successors and assignees of parties.
- 7.6 Incorporation of Jefferson County's Request for Proposal on the District's behalf and Bank's Proposal. Jefferson County's Request for Proposal on the District's behalf, and Bank's proposal, which are attached hereto as

Exhibit C, is incorporated by reference, the same as if fully copied and set forth at length and is binding upon this Contract.

- 7.7 Non-Exclusive Contract. The District shall be entitled to contract with other depositories for the deposit or investment of public funds which the District deems to be in its best interest
- 7.8 Conflicts of Interest. Bank agrees to maintain and keep current information on real and potential conflicts of interest between the parties and to disclose such information to the Administrative Assistant of the District throughout the term of this Contract in compliance with all local, state, and federal laws.
- 7.9 Changes in Law. Bank agrees to notify the District of any known changes in federal or state law that affect this Contract after execution within ten (10) days of learning of such changes. All changes shall occur retroactively to the date the law went into effect.
- 7.10 Reservation of Rights. The Board of Commissioners of the District reserve the right to direct the District's Superintendent and/or Administrative Assistant to withdraw any amount of funds of the District, that are deposited with Bank, and that are not required immediately to pay obligations of the District, and invest those funds in direct debt securities of the United States (according to Texas Government Code, Title 10, section 2256).

8. TERMINATION

- 8.1 Any Reason. This contract may be terminated by either party with ninety (90) days written notice to the other party in accordance with paragraph 9.8.
- 8.2 Default. Should Depository at any time fail to pay and satisfy, when due, any check, transfer, draft or voucher lawfully drawn against Depositor's deposits, or commit a material breach of its agreement with Depositor, Depositor shall give written notice of such failure or breach and Depository shall have three (3) business days to cure such failure or breach. In the event Depository shall fail to cure such failure or breach within the three (3) days or should the Depository be declared insolvent by a Federal bank regulatory agency, or if a receiver is appointed for the Depository (each an event of default), it shall be the duty of the Custodian, upon demand by the Depositor (supported by proper evidence of an event of default) to surrender the collateral to Depositor.

8.3 Obligations Surviving Termination. Upon termination of this contract, all finished or unfinished documents, data, studies or reports prepared by Bank, at the option of the District, will be delivered to the District and become the property of the District. All obligations of the parties made or incurred or existing under this contract as of the date of termination with respect to transactions initiated prior to the effective date of termination shall survive such termination, including but not limited to, Bank's obligation to retain duplicates of transaction receipts and credit slips and any continuing obligation of Bank with respect to charge backs.

8.4 Reimbursement for Attorney's Fees and Costs. In the event of the breach of any of the covenants, conditions or obligations contained herein by either party, or if it becomes necessary for the non-breaching party to employ attorneys to enforce its rights accruing as a result of such default, the breaching party agrees to pay the other party's reasonable attorney's fees and all costs of court and expenses incurred as a result thereof.

8.5 Claims and Remedies. Any termination of this Contract shall not relieve either party from the payment of any sum or sums that are due and payable under this Contract or any claim for damages then or thereafter accruing under this Contract. Any such termination shall not prevent either party from enforcing the payment of any such sum or sums or claim for damages by any remedy provided for by law, or from recovering damages under this Contract. All rights, options, and remedies of either party contained in this Contract or otherwise shall be construed and held to be cumulative, and no one of them shall be exclusive of the other; and either party shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Contract. No waiver of a breach of any of the covenants, conditions, or restrictions of this Contract shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other covenant, condition or restriction contained in this Contract.

In the event of a Bank failure causing Bank to fail to honor all of the funds deposited with it as the District Depository, then in such event, the District shall have all rights and duties available at law, including, without limitation, the rights and duties of a secured creditor under Chapter 9 of the Texas Business and Commerce Code.

8.6 Venue. Any suit arising out of or in any way connected with this contract shall be tried in Jefferson County, Texas in any court having jurisdiction of the subject matter thereof.

8.7 Change of Ownership. Allegiance Bank must notify the District, in writing, its intent to change ownership. Upon notification, the District, at its option, may

within 90 days of notification of such change in ownership, cancel or continue the contract. Any such cancellation of this depository contract will become effective immediately upon the District's notice to the depository bank within 90 days from the date of notification or discovery of change in ownership at the option of the District.

9. MISCELLANEOUS

- 9.1 Parties Bound. This contract binds and inures to the benefit of the parties to the contract and their respective successors and assigns.
- 9.2 Texas Law to Apply. This contract is to be construed under Texas law, and all obligations of the parties created by this contract are performable in Jefferson County, Texas.
- 9.3 Legal Construction. If any one or more of the provisions contained in this contract are for any reason held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability will not affect any other provision of the contract, which will be construed as if it had not included the invalid, illegal or unenforceable provision.
- 9.4 Headings. The article and section headings contained herein are for convenience and reference and are not intended to define, extend or limit the scope of any provisions of this contract.
- 9.5 Amendment. No amendment, modification or alteration of this contract is binding unless in writing, dated subsequent to the date of this contract and duly executed by the parties.
- 9.6 Authority. The Board of Directors of Commissioners, by order duly recorded in its minutes, has fully authorized the execution of this contract by the Board Chairman on behalf of the District. Bank represents and warrants that the execution of this contract by its respective officers has been duly authorized and recorded in the minutes of its governing body.
- 9.7 Exhibits. All Exhibits attached hereto are incorporated into the contract by reference.

9.8 **Notices.** All notices shall be in writing and delivered to the parties at the addresses listed below. Personal hand delivery to an officer authorized to receive notices or the mailing of the notice by registered or certified mail, return receipt requested, postage prepaid, shall be sufficient service. The addresses of the parties for notice purposes shall be as follows, unless notified otherwise in writing:

If to the District:

Jefferson County Drainage District No. 3
Superintendent & Administrative Assistant
24460 Highway 124
Hamshire, Texas 77622

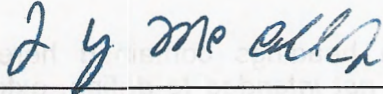
If to the Bank:

Allegiance Bank
Josh Rodriguez, Vice President
55 I-H 10 North
Beaumont, Texas 77707

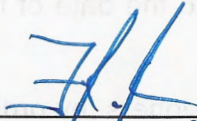
With a copy to: Charlie Hallmark, County Treasurer

EXECUTED in duplicate originals on the, 27th day of October, 2021 in Hamshire, Jefferson County, Texas.


JEFFERSON COUNTY DRAINAGE DISTRICT NO. 3

BY: 
LeRoy McCall, Jr
Chairman

ATTEST

BY: 
Frank R. Rose, Jr
Secretary

ALLEGIANCE BANK

BY: 
Josh Rodriguez
VP, Senior Government
Relationship Banking Manager