



BOARD OF COMMISSIONERS

Frank R. Rose, Chairman

Reggie Boykin, Secretary

Jay Levingston, Jr., Commissioner

NOTICE OF MEETING AND AGENDA

**BOARD OF COMMISSIONERS FOR DRAINAGE DISTRICT NO. 3
JEFFERSON COUNTY, TEXAS**

JUNE 12, 2024

7:30 A.M.

Notice is hereby given that the Board of Commissioners of Jefferson County Drainage District No. 3 will meet at 7:30 a.m., on the **12th of JUNE, 2024**, at its regular meeting place in the District's Office, 24460 Hwy 124, Hamshire, Texas.

Said meeting will be a Regular meeting for the purpose of transacting the routine business of the District.

I. Call to order and take roll.

II. Announcement:

This Commissioner's meeting is being recorded for the purpose of transcribing minutes.

III. Public Comments

At this time, the Board will listen to comments from the public and others regarding both agenda action items and items that are not on the agenda. No action may be taken on non-agenda items. Public participation is limited to the designated open forum portion of a regular meeting. No presentation shall exceed a maximum of five minutes. Delegations of more than five persons shall appoint one person to present their views before the Board. COMPLAINTS AGAINST SPECIFIC EMPLOYEES OR INDIVIDUALS ARE NOT ALLOWED. THESE COMPLAINTS ARE COVERED BY A SEPARATE POLICY. Members of the public will not be allowed to offer comments on agenda action items when that item is on the floor for discussion unless requested to do so by the Chairman of the Board. This audience participation period is not the appropriate means for bringing complaints for which resolution is sought.

IV. Approve Minutes from MAY 15, 2024 meeting.

V. Office Update

- A. Review and Accept Regular District Bills May 31, 2024 to June 15, 2024
- B. Review and Accept Monthly Financial Reports
- C. Review and Accept Monthly Insurance Summary
- D. Review May 30, 2024 Preliminary Taxable Value
- E. Budget Workshop Item
- F. Executive Session – See footnote ¹
- G. Consider and take action, if any, on items discussed in Executive Session

VI. **Equipment/Project Update**

A. Equipment Update –

B. Project Update –

New Construction Updates –

1. **Tazz RV Park** – Plat for RV park was sent to Commissioner's Court on June 4th, 2024 for approval. They have met all of Jefferson County and Drainage District No. 3 platting requirements.
2. **Longhorn RV Park** – As of May 28th correspondence with the County Engineer, the plans do not meet with the Jefferson County Subdivision and Development Rules for drainage requirements.

Completed Projects

1. S. Verret – Ditch 301 – Shellhammer Rd
2. A. Simon – Ditch 301 – Kiker Rd
3. J. Simon – Ditch 301 – Shellhammer Rd
4. D. Vincent – Ditch 308 – Vincent Rd
5. G. Vincent – Ditch 308 – Vincent Rd
6. C. Reneau – Intersection of Ditch 751 & 312 – Todd Rd

Projects in Progress

1. B. Fischer – Wise Rd
2. H. Clubb – Ditch 117 & 750 – Englin Rd

Upcoming Projects

1. Labelle Properties Hwy 73 – Ditch 750-B
2. J. Broussard – E. Hamshire Rd
3. J. Simon – Ditch 316 – Todd Rd
4. J. Leblanc – Ditch Needs Number – Rollins Rd
5. H. Lindsey – Ditch Needs Number – Rollins Rd
6. R. Cuniff – Ditch Needs Number – Rollins Rd
7. A. Permenter – Ditch 403 – Big Hill Rd
8. J. Phelan – Ditch 309 – Copeland Rd.
9. D. Shank – Ditch Needs Number – Wise Rd
10. K. Ackel – Ditch Needs Number – Vincent Rd
11. Oasis Truck Stop – Ditches 125 & 313 – Hwy 73 & Kiker Rd

VII. **New Business**

- A. Meeting Updates
- B. Board Comments
- C. Set Next Meeting Date

¹ The District reserves the right to adjourn into executive session at any time during the course of this meeting as authorized by the Texas Open meetings Act, Texas Government Code §§ 551.071 (Consultation with Attorney), 551.072 (Deliberation about Real Property), 551.073 (Deliberation about Gifts and Donations), 551.074 (Personnel Matters), and any other provision under Texas law that permits a governmental body to discuss a matter in a closed executive session. Should any final action, decision, or final vote be required in the opinion of the Board with regard to any matter considered in such closed or executive meeting or session, then the final action, or final vote shall be either:

- (a) in the open meeting covered by the Notice upon the reconvening of the public meeting; or
- (b) at a subsequent public meeting of the Commissioners upon notice thereof; as the Commissioners shall determine.

NOTICE OF MEETING AND AGENDA
JUNE 12, 2024 – 7:30 A.M.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Board of Commissioners of Jefferson County Drainage District No. 3 is a true and correct copy of said Notice at a place convenient and readily accessible to the general public at all times in its administrative office at 24460 Hwy 124, Hamshire, Texas. This notice can also be viewed via the District's website at <http://jcdd3.org>. This notice remained so posted continuously for at least 72 hours immediately preceding the scheduled time of said Meeting. And further, that a true and correct copy of said notice was furnished to the County Clerk of Jefferson County for posting in the Jefferson County Courthouse.

The notice for this meeting was posted in compliance with the Texas Open Meeting Act on June 6, 2024.

JEFFERSON COUNTY DRAINAGE DISTRICT No. 3

By: 
Frank R. Rose, Chairman

I, the undersigned County Clerk of Jefferson County, do hereby certify that the above Notice of Meeting of the Jefferson County Drainage District No. 3 Board of Commissioners, is a true and correct copy of said Notice, and that I received and posted said Notice on the Courthouse Doors and the bulletin board at the Courthouse of Jefferson County, Texas, at a place readily accessible to the general public at all times on the _____ day of _____, 20____ at _____m. and said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

Dated this the _____ day of _____, 20_____.

By: _____
Jefferson County Clerk

Return File Copy To: Jefferson County Drainage District No. 3, P.O. Box 388, Hamshire, TX 77622



BOARD OF COMMISSIONERS
Frank R. Rose, Chairman
Reggie Boykin, Secretary
Jay Levingston, Jr., Commissioner

ADDENDUM TO

NOTICE OF MEETING AND AGENDA

BOARD OF COMMISSIONERS FOR DRAINAGE DISTRICT NO. 3
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I. Call to order and take roll.

II. Announcement:

This Commissioner's meeting is being recorded for the purpose of transcribing minutes.

III. Public Comments

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IV. Office Update

Consider and Approve Engagement Letter with Pollans & Cohen, PC for audit services for the year ending September 30, 2024.

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Frank R. Rose, Chairman

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Dated this the _____ day of _____, 20_____.

By: _____
Jefferson County Clerk

Return File Copy To: Jefferson County Drainage District No. 3, P.O. Box 388, Hamshire, TX 77622

MINUTES OF MEETING

JUNE 12, 2024

7:30 A.M.

meeting was held June 12, 2024, at 7:30 A.M. in the District's office located at 24460 Hwy 124, Hamshire, Texas. Present were Chairman Frank R. Rose and Secretary Reggie Boykin. Absent was Commissioner Joel Levingston, Jr.

1. Meeting was called to order at 7:30 A.M. by Chairman Frank R. Rose.
2. He announced that this meeting was being recorded for the purpose of transcribing the minutes.
3. There were no Public Comments
4. The Minutes of May 15, 2024, meeting was approved on a motion made by Commissioner Boykin and seconded by Chairman Rose. All voted Aye.
5. Office Update -
 - A. Commissioners reviewed and accepted the Districts' regular checks written May 31, 2024 to June 15, 2024. Motion made by Commissioner Boykin and seconded by Chairman Rose. All voted Aye.
 - B. Commissioners reviewed and accepted the monthly financial report presented by Shanna Verret which showed an ending fund balance of \$1,651,130.04 a decrease of \$80,655.78 from last month. Motion made by Commissioner Boykin and seconded by Chairman Rose. All voted Aye.
 - C. Insurance summary from April 2024 was presented by Shanna Verret. The active employees have a profit of \$55,531.74 and retirees show a profit of \$6,529.03. Motion was made by Commissioner Boykin and seconded by Chairman Rose to accept the insurance summary as presented. All voted AYE.
 - D. The Board reviewed the May 30, 2024 Preliminary Net Taxable Value as presented by JCAD of \$300,974,300.00.
 - E. A budget workshop item was discussed on an incentive pay vs. COLA increase for employees. This item will be placed on the next meeting agenda to be presented for possible approval. No action was taken at this time.
 - F. Executive session – It has been reported that the deceased retiree's spouse will continue to receive benefits from TCDRS, therefore, she is eligible to remain on the District's supplemental health insurance along with the dental benefits.
6. Equipment/Project Update –
 - A. Equipment Update
 1. Work is being done on the batwing mower to replace a shear pin and bolt. All other equipment is working fine.
 - B. Project Update –

New Construction Updates –

 1. **TAZZ RV PARK** – The plat for Tazz RV park has been approved by Commissioner's Court on June 4, 2024. They have met all requirements for Jefferson County and Drainage District No. 3.

Completed Projects

 - a) Ditch 301 – Shellhammer Rd
 - b) Ditch 301 – Kiker Rd
 - c) Ditch 308 – Vincent Rd
 - d) Ditch 751 & 312 Intersection at Todd Rd
 - e) Ditch 117-1 – Wise Rd

MINUTES OF MEETING

JUNE 12, 2024

7:30 A.M.

Projects in Progress

- a) Ditch 117 & 750 – Englin Rd

Upcoming Projects

- a) Ditch 750B - Labelle Properties Hwy 73
- b) J. Broussard – E. Hamshire Rd (need a ditch number)
- c) Ditch 316 –Todd Rd
- d) Ditch 121 – Rollins Rd
- e) Ditch 403 – Big Hill Rd
- f) Ditch 100 – Rollins Rd
- g) Ditch 309 – Copeland Rd
- h) D. Shank – Wise Rd (need a ditch number)
- i) Ditch 318 – Vincent Rd
- j) Ditches 125 & 313 – Hwy 73 & Kiker Rd

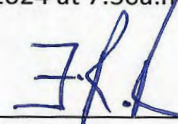
7. New Business

A. Meeting Updates – Meeting with County Engineers on Thursday, June 13, 2024 at 2:00pm

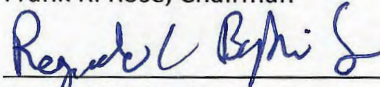
B. Board Comments – Informed the Commissioners of an oil spill that was located on Ditch 8101. This ditch is in TBCD and DD6 jurisdiction. TECQ was notified of the spill as well as DD6 and TBCD. A hazmat team was at the site for remediation and clean up.

C. The next regular meeting date is set for Wednesday, July 24, 2024 at 7:30a.m.

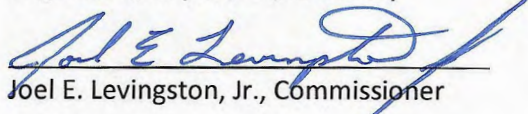
With no further business, meeting adjourned at 8:12 a.m.



Frank R. Rose, Chairman



Reginald C. Boykin, Sr., Secretary



Joel E. Levingston, Jr., Commissioner

**DRAINAGE DISTRICT No. 3
EXPENDITURE REPORT
MAY 31 TO JUNE 15, 2024**

Date	Num	Name	Memo	Amount
05/31/2024	ACH	PAYROLL TAX LIABILITY	FICA Tax Liability	\$3,032.26
05/31/2024	13098	Payroll	Salaries & Auto Allowance 5/31/2024	\$14,723.00
05/31/2024	ACH	Texas County & District Retirement System	Employer Contribution5/31/2024	\$2,038.90
05/31/2024	13099	Amwins	Insurance	\$4,425.20
05/31/2024	13100	Office Depot	Office & Copying Supplies	\$757.92
05/31/2024	13101	Waukesha - Pearce	Equipment Repairs	\$228.96
05/31/2024	13102	Windstream	Telephone	\$376.08
05/31/2024	13103	Entergy	Electricity	\$162.57
		Total for May 31, 2024		<u>\$25,744.89</u>
6/15/2024	ACH	PAYROLL TAX LIABILITY	FICA Tax Liability	\$2,854.22
6/15/2024	13105	Southeast Tx Govt Employee Benefits	Insurance	\$18,085.25
6/15/2024	13106	County Treasurer, Life Insurance	Life Insurance	\$36.06
6/15/2024	13107	Farm & Home Supply	Bolts and Nuts	\$34.74
6/15/2024	13108	Seabreeze Culvert	Metal Culvert	\$6,304.50
6/15/2024	13109	First National Bank Omaha	Computer Repairs, Office Supplies, Meal	\$455.48
6/15/2024	13110	Stattons Western Auto	Electrial Supplies	\$94.96
6/15/2024	13111	Gulf Coast Automotive	Hardware	\$2.49
6/15/2024	13112	Bar V Designs	Uniform	\$204.00
6/15/2024	13113	AT & T	Telephone	\$112.77
6/15/2024	13114	West Jefferson MVD	Water	\$29.93
6/15/2024	13115	Hamshire Waste	Garbage Waste Disposal	\$68.00
6/15/2024	13116	Winnie Chamber of Commerce	Dues	\$200.00
6/15/2024	13117	Streamline	Professional Services	\$1,440.00
6/15/2024	13118	Jux Technologies	Dues	\$18.00
6/15/2024	13119	Winnie Welding Works	Equipment Rental	\$480.00
6/15/2024	13120	Funchess Mills White	Independent Auditor Fees	\$2,750.00
6/15/2024	13121	Jefferson Central Appraisal District	Entity Payment	\$2,098.88
6/15/2024	13122	Sam's Club	Meal, Janitorial Supplies	\$286.12
		Total for June 15, 2024		<u>\$35,555.40</u>
				<u>\$61,300.29</u>

DRAINAGE DISTRICT No. 3 Profit & Loss Budget Performance May 2024

	May 24	Budget	Oct '23 - May 24	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
REVENUES					
101 - Current Taxes	7,158.39	69,173.00	804,378.36	553,384.00	830,076.00
102 - Delinquent Taxes	2,359.99	416.67	12,150.03	3,333.32	5,000.00
103 - Interest	7,123.03	1,250.00	51,272.69	10,000.00	15,000.00
104 - Rendition Penalty	0.00		0.00	0.00	0.00
106 - Miscellaneous	2,296.00	83.33	2,296.00	666.68	1,000.00
Total REVENUES	18,937.41	70,923.00	870,097.08	567,384.00	851,076.00
Total Income	18,937.41	70,923.00	870,097.08	567,384.00	851,076.00
Gross Profit	18,937.41	70,923.00	870,097.08	567,384.00	851,076.00
Expense					
1 - SALARIES					
1002 - Clerical	4,741.00	4,741.83	37,928.00	37,934.68	56,902.00
1009 - Dept Head / Foreman	5,583.00	5,583.75	44,664.00	44,670.00	67,005.00
1010 - Commissioners	900.00	900.00	7,200.00	7,200.00	10,800.00
1015 - Extra Help	0.00	3,000.00	0.00	24,000.00	36,000.00
1048 - Equipment Operators/Asst	14,072.00	14,080.75	112,576.00	112,646.00	168,969.00
Total 1 - SALARIES	25,296.00	28,306.33	202,368.00	226,450.68	339,676.00
2 - FRINGE BENEFITS					
2001 - FICA Expenses	1,935.94	2,530.00	15,341.54	20,240.00	30,360.00
2002 - Retirement	2,038.90	2,280.83	15,514.37	18,246.68	27,370.00
2003 - Insurance	22,616.70	23,750.00	180,826.06	190,000.00	285,000.00
2004 - Worker's Compensation	0.00	916.67	811.00	7,333.32	11,000.00
2006 - Auto Allowance	1,625.00	1,625.00	13,000.00	13,000.00	19,500.00
2007 - Retirement Wage Contg	0.00	2,886.67	400.00	23,093.32	34,640.00
2008 - Health Ins. Savings Acct	0.00	687.50	128.89	5,500.00	8,250.00
Total 2 - FRINGE BENEFITS	28,216.54	34,676.67	226,021.86	277,413.32	416,120.00
3 - MATERIALS & SUPPLIES					
3006 Batteries	437.36	250.00	654.93	2,000.00	3,000.00
3008 Bolts Nuts Nails & Screws	0.00	83.33	0.00	666.68	1,000.00
3009 Antifreeze & Coolant	0.00	166.67	0.00	1,333.32	2,000.00
3010 Books & Printed Matter	0.00	416.67	95.00	3,333.32	5,000.00
3012 Prints, Maps & Etc	0.00	83.33	0.00	666.68	1,000.00
3014 Chains & Hooks	0.00	66.67	0.00	533.32	800.00
3016 Chemicals Weed Control	0.00	1,916.67	0.00	15,333.32	23,000.00
3018 Cleaners & Solvents	0.00	125.00	0.00	1,000.00	1,500.00
3019 - Additives & Lubricants	0.00	208.33	0.00	1,666.68	2,500.00
3020 Metal Culvert Pipe	0.00	4,166.67	23,685.71	33,333.32	50,000.00
3022 Copying Supplies	624.96	166.67	1,078.91	1,333.32	2,000.00

DRAINAGE DISTRICT No. 3 Profit & Loss Budget Performance May 2024

	May 24	Budget	Oct '23 - May 24	YTD Budget	Annual Budget
3027 Electrical Supplies	0.00	250.00	366.32	2,000.00	3,000.00
3030 Fencing Material	0.00	541.67	0.00	4,333.32	6,500.00
3032 Concrete, Sand, Aggregat	0.00	833.33	0.01	6,666.68	10,000.00
3034 Diesel Fuel	2,628.12	4,166.67	7,994.50	33,333.32	50,000.00
3036 Diesel Fuel ON ROAD	2,453.56	1,666.67	4,623.82	13,333.32	20,000.00
3037 Gasoline	0.00	583.33	2,798.12	4,666.68	7,000.00
3040 Hardware - Misc	74.60	250.00	202.99	2,000.00	3,000.00
3041 Hose & Fittings & Filters	120.58	833.33	652.67	6,666.68	10,000.00
3048 Lumber, Timbers, Rope	0.00	208.33	1,026.55	1,666.68	2,500.00
3050 Medical & Safety	18.07	250.00	679.06	2,000.00	3,000.00
3051 Motor Oil & Grease	0.00	833.33	0.00	6,666.68	10,000.00
3056 Paint & Brushes	0.00	83.33	0.00	666.68	1,000.00
3072 Rope Wire Manila & Burlap	0.00	66.67	0.00	533.32	800.00
3073 Spare Parts, Heavy Equip	0.00	83.33	0.00	666.68	1,000.00
3077 Computer Supplies	1,236.71	208.33	1,281.70	1,666.68	2,500.00
3078 Office Supplies	0.00	208.33	515.76	1,666.68	2,500.00
3080 Steel Angle Iron Rods, Etc	0.00	125.00	0.00	1,000.00	1,500.00
3083 Tires & Tubes	0.00	750.00	1,180.66	6,000.00	9,000.00
3084 Minor Equipment	0.00	708.33	651.97	5,666.68	8,500.00
3095 Welding Supplies	0.00	166.67	0.00	1,333.32	2,000.00
3098 - Clothing & Work Wear	0.00	125.00	947.28	1,000.00	1,500.00
3099 Sundry	0.00	166.67	570.08	1,333.32	2,000.00
Total 3 - MATERIALS & SUPPLIES	7,593.96	20,758.33	49,006.04	166,066.68	249,100.00
4 - MAINTENANCE & UTILITES					
4001 Cooling and Heating	0.00	83.33	0.00	666.68	1,000.00
4009 Building & Structure	0.00	291.67	254.16	2,333.32	3,500.00
4010 Tractors & Mowers	0.00	1,041.67	0.00	8,333.32	12,500.00
4011 Equipment Repairs	228.96	4,166.67	6,311.98	33,333.32	50,000.00
4013 Marine Craft	0.00	166.67	0.00	1,333.32	2,000.00
4014 - Auto - Truck	0.00	250.00	0.00	2,000.00	3,000.00
4015 Communication Equip	0.00	125.00	0.00	1,000.00	1,500.00
4020 Miscellaneous	0.00	41.67	0.00	333.32	500.00
4030 Tools	0.00	250.00	235.09	2,000.00	3,000.00
4051 Freight	0.00	25.00	0.00	200.00	300.00
4052 Postage	9.85	41.67	177.62	333.32	500.00
4053 Natural Gas/Butane	95.62	308.33	990.55	2,466.68	3,700.00
4054 Telephone	487.38	500.00	3,728.66	4,000.00	6,000.00
4056 Electricity	162.57	500.00	1,536.41	4,000.00	6,000.00
4057 Water & Sewer	29.93	166.67	271.78	1,333.32	2,000.00
4058 Garbage Waste Disposal	68.00	100.00	544.00	800.00	1,200.00
Total 4 - MAINTENANCE & UTILITES	1,082.31	8,058.35	14,050.25	64,466.60	96,700.00

DRAINAGE DISTRICT No. 3 Profit & Loss Budget Performance May 2024

	May 24	Budget	Oct '23 - May 24	YTD Budget	Annual Budget
5 - MISCELLANEOUS SERVICES					
5009 Professional Services	66.89	833.33	9,242.29	6,666.68	10,000.00
5021 Dues & Subscriptions	18.00	291.67	669.50	2,333.32	3,500.00
5027 Engineering Fees	0.00	1,666.67	0.00	13,333.32	20,000.00
5028 Assessor/Collector Fees	0.00	166.67	1,450.26	1,333.32	2,000.00
5029 Attorney Fees	0.00	833.33	0.00	6,666.68	10,000.00
5031 Filing, Records & Photos	0.00	8.33	0.00	66.68	100.00
5032 Accounting Services	0.00	41.67	0.00	333.32	500.00
5036 Treasurer Commision	0.00	133.33	0.00	1,066.68	1,600.00
5038 Supplemenal Tax Refunds	0.00	166.67	0.00	1,333.32	2,000.00
5040 Insurance Autos & Trucks	0.00	500.00	0.00	4,000.00	6,000.00
5041 Insurance Property	0.00	500.00	0.00	4,000.00	6,000.00
5043 Insurance General Liab	0.00	166.67	121.00	1,333.32	2,000.00
5044 Insurance Official Liab	0.00	166.67	0.00	1,333.32	2,000.00
5045 Bonds Surety & Notary	0.00	83.33	447.00	666.68	1,000.00
5053 Equipment Rental	0.00	1,416.67	3,610.00	11,333.32	17,000.00
5054 Contract Aerial Spraying	0.00	1,333.33	0.00	10,666.68	16,000.00
5055 Contract Spraying	0.00	1,416.67	0.00	11,333.32	17,000.00
5062 Travel & Meeting Expense	0.00	66.67	0.00	533.32	800.00
5064 Training & Education	0.00	125.00	18.00	1,000.00	1,500.00
5074 Independent Auditor Fees	0.00	2,083.33	20,475.00	16,666.68	25,000.00
5095 Bank Service Charges	0.00	250.00	0.00	2,000.00	3,000.00
5098 Appraisal District Fees	0.00	750.00	4,199.44	6,000.00	9,000.00
5099 Sundry	0.00	83.33	199.92	666.68	1,000.00
Total 5 - MISCELLANEOUS SERVICES	84.89	13,083.34	40,432.41	104,666.64	157,000.00
6 - CAPITAL OUTLAY					
6001 Office Machines	0.00	375.00	1,746.06	3,000.00	4,500.00
6002 Excavation Equipment	0.00	14,583.33	153.58	116,666.68	175,000.00
6011 Machinery & Equipment	0.00	8,333.33	0.00	66,666.68	100,000.00
6014 Building & Structures	0.00	3,333.33	8,826.42	26,666.68	40,000.00
6022 Furniture & Fixtures	0.00	416.67	279.99	3,333.32	5,000.00
6042 Auto Truck & Trailer	0.00	4,166.67	0.00	33,333.32	50,000.00
6045 Land/ROW Acquisitions	0.00	416.67	0.00	3,333.32	5,000.00
Total 6 - CAPITAL OUTLAY	0.00	31,625.00	11,006.05	253,000.00	379,500.00
Reconciliation Discrepancies	0.00	0.00	0.00	0.00	0.00
Total Expense	62,273.70	136,508.02	542,884.61	1,092,063.92	1,638,096.00
Net Ordinary Income	-43,336.29	-65,585.02	327,212.47	-524,679.92	-787,020.00

10:50 AM

06/04/24

Accrual Basis

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
May 2024

	<u>May 24</u>	<u>Budget</u>	<u>Oct '23 - May 24</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
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	<u><u>-43,336.29</u></u>	<u><u>-65,585.02</u></u>	<u><u>327,212.47</u></u>	<u><u>-524,679.92</u></u>	<u><u>-787,020.00</u></u>

DRAINAGE DISTRICT No. 3
Statement of Cash Flows
May 2024

	<u>May 24</u>
OPERATING ACTIVITIES	
Net Income	-43,336.29
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	1,166.38
EMPLOYEE PAID EXPENSES:202-0400 Employee Insurance	5.15
EMPLOYEE PAID EXPENSES:202-0902 VOL - LIFE / AD&D	-3.00
Payroll Liabilities	14.22
	<hr/>
Net cash provided by Operating Activities	-42,153.54
	<hr/>
Net cash increase for period	-42,153.54
	<hr/>
Cash at beginning of period	1,693,283.58
	<hr/>
Cash at end of period	<u><u>1,651,130.04</u></u>

2024 PRELIMINARY TOTALS

847 - DRAINAGE DISTRICT #3
Grand Totals

Property Count: 3,361

5/30/2024

1:00:17PM

Land		Value			
Homesite:		20,141,112			
Non Homesite:		34,640,941			
Ag Market:		91,105,211			
Timber Market:		1,427,822	Total Land	(+) 147,315,086	
Improvement		Value			
Homesite:		125,061,945			
Non Homesite:		75,021,743	Total Improvements	(+) 200,083,688	
Non Real		Count	Value		
Personal Property:	141		99,001,590		
Mineral Property:	323		9,205,121		
Autos:	0		0	Total Non Real	(+) 108,206,711
				Market Value	= 455,605,485
Ag		Non Exempt	Exempt		
Total Productivity Market:	92,533,033		0		
Ag Use:	3,374,305		0	Productivity Loss	(-) 89,098,640
Timber Use:	60,088		0	Appraised Value	= 366,506,845
Productivity Loss:	89,098,640		0		
				Homestead Cap	(-) 12,117,281
				23.231 Cap	(-) 2,223,707
				Assessed Value	= 352,165,857
				Total Exemptions Amount (Breakdown on Next Page)	(-) 51,191,557
				Net Taxable	= 300,974,300

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
 869,066.30 = 300,974,300 * (0.288751 / 100)

Certified Estimate of Market Value: 449,789,341
 Certified Estimate of Taxable Value: 296,229,778

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

2024 PRELIMINARY TOTALS

847 - DRAINAGE DISTRICT #3

Grand Totals

5/30/2024

1:00:44PM

Property Count: 3,361

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	25	731,694	0	731,694
DV1	1	0	5,000	5,000
DV2	5	0	36,936	36,936
DV3	1	0	10,000	10,000
DV4	17	0	177,564	177,564
DV4S	1	0	12,000	12,000
DVHS	12	0	2,178,444	2,178,444
DVHSS	3	0	322,689	322,689
EX-XI	1	0	54,327	54,327
EX-XU	2	0	15,791	15,791
EX-XV	43	0	2,269,202	2,269,202
EX366	27	0	21,657	21,657
FR	3	9,591,596	0	9,591,596
HS	754	25,932,016	0	25,932,016
OV65	270	9,662,481	0	9,662,481
PC	3	170,160	0	170,160
Totals		46,087,947	5,103,610	51,191,557

2024 PRELIMINARY TOTALS

847 - DRAINAGE DISTRICT #3

Property Count: 3,361

Grand Totals

5/30/2024

1:00:44PM

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	SINGLE FAMILY RESIDENCE	1,033	1,752.8026	\$2,914,847	\$158,553,815	\$115,325,936
C1	VACANT LOTS AND LAND TRACTS	475	1,069.9878	\$0	\$9,218,879	\$9,127,500
D1	QUALIFIED AG LAND	826	37,690.2822	\$0	\$92,533,033	\$3,433,133
D2	NON-QUALIFIED LAND	112		\$531,499	\$2,984,141	\$2,984,141
E	FARM OR RANCH IMPROVEMENT	377	3,944.8679	\$1,265,231	\$46,666,695	\$38,842,886
F1	COMMERCIAL REAL PROPERTY	43	79.1032	\$536,598	\$18,089,181	\$16,823,198
F2	INDUSTRIAL REAL PROPERTY	26	176.7332	\$0	\$12,841,100	\$12,670,940
G1	OIL AND GAS	321		\$0	\$9,200,840	\$9,099,267
J3	ELECTRIC COMPANY (INCLUDING C	5	0.8000	\$0	\$13,039,434	\$13,039,434
J4	TELEPHONE COMPANY (INCLUDI	4	0.0964	\$0	\$211,036	\$211,036
J6	PIPELAND COMPANY	28	2.5680	\$0	\$9,533,536	\$9,533,536
J8	OTHER TYPE OF UTILITY	13		\$0	\$1,483,476	\$1,483,476
L1	COMMERCIAL PERSONAL PROPE	56		\$0	\$37,802,959	\$29,194,197
L2	INDUSTRIAL PERSONAL PROPERT	16		\$0	\$36,987,043	\$36,004,209
M1	TANGIBLE OTHER PERSONAL, MOB	139		\$607,426	\$4,099,340	\$3,201,411
X	TOTALLY EXEMPT PROPERTY	73	177.1269	\$0	\$2,360,977	\$0
Totals			44,894.3682	\$5,855,601	\$455,605,485	\$300,974,300

2024 PRELIMINARY TOTALS

847 - DRAINAGE DISTRICT #3

Grand Totals

5/30/2024

1:00:44PM

Property Count: 3,361

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A1	REAL, RESIDENTIAL, SINGLE-FAMILY	769	1,406.2884	\$2,553,203	\$147,251,276	\$106,951,284
A2	REAL, RESIDENTIAL, MOBILE HOME	79	131.9698	\$359,110	\$4,473,914	\$3,528,772
A7	REAL/RES/MH 5 AC/LESS-BY OWNER	191	214.5444	\$2,534	\$6,828,625	\$4,845,880
C1	REAL, VACANT PLATTED RESIDENTI	468	1,004.3568	\$0	\$8,785,565	\$8,694,186
C2	REAL, VACANT PLATTED COMMERCIAL	7	65.6310	\$0	\$433,314	\$433,314
D1	REAL, ACREAGE, RANGELAND	850	37,972.8445	\$0	\$92,658,728	\$3,558,828
D2	REAL, ACREAGE, TIMBERLAND	112		\$531,499	\$2,984,141	\$2,984,141
D3	REAL, ACREAGE, FARMLAND	54	574.6048	\$964,398	\$8,183,933	\$7,732,358
D4	REAL, ACREAGE, UNDEVELOPED LA	164	2,220.2166	\$0	\$9,196,939	\$9,196,939
D5	UNFILLED LAND	7	129.3540	\$0	\$760,032	\$760,032
E1	REAL, FARM/RANCH, HOUSE	91	546.5912	\$165,089	\$25,396,769	\$18,745,532
E2	REAL, FARM/RANCH, MOBILE HOME	9	57.0260	\$135,744	\$1,119,014	\$771,239
E7	MH ON REAL PROP (5 AC/MORE) MH	29	134.5130	\$0	\$1,884,313	\$1,511,091
F1	REAL, Commercial	43	79.1032	\$536,598	\$18,089,181	\$16,823,198
F2	REAL, Industrial	9		\$0	\$11,921,611	\$11,751,451
F5	OPERATING UNITS ACREAGE	17	176.7332	\$0	\$919,489	\$919,489
G1	OIL AND GAS	321		\$0	\$9,099,267	\$9,099,267
J3	REAL & TANGIBLE PERSONAL, UTILI	5	0.8000	\$0	\$13,039,434	\$13,039,434
J4	REAL & TANGIBLE PERSONAL, UTILI	4	0.0964	\$0	\$211,036	\$211,036
J6	REAL & TANGIBLE PERSONAL, UTILI	28	2.5680	\$0	\$9,533,536	\$9,533,536
J8	REAL & TANGIBLE PERSONAL, UTILI	13		\$0	\$1,483,476	\$1,483,476
L1	TANGIBLE, PERSONAL PROPERTY, C	56		\$0	\$37,802,959	\$29,194,197
L2	TANGIBLE, PERSONAL PROPERTY, I	16		\$0	\$36,987,043	\$36,004,209
M1	TANGIBLE OTHER PERSONAL, MOBI	139		\$607,426	\$4,099,340	\$3,201,411
X		73	177.1269	\$0	\$2,360,977	\$0
Totals			44,894.3682	\$5,855,601	\$455,503,912	\$300,974,300

2019 Taxable Value	2020 Taxable Value	2021 Taxable Value	2022 Taxable Value	2023 Taxable Value	2024 Taxable Value
\$ 204,377,685.00	\$ 236,639,681.00	\$ 216,228,410.00	\$ 233,822,212.00	\$ 260,982,564.00	\$ 304,494,902.00
\$ 253,844,534.00	\$ 249,620,978.00	\$ 208,039,725.00	\$ 244,716,883.00	\$ 283,030,787.00	\$ 300,974,300.00
\$ 251,503,912.00	\$ 249,331,161.00	\$ 210,736,998.00	\$ 264,814,077.00	\$ 295,180,253.00	
\$ 251,332,581.00	\$ 184,307,377.00 *	\$ 211,224,892.00	\$ 263,351,599.00	\$ 300,023,786.00	
\$ 251,693,992.00	\$ 184,663,090.00		* \$ 262,661,673.00	\$ 297,003,572.00	
\$ 251,137,341.00 *	\$ 184,610,466.00			* \$ 296,362,151.00	

POLLANS & COHEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 7759
BEAUMONT, TEXAS 77726
(409) 832-7400
(409) 832-4288 FAX

June 5, 2024

Jefferson County Drainage District No. 3
Frank R. Rose, Chairman
P.O. Box 120
Hamshire, Texas 77622

Dear Mr. Rose:

We are pleased to confirm our understanding of the services we are to provide for Jefferson County Drainage District No. 3 for the year ended September 30, 2024.

Audit Scope and Objectives

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 then ended September 30, 2024. Accounting standards generally accepted in the United States provide for certain required supplemental 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 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 Employer 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 the 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 (GAAS), 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

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America 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. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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 Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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 an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government 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. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. Tests of controls may be performed to test the

effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing 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, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, 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, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). 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, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

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 Organization 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 Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. 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.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Organization is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

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

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Pollans & Cohen, P.C. 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 for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Pollans & Cohen, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jana Uribe is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately December 16, 2024.

We estimate that our fees for the audit will range from \$11,000 to \$12,000. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Reporting

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. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other

purpose. If during our audit we become aware that Jefferson County Drainage District No. 3 is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to you 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 attached copy and return it to us.


Very truly yours,


Pollans & Cohen, P.C.

Pollans & Cohen, P.C.

RESPONSE:

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

Management signature: 
Ruffus Lavergne
Title: General Manager
Date: June 12, 2024

Governance signature: Frank R. Rose 
Title: Chairman
Date: June 12, 2024