

MINUTES OF MEETING

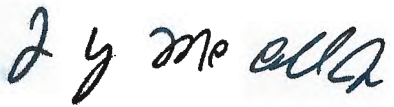
~~FEBRUARY 16, 2022~~

7:30 A.M.

A meeting was held February 16, 2022, at 7:30 A.M. in the District's office located at 24460 Hwy 124, Hamshire, Texas. Commissioner Rose was present and Chairman McCall attended via speaker phone. Commissioner Boykin was absent. Also present was Carey Malek with Bright Line Benefits, County Treasurer Charlie Hallmark, and Terry Whiddon, CPA, with FMW.

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. Office Update -
 - A. Commissioners reviewed the districts regular check written January 30, 2022 to February 15, 2022.
 - B. Commissioners reviewed the monthly financial report presented by Shanna Verret which showed an ending fund balance of \$1,654,750.41 an increase of \$177,027.94, this month.
 - C. Commissioners reviewed the insurance summary for end of year 2021, which showed a profit of \$50,102.20 on active employees and a loss of \$80,367.84 on retirees. Also, Commissioner's reviewed the January 2022 summary which showed a loss of \$66,991.10 on active employees and a profit of \$1,270.02 on retirees.
 - D. After discussion a motion was made by Chairman McCall and seconded by Commissioner Rose to approve 2022 Investment Policy as presented by County Treasurer, Charlie Hallmark. All voted AYE
 - E. After presentation from Carey Malek, Commissioners decided to take no action now in insurance change.
 - F. After presentation of FY2021 Audit by Terry Whiddon, CPA, a motion was made by Chairman McCall and seconded by Commissioner Rose to accept the audit as presented. All voted AYE
 - G. Motion was made by Commissioner Rose and seconded by Chairman McCall to renew TWCA Insurance for the Districts property and equipment.
 - H. Motion was made by Chairman McCall and seconded by Commissioner Rose to release collateral at Wells Fargo.
 - I. Motion was made by Chairman McCall and seconded by Commissioner Rose to close all Wells Fargo accounts by February 28, 2022.
 - J. After discussion motion was made by Commissioner Rose and seconded by Chairman McCall to approve the 2022 Tax Abatement Policy as presented.
 - K. Superintendent Folsom reported hiring Richard Gonzales as the District's herbicide applicator. He has both his CDL and Applicator license.
4. Project/Equipment Update –
 - A. Equipment Update
 1. Superintendent Folsom reported that the dozer has been repaired at a cost of \$7,047.90.
 2. The mower for trackhoe has been located and will soon be attached to the trackhoe.
 - B. Project Update –
 1. Superintendent Folsom reported that work on Beaumont Rice Mills property off of Hwy 73 is completed.
 2. Superintend Folsom reported work is being done on Clubb & Caruther's property.
 3. Upcoming Projects –
 - a. The work on Deaton Ditch will be performed after the landowner purchases the culvert.
 - b. District will soon be working on Taylor ditch and then Ranjit/Cherion ditch on Wilber Rd.
 - c. Superintendent Folsom reported that work on Rose ditch will begin when all property owners sign permission to access property.

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- 5. New Business –
 - A. No Meeting Updates
 - B. Board Comments – Shanna Verret that there are several landowners protesting property values.
 - C. Next regular meeting date was set for Wednesday, March 16, 2022 at 7:30 a.m.
- With no further business, meeting adjourned at 8:35a.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

DATE	CHECK No.	PAYEE	AMOUNT	DESCRIPTION
1/30/2021	12276	SHANNA VERRET	\$ 281.50	REIMBURSEMENT - COMPUTER SHAK
1/30/2021	12277	PAYROLL	\$ 11,948.50	SALARIES & AUTO ALLOWANCE
1/30/2021	EFT	IRS - FICA TAXES	\$ 1,517.83	FICA TAXES
1/30/2021	EFT	TEXAS COUNTY & DISTRICT RETIREMENT	\$ 1,788.50	EMPLOYER CONTRIBUTION
1/30/2021	12278	AMWINS GROUP BENEFITS	\$ 4,206.40	RETIREE MEDICAL SUPPLEMENT January & February
1/30/2021	12279	GULF COAST SCREW & SUPPLY	\$ 41.92	FITTINGS
1/30/2021	12280	SHANNA VERRET	\$ 8.16	REIMBURSEMENT - CERTIFIED POSTAGE
1/30/2021	12281	WINDSTREAM	\$ 314.05	TELEPHONE
1/30/2021	12282	ENTERGY	\$ 273.69	ELECTRICITY
		TOTAL	\$ 20,380.55	
2/15/2022	12283	PAYROLL	\$ 8,605.10	SALARIES
2/15/2022	12284	SOUTHEAST TX GOVT EMPLOYEE BENEFIT POOL	\$ 13,866.40	INSURANCE - MEDICAL & DENTAL
2/15/2022	12285	COUNTY TREASURER	\$ 29.19	LIFE INSURANCE
2/15/2022	12286	GULFWAY LUMBER	\$ 29.68	BATTERIES & TOOLS
2/15/2022	12287	STRATTON'S	\$ 150.68	BATTERY
2/15/2022	12288	BALDEMERO LUGO	\$ 10.13	REIMBURSEMENT FOR FITTINGS
2/15/2022	12289	FARM & HOME SUPPLY	\$ 133.51	SAFETY & TOOLS
2/15/2022	12290	OREILLY	\$ 14.99	MINOR EQUIPMENT
2/15/2022	12291	BEAUMONT TRACTOR	\$ 182.60	FILTERS
2/15/2022	12292	TRACTOR SUPPLY	\$ 42.99	TRUCK
2/15/2022	12293	CENTERPOINT ENTERGY	\$ 245.19	NATURAL GAS
2/15/2022	12294	AT&T	\$ 116.88	MOBILE SERVICE
2/15/2022	12295	WEST JEFFERSON CO. MWD	\$ 27.67	WATER
2/15/2022	12296	HAMSHIRE WASTE	\$ 68.00	WASTE DISPOSAL
2/15/2022	12297	JUX TECHNOLOGIES	\$ 68.00	WEB SERVICES
2/15/2022	12298	FRED FOLSOM	\$ 7.00	REIMBURSEMENT - TRUCK INSPECTION 2015 DODGE RAM
2/15/2022	12299	NOTARY PUBLIC UNDERWRITERS AGENCY.	\$ 140.00	NOTARY RENEWAL
2/15/2022	12300	SAM'S CLUB	\$ 1,068.67	OFFICE FURNITURE & EQUIPMENT
		TOTAL	\$ 24,806.68	
			\$ 45,187.23	

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
January 2022

	Jan 22	Budget	Oct '21 - Jan 22	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
REVENUES					
101 - Current Taxes	235,735.59	51,791.42	431,617.06	207,165.64	621,497.00
102 - Delinquent Taxes	114.84	666.67	3,638.26	2,666.64	8,000.00
103 - Interest	262.47	83.33	671.10	333.36	1,000.00
104 - Rendition Penalty	0.00	0.00	0.00	0.00	0.00
106 - Miscellaneous	1,734.34	0.00	1,734.34	0.00	0.00
Total REVENUES	<u>237,847.24</u>	<u>52,541.42</u>	<u>437,660.76</u>	<u>210,165.64</u>	<u>630,497.00</u>
Total Income	<u>237,847.24</u>	<u>52,541.42</u>	<u>437,660.76</u>	<u>210,165.64</u>	<u>630,497.00</u>
Gross Profit	237,847.24	52,541.42	437,660.76	210,165.64	630,497.00
Expense					
1 - SALARIES					
1002 - Clerical	4,077.00	4,078.00	16,308.00	16,312.00	48,936.00
1009 - Dept Head / Foreman	6,212.00	6,212.42	24,848.00	24,849.64	74,549.00
1010 - Commissioners	900.00	900.00	3,600.00	3,600.00	10,800.00
1015 - Extra Help	0.00	3,166.67	0.00	12,666.64	38,000.00
1048 - Equipment Operators/Asst	8,508.00	13,388.33	23,634.00	53,553.36	160,660.00
Total 1 - SALARIES	<u>19,697.00</u>	<u>27,745.42</u>	<u>68,390.00</u>	<u>110,981.64</u>	<u>332,945.00</u>
2 - FRINGE BENEFITS					
2001 - FICA Expenses	1,517.83	2,472.08	5,285.74	9,888.36	29,665.00
2002 - Retirement	1,788.50	2,784.17	5,845.80	11,136.64	33,410.00
2003 - Insurance	17,777.46	21,255.42	60,596.76	85,021.64	255,065.00
2004 - Worker's Compensation	0.00	916.67	0.00	3,666.64	11,000.00
2006 - Auto Allowance	1,650.00	1,650.00	6,600.00	6,600.00	19,800.00
2007 - Retirement Wage Contg	99.57	2,916.67	99.57	11,666.64	35,000.00
2008 - Health Ins. Savings Acct	0.00	1,000.00	0.00	4,000.00	12,000.00
Total 2 - FRINGE BENEFITS	<u>22,833.36</u>	<u>32,995.01</u>	<u>78,427.87</u>	<u>131,979.92</u>	<u>395,940.00</u>
3 - MATERIALS & SUPPLIES					
3006 Batteries	168.98	250.00	190.96	1,000.00	3,000.00
3008 Bolts Nuts Nails & Screws	229.70	83.33	267.75	333.36	1,000.00
3009 Antifreeze & Coolant	0.00	166.67	44.85	666.64	2,000.00
3010 Books & Printed Matter	0.00	416.67	0.00	1,666.64	5,000.00
3012 Prints, Maps & Etc	0.00	83.33	0.00	333.36	1,000.00
3014 Chains & Hooks	0.00	66.67	0.00	266.64	800.00
3016 Chemicals Weed Control	0.00	2,166.67	0.00	8,666.64	26,000.00
3018 Cleaners & Solvents	0.00	125.00	0.00	500.00	1,500.00
3020 Metal Culvert Pipe	7,438.08	4,166.67	7,438.08	16,666.64	50,000.00
3022 Copying Supplies	0.00	166.67	0.00	666.64	2,000.00
3027 Electrical Supplies	0.00	250.00	0.00	1,000.00	3,000.00

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
January 2022

	Jan 22	Budget	Oct '21 - Jan 22	YTD Budget	Annual Budget
3030 Fencing Material	0.00	541.67	0.00	2,166.64	6,500.00
3032 Concrete, Sand, Aggregat	0.00	833.33	0.00	3,333.36	10,000.00
3034 Diesel Fuel	2,576.84	3,333.33	2,576.84	13,333.36	40,000.00
3036 Diesel Fuel ON ROAD	1,611.63	1,500.00	1,611.63	6,000.00	18,000.00
3037 Gasoline	0.00	583.33	0.00	2,333.36	7,000.00
3040 Hardware - Misc	151.35	250.00	181.34	1,000.00	3,000.00
3041 Hose & Fittings & Filters	0.00	833.33	103.48	3,333.36	10,000.00
3048 Lumber, Timbers, Rope	0.00	208.33	0.00	833.36	2,500.00
3050 Medical & Safety	0.00	250.00	0.00	1,000.00	3,000.00
3051 Motor Oil & Grease	0.00	833.33	0.00	3,333.36	10,000.00
3056 Paint & Brushes	0.00	83.33	0.00	333.36	1,000.00
3072 Rope Wire Manila & Burlap	0.00	66.67	0.00	266.64	800.00
3073 Spare Parts, Heavy Equip	0.00	83.33	0.00	333.36	1,000.00
3077 Computer Supplies	54.11	125.00	54.11	500.00	1,500.00
3078 Office Supplies	280.16	208.33	521.19	833.36	2,500.00
3080 Steel Angle Iron Rods, Etc	0.00	208.33	0.00	833.36	2,500.00
3083 Tires & Tubes	0.00	750.00	0.00	3,000.00	9,000.00
3084 Minor Equipment	171.59	833.33	351.58	3,333.36	10,000.00
3095 Welding Supplies	0.00	166.67	31.98	666.64	2,000.00
3099 Sundry	10.99	166.67	31.91	666.64	2,000.00
Total 3 - MATERIALS & SUPPLIES	12,693.43	19,799.99	13,405.70	79,200.08	237,600.00
4 - MAINTENANCE & UTILITES					
4001 Cooling and Heating	0.00	83.33	0.00	333.36	1,000.00
4009 Building & Structure	0.00	291.67	0.00	1,166.64	3,500.00
4010 Tractors & Mowers	0.00	1,041.67	1,087.85	4,166.64	12,500.00
4011 Equipment Repairs	1,393.17	3,333.34	1,694.99	13,333.28	40,000.00
4013 Marine Craft	0.00	166.67	0.00	666.64	2,000.00
4014 - Auto - Truck	0.00	250.00	0.00	1,000.00	3,000.00
4015 Communication Equip	0.00	125.00	95.85	500.00	1,500.00
4020 Miscellaneous	0.00	41.67	0.00	166.64	500.00
4030 Tools	0.00	250.00	53.57	1,000.00	3,000.00
4051 Freight	0.00	25.00	0.00	100.00	300.00
4052 Postage	90.16	41.67	322.16	166.64	500.00
4053 Natural Gas/Butane	194.75	308.33	449.48	1,233.36	3,700.00
4054 Telephone	723.17	500.00	2,043.46	2,000.00	6,000.00
4056 Electricity	492.31	500.00	960.22	2,000.00	6,000.00
4057 Water & Sewer	27.67	166.67	110.68	666.64	2,000.00
4058 Garbage Waste Disposal	68.00	100.00	272.00	400.00	1,200.00
Total 4 - MAINTENANCE & UTILITES	2,989.23	7,225.02	7,090.26	28,899.84	86,700.00

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
 January 2022

	Jan 22	Budget	Oct '21 - Jan 22	YTD Budget	Annual Budget
5 - MISCELLANEOUS SERVICES					
5009 Professional Services	412.78	833.33	736.56	3,333.36	10,000.00
5021 Dues & Subscriptions	68.00	208.33	471.76	833.36	2,500.00
5027 Engineering Fees	0.00	833.33	0.00	3,333.36	10,000.00
5028 Assessor/Collector Fees	0.00	166.67	1,440.18	666.64	2,000.00
5029 Attorney Fees	0.00	833.33	0.00	3,333.36	10,000.00
5031 Filing, Records & Photos	0.00	8.33	0.00	33.36	100.00
5032 Accounting Services	0.00	41.67	0.00	166.64	500.00
5036 Treasurer Commision	0.00	83.33	0.00	333.36	1,000.00
5038 Supplemenal Tax Refunds	0.00	166.67	0.00	666.64	2,000.00
5040 Insurance Autos & Trucks	0.00	500.00	0.00	2,000.00	6,000.00
5041 Insurance Property	0.00	291.67	0.00	1,166.64	3,500.00
5043 Insurance General Liab	0.00	166.67	0.00	666.64	2,000.00
5044 Insurance Official Liab	0.00	166.67	0.00	666.64	2,000.00
5045 Bonds Surety & Notary	0.00	83.33	100.00	333.36	1,000.00
5053 Equipment Rental	360.00	1,250.00	1,440.00	5,000.00	15,000.00
5054 Contract Aerial Spraying	0.00	1,333.33	0.00	5,333.36	16,000.00
5055 Contract Spraying	0.00	1,500.00	0.00	6,000.00	18,000.00
5062 Travel & Meeting Expense	0.00	66.67	0.00	266.64	800.00
5064 Training & Education	0.00	125.00	0.00	500.00	1,500.00
5074 Independent Auditor Fees	0.00	1,458.33	3,500.00	5,833.36	17,500.00
5095 Bank Service Charges	0.00	250.00	0.00	1,000.00	3,000.00
5098 Appraisal District Fees	0.00	750.00	1,641.80	3,000.00	9,000.00
5099 Sundry	0.00	83.33	0.00	333.36	1,000.00
Total 5 - MISCELLANEOUS SERVICES	840.78	11,199.99	9,330.30	44,800.08	134,400.00
6 - CAPITAL OUTLAY					
6001 Office Machines	1,765.50	375.00	1,765.50	1,500.00	4,500.00
6002 Excavation Equipment	0.00	25,000.00	0.00	100,000.00	300,000.00
6011 Machinery & Equipment	0.00	8,333.33	6,500.00	33,333.36	100,000.00
6014 Building & Structures	0.00	3,416.67	0.00	13,666.64	41,000.00
6022 Furniture & Fixtures	0.00	416.67	0.00	1,666.64	5,000.00
6042 Auto Truck & Trailer	0.00	6,666.67	0.00	26,666.64	80,000.00
6045 Land/ROW Acquisitions	0.00	416.67	0.00	1,666.64	5,000.00
Total 6 - CAPITAL OUTLAY	1,765.50	44,625.01	8,265.50	178,499.92	535,500.00
Reconciliation Discrepancies	0.00		-0.10		
Total Expense	60,819.30	143,590.44	184,909.53	574,361.48	1,723,085.00
Net Ordinary Income	177,027.94	-91,049.02	252,751.23	-364,195.84	-1,092,588.00

8:23 AM

02/14/22

Accrual Basis

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
January 2022

	<u>Jan 22</u>	<u>Budget</u>	<u>Oct '21 - Jan 22</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Other Income/Expense					
Other Expense					
Transfer Account	0.00		0.00	0.00	0.00
Total Other Expense	0.00		0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00
Net Income	<u>177,027.94</u>	<u>-91,049.02</u>	<u>252,751.23</u>	<u>-364,195.84</u>	<u>-1,092,588.00</u>

DRAINAGE DISTRICT No. 3
Statement of Cash Flows
January 2022

	<u>Jan 22</u>
OPERATING ACTIVITIES	
Net Income	177,027.94
Adjustments to reconcile Net Income to net cash provided by operations:	
EMPLOYEE PAID EXPENSES:202-0400 Employee Insurance	<u>760.38</u>
Net cash provided by Operating Activities	<u>177,788.32</u>
Net cash increase for period	177,788.32
Cash at beginning of period	<u>1,476,962.09</u>
Cash at end of period	<u><u>1,654,750.41</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	\$ 646.07	\$ 7,824.64	\$ 13,195.35	\$ 5,370.71
February	\$ 392.51	33.72%	\$ -	0.00%	\$ 95.00	0.00%	\$ 676.54	58.12%	\$ 1,164.05	\$ 104.76	\$ 1,268.81	\$ 16,138.48	\$ 14,869.67
March	\$ 1,121.41	20.55%	\$ -	0.00%	\$ 1,717.50	0.00%	\$ 2,617.02	47.97%	\$ 5,455.93	\$ 491.03	\$ 5,946.96	\$ 16,138.48	\$ 10,191.52
April	\$ 986.65	19.61%	\$ -	0.00%	\$ -	0.00%	\$ 4,045.21	80.39%	\$ 5,031.86	\$ 452.87	\$ 5,484.73	\$ 16,138.48	\$ 10,653.75
May	\$ 1,405.71	36.75%	\$ -	0.00%	\$ -	0.00%	\$ 2,419.04	63.25%	\$ 3,824.75	\$ 344.23	\$ 4,168.98	\$ 16,138.48	\$ 11,969.50
June	\$ 7,007.27	70.25%	\$ -	0.00%	\$ 744.00	0.00%	\$ 2,224.17	22.30%	\$ 9,975.44	\$ 897.79	\$ 10,873.23	\$ 16,138.48	\$ 5,265.25
July	\$ 8,200.55	92.80%	\$ -	0.00%	\$ 220.00	0.00%	\$ 416.57	4.71%	\$ 8,837.12	\$ 795.34	\$ 9,632.46	\$ 16,138.48	\$ 6,506.02
August	\$ 18,865.57	112.52%	\$ -	0.00%	\$ -	0.00%	\$ (2,099.28)	-12.52%	\$ 16,766.29	\$ 1,508.97	\$ 18,275.26	\$ 16,138.48	\$ (2,136.78)
September	\$ 19,682.14	90.53%	\$ -	0.00%	\$ -	0.00%	\$ 2,057.72	9.47%	\$ 21,739.86	\$ 1,956.59	\$ 23,696.45	\$ 13,195.35	\$ (10,501.10)
October	\$ 1,715.20	46.46%	\$ -	0.00%	\$ 579.00	0.00%	\$ 1,397.59	37.86%	\$ 3,691.79	\$ 332.26	\$ 4,024.05	\$ 13,195.35	\$ 9,171.30
November	\$ 16,563.49	77.05%	\$ -	0.00%	\$ -	0.00%	\$ 4,934.77	22.95%	\$ 21,498.26	\$ 1,934.84	\$ 23,433.10	\$ 13,195.35	\$ (10,237.75)
December	\$ 10,373.28	79.54%	\$ -	0.00%	\$ 240.00	0.00%	\$ 2,428.22	18.62%	\$ 13,041.50	\$ 1,173.74	\$ 14,215.24	\$ 13,195.35	\$ (1,019.89)
TOTALS	\$ 87,354.52	73.90%		0.00%	\$ 4,045.50	0.00%	\$ 26,805.40	22.68%	\$ 118,205.42	\$ 10,638.49	\$ 128,843.91	\$ 178,946.11	\$ 50,102.20
MONTHLY AVERAGE	\$ 7,279.54		\$ -		\$ 337.13		\$ 2,233.78		\$ 9,850.45	\$ 886.54	\$ 10,736.99	\$ 14,912.18	\$ 4,175.18
ANNUAL PROJECTIONS	\$ 87,354.52		\$ -		\$ 4,045.50		\$ 26,805.40		\$ 118,205.42	\$ 10,638.49	\$ 128,843.91	\$ 178,946.11	\$ 50,102.20
PROJECTED MONTHLY AVERAGE PER ENROLLEE	\$ 1,213.26		\$ -		\$ 67.43		\$ 372.30		\$ 1,652.98				
PROJECTED MONTHLY AVERAGE PER MEMBER	\$ 727.95		\$ -		\$ 42.14		\$ 223.38		\$ 993.47				

GROUP: DD3 Retirees
 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	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 294.50	100.00%	\$ 294.50	26.51	\$ 321.01	\$ 1,616.29	\$ 1,295.29
February	\$ -	0.00%	\$ -	0.00%	\$ 116.00	81.06%	\$ 27.11	18.94%	\$ 143.11	12.88	\$ 155.99	\$ 1,616.29	\$ 1,460.30
March	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 5.71	100.00%	\$ 5.71	0.51	\$ 6.22	\$ 1,616.29	\$ 1,610.07
April	\$ 74,821.39	99.17%	\$ -	0.00%	\$ 108.00	0.14%	\$ 517.64	0.69%	\$ 75,447.03	6,790.23	\$ 82,237.26	\$ 1,616.29	\$ (80,620.97)
May	\$ 1,619.26	93.04%	\$ -	0.00%	\$ 120.00	6.89%	\$ 1.19	0.07%	\$ 1,740.45	156.64	\$ 1,897.09	\$ 1,616.29	\$ (280.80)
June	\$ 2,225.94	98.05%	\$ -	0.00%	\$ -	0.00%	\$ 44.22	1.95%	\$ 2,270.16	204.31	\$ 2,474.47	\$ 1,616.29	\$ (858.18)
July	\$ 2,247.39	96.58%	\$ -	0.00%	\$ 51.40	2.21%	\$ 28.08	1.21%	\$ 2,326.87	209.42	\$ 2,536.29	\$ 1,616.29	\$ (920.00)
August	\$ 2,640.04	66.79%	\$ -	0.00%	\$ 1,373.40	34.75%	\$ (60.85)	-1.54%	\$ 3,952.59	355.73	\$ 4,308.32	\$ 1,616.29	\$ (2,692.03)
September	\$ 3,218.60	98.83%	\$ -	0.00%	\$ -	0.00%	\$ 38.10	1.17%	\$ 3,256.70	293.10	\$ 3,549.80	\$ 1,616.29	\$ (1,933.51)
October	\$ 1,662.21	97.38%	\$ -	0.00%	\$ -	0.00%	\$ 44.65	2.62%	\$ 1,706.86	153.62	\$ 1,860.48	\$ 1,616.29	\$ (244.19)
November	\$ (1,245.83)	100.13%	\$ -	0.00%	\$ -	0.00%	\$ 1.58	-0.13%	\$ (1,244.25)	(111.98)	\$ (1,356.23)	\$ 1,616.29	\$ 2,972.52
December	\$ 1,542.90	94.87%	\$ 52.00	3.20%	\$ -	0.00%	\$ 31.35	1.93%	\$ 1,626.25	146.36	\$ 1,772.61	\$ 1,616.29	\$ (156.32)
TOTALS	\$ 88,731.90	96.95%	\$ -	0.00%	\$ 1,768.80	1.93%	\$ 973.28	1.06%	\$ 91,525.98	8,237.34	\$ 99,763.32	\$ 19,395.48	\$ (80,367.84)
MONTHLY AVERAGE	\$ 7,394.33		\$ 4.33		\$ 147.40		\$ 81.11		\$ 7,627.17	\$ 686.44	\$ 8,313.61	\$ 1,616.29	\$ (6,697.32)
ANNUAL PROJECTIONS	\$ 88,731.90		\$ 52.00		\$ 1,768.80		\$ 973.28		\$ 91,525.98	\$ 8,237.34	\$ 99,763.32	\$ 19,395.48	\$ (80,367.84)
PROJECTED MONTHLY AVERAGE PER ENROLLEE	\$ 7,394.33		\$ 4.33		\$ 49.13		\$ 81.11		\$ 7,528.90				
PROJECTED MONTHLY AVERAGE PER MEMBER	\$ 7,394.33		\$ 4.33		\$ 29.48		\$ 81.11		\$ 7,509.25				

GROUP: DD3 Retirees
 PERIOD: 1/1/2022-12/31/2022

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	\$ 346.00	93.26%	\$ -	0.00%	\$ -	0.00%	\$ 25.00	6.74%	\$ 371.00	33.39	\$ 404.39	\$ 1,674.41	\$ 1,270.02
February													
March													
April													
May													
June													
July													
August													
September													
October													
November													
December													
TOTALS	\$ 346.00	93.26%	\$ -	0.00%	\$ -	0.00%	\$ 25.00	6.74%	\$ 371.00	33.39	\$ 404.39	\$ 1,674.41	\$ 1,270.02
MONTHLY AVERAGE	\$ 346.00		\$ -		\$ -		\$ 25.00		\$ 371.00	\$ 33.39	\$ 404.39	\$ 1,674.41	\$ 1,270.02
ANNUAL PROJECTIONS	\$ 4,152.00		\$ -		\$ -		\$ 300.00		\$ 4,452.00	\$ 400.68	\$ 4,852.68	\$ 20,092.92	\$ 15,240.24
PROJECTED MONTHLY AVERAGE PER ENROLLEE	\$ 346.00		\$ -		\$ -		\$ 25.00		\$ 371.00				
PROJECTED MONTHLY AVERAGE PER MEMBER	\$ 346.00		\$ -		\$ -		\$ 25.00		\$ 371.00				

Jefferson DD#3 - Effective 1/1/2022

BRIGHTLINE
REAL ESTATE ADVISORS

Medical Summary

Carrier	Current - UHC		
Plan Name	Jefferson County Employee Benefits Pool		
Funding Type	Self Funded		
Individual Deductible	\$750		
Family Deductible	\$2,250		
Individual Out-of-Pocket Max	\$3,000		
Family Out-of-Pocket Max	\$5,500		
Coinsurance (Policy Holder Portion)	80%		
Primary Care/Office	\$0 at Health Clinic Ded. & Coin.		
Specialist Care	Ded. & Coin.		
Emergency Room	\$250 Copay for Hospital ER/\$500 for Freestanding after Ded., then Coin.		
Urgent Care	\$100 Copay, Ded. & Coin.		
Rx Retail Tier(s)			
Preferred Generic	\$0 for Generic Statins and Anti-Diabetic		
Non-Preferred Generic	Greater of \$10 or 20%		
Preferred Brand	Greater of \$25 or 30%		
Non-Preferred Brand	Greater of \$50 or 40%		
Specialty Drugs	\$60 copay through ESI - Accredo		
OON	N/A		
	Base	Current	Renewal
Employee	2	726.35	
Employee + Spouse	3	\$1,471.25	
Employee + Child(ren)	0	\$1,671.06	
Employee + Family	0	\$1,915.79	
Monthly Cost		\$5,866	\$0
Combined Annual Cost		\$70,397	
Annual \$ Change from Current			
Annual % Change from Current			

Rates are illustrative pending final enrollment.

Employer contribution is required - 50% of Employee Only amount of least expensive plan option offered.

\$5,866 \$0
\$70,397.40 \$0.00

0

BRIGHTLINE
REAL ESTATE ADVISORS

Medical Summary

Carrier	Assured Benefits Health Plan (base rates medical IMQ required)	BCBS TX	BCBS TX	
Plan Name	Jefferson County Employee Benefits Pool	Blue Choice Gold PPD 114 - G9K8CHC		
Funding Type	Level Funded	Fully Insured - ACA		
Individual Deductible	\$350	\$1,000		
Family Deductible	\$700			
Individual Out-of-Pocket Max	\$1,000			
Family Out-of-Pocket Max	\$2,000			
Coinsurance (Policy Holder Portion)	80%			
Primary Care/Office	\$20			
Specialist Care	\$20			
Emergency Room	\$250 Copay + Deductible + Coinsurance			
Urgent Care	\$20			
Rx Retail Tier(s)				
Preferred Generic	\$10			
Non-Preferred Generic	\$10			
Preferred Brand	\$25			
Non-Preferred Brand	\$50			
Specialty Drugs	\$30/\$75/\$150			
OON	N/A			
	Base	BCBS Option		
Employee	2	\$832.91	\$815.08	\$947.65
Employee + Spouse	3	\$2,082.23	\$1,630.16	\$1,895.30
Employee + Child(ren)	0	\$1,482.55	\$1,630.16	\$1,895.30
Employee + Family	0	\$2,665.26	\$2,445.24	\$2,842.95
Monthly Cost		\$7,913	\$0	\$0
Combined Annual Cost		\$94,950	\$78,248	
Annual \$ Change from Current			\$7,850	
Annual % Change from Current			11.2%	

Rates are illustrative pending final enrollment.

Employer contribution is required - 50% of Employee Only amount of least expensive plan option offered.

\$7,913 \$0 \$0
\$94,950.12 \$0.00

BCBS - BENEFITMALL RATES

815.08 0.00 0 947.65
1630.16 0.00 0 1895.3

Medical Side by Side Composite Plan Comparison - Prepared for Jefferson County Drainage District #3

Effective Date: 01-01-2022
 SIC Code: 1623
 JEFFERSON, TX (HAMSHIRE)
 Zip Code: 77622

Blue Cross Blue Shield of TX	
[] Blue Choice Gold PPO 114 - G9K8CHC	
Gold	
Illustrative Rates	
PPO (2 - 50)	
Blue Choice PPO	
In	Out
-	-
\$1,000	\$2,000
\$3,000	\$4,000
80%	60%
\$6,000 (\$12,000)	Unlimited
\$45 Copay	60% After Ded.
\$90 Copay	60% After Ded.
\$150 Copay + 80% After Ded.	60% After Ded.
80% After Ded.	60% After Ded.
80% After Ded.	60% After Ded.
\$250 Copay	60% After Ded.
\$100 Copay	60% After Ded.
\$500 Copay + 80% After Ded.	As INN
0/10/50/100/150	10/20/70/120/150

UnitedHealthcare	
[] PROE10001518021	
Illustrative Rates	
EPO (5 - 100)	
Choice	
In	Out
-	-
\$1,000	-
\$2,000	-
80%	-
\$8,150 (\$16,300)	-
\$15 Copay	-
\$50 Copay	-
80% After Ded.	-
80% After Ded.	-
80% After Ded.	-
80% After Ded.	-
\$25 Copay	-
\$300 Copay + 80% After Ded.	-
10/35/75/250	-

UnitedHealthcare	
[] PROP10001518021	
Illustrative Rates	
EPO (5 - 100)	
Choice Plus	
In	Out
-	-
\$1,000	\$5,000
\$2,000	\$10,000
80%	50%
\$8,150 (\$16,300)	\$10,000 (\$20,000)
\$15 Copay	-
\$50 Copay	-
80% After Ded.	-
80% After Ded.	-
80% After Ded.	-
80% After Ded.	-
\$25 Copay	-
\$300 Copay + 80% After Ded.	-
10/35/75/250	-

UnitedHealthcare	
[] E1000801X21	
Illustrative Rates	
EPO (5 - 100)	
Choice	
In	Out
-	-
\$1,000	-
\$2,000	-
80%	-
\$4,500 (\$9,000)	-
\$25 Copay	-
\$75 Copay	-
80% After Ded.	-
80% After Ded.	-
80% After Ded.	-
80% After Ded.	-
\$50 Copay	-
\$300 Copay + 80% After Ded.	-
10/35/75/250	-

UnitedHealthcare	
[] P1000801X21	
Illustrative Rates	
PPO (5 - 100)	
Choice Plus	
In	Out
-	-
\$1,000	\$2,000
\$2,000	\$16,000
80%	50%
\$4,500 (\$9,000)	\$9,000 (\$18,000)
\$25 Copay	-
\$75 Copay	-
80% After Ded.	-
80% After Ded.	-
80% After Ded.	-
80% After Ded.	-
\$50 Copay	-
\$300 Copay + 80% After Ded.	-
10/35/75/250	-

Aetna AFA	
[] AFA CPOSH 1000 80/50 CY	
Illustrative Rates	
POS (2 - 50)	
Choice POS II (Open Access)	
In	Out
-	-
\$1,000	\$2,000
\$2,000 Embedded	\$6,000 Embedded
80%	50%
\$4,500 (\$9,000)	\$12,000 (\$36,000)
\$30 Copay	50% After Ded.
\$60 Copay	50% After Ded.
80% After Ded.	50% After Ded.
80% After Ded.	50% After Ded.
80% After Ded.	50% After Ded.
80% After Ded.	50% After Ded.
\$75 Copay	50% After Ded.
\$500 Copay, Wvd. If Adm.	As INN
3T1AG/10T1G/45PB /75NP/20%to250PS/40%to500NPS	50%T1AG/50%T1G/50%PB/50%NP/NCP S/NCNPS

	Monthly Rate	Monthly Premium
EE (2)	\$1,376.53	\$2,753.06
ES (3)	\$2,753.06	\$8,259.18
EC (0)	\$2,753.06	-
EF (0)	\$4,129.59	-

	Monthly Rate	Monthly Premium
EE (2)	\$1,027.25	\$2,054.50
ES (3)	\$2,124.24	\$6,372.72
EC (0)	\$1,924.78	-
EF (0)	\$3,121.49	-

	Monthly Rate	Monthly Premium
EE (2)	\$1,082.54	\$2,165.08
ES (3)	\$2,240.33	\$6,720.99
EC (0)	\$2,029.82	-
EF (0)	\$3,292.87	-

	Monthly Rate	Monthly Premium
EE (2)	\$1,109.30	\$2,218.60
ES (3)	\$2,296.53	\$6,889.59
EC (0)	\$2,080.67	-
EF (0)	\$3,375.83	-

	Monthly Rate	Monthly Premium
EE (2)	\$1,170.31	\$2,340.62
ES (3)	\$2,424.67	\$7,274.01
EC (0)	\$2,196.60	-
EF (0)	\$3,564.98	-

	Monthly Rate	Monthly Premium
EE (2)	\$800.70	\$1,601.40
ES (3)	\$2,017.73	\$6,053.19
EC (0)	\$1,608.37	-
EF (0)	\$2,774.18	-

\$11,012
Total Monthly Premium

\$8,427
Total Monthly Premium

\$8,886
Total Monthly Premium

\$9,108
Total Monthly Premium

\$9,615
Total Monthly Premium

\$7,655
Total Monthly Premium

\$132,147
Total Annual Premium

\$101,127
Total Annual Premium

\$106,633
Total Annual Premium

\$109,298
Total Annual Premium

\$115,376
Total Annual Premium

\$91,855
Total Annual Premium

**SUPPLEMENT TO
INTERLOCAL AGREEMENT
TEXAS WATER CONSERVATION ASSOCIATION
RISK MANAGEMENT FUND**

In consideration of the Member's request for payment of additional benefits and in further consideration of the Fund's agreement to pay such benefits, the Interlocal Agreement between the Fund and the Member effective the 25 day of August, 1991, is amended by adding thereto the applicable coverages set forth below.

Volunteers — If a resolution of the Board of Trustees of the Member has been adopted providing coverage for volunteers as required by law, such volunteers, while acting within the course and scope of their official duties, shall be covered by the Interlocal Agreement as any other employee of the Member political subdivision.

Elected/Appointed Officials — If a resolution of the Board of Trustees of the Member has been adopted providing coverage for elected officials as required by law, such elected officials while acting within the course and scope of their official duties, shall be covered by the Interlocal Agreement as any other employee of the Member political subdivision.

The Member agrees to pay the premium for the payroll classifications set forth below.

Description of Group of Employees

- | | | |
|-------------------------------------|-----------------------------|----------------------------------------------------------------------------------------|
| <input type="checkbox"/> | Elected/Appointed Officials | Code 999989 |
| <input type="checkbox"/> | Volunteers | Payroll classification corresponding to type and nature of work done by the volunteer. |
| <input checked="" type="checkbox"/> | Decline Coverage | |

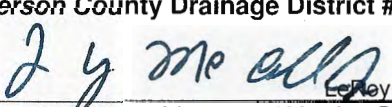
The Member agrees to report to the Fund, in writing on an annual basis or from time-to-time as new people are added, the names, positions, beginning date of service, ending date of service (if applicable), and salary/compensation or the equivalent minimum payroll base of the persons covered under this Supplement. The Member agrees that adequate premium for the above exposures must be collected by the Fund. Therefore, the Member agrees that unless greater compensation is actually received, the minimum reportable annual compensation for premium computation purposes on each person covered under this Supplement shall be \$3,120.

This Supplement shall be subject to all the terms, provision, and conditions of the Interlocal Agreement, and nothing herein contained shall vary, alter, or extend any term, provision, or condition of the Interlocal Agreement except as herein specifically stated.

Effective Date of this Supplement: July 1, 2022

This Supplement Expires: June 30, 2023

Contract Number: **65**

<p>MEMBER:</p> <p>Jefferson County Drainage District #3</p> <p>By: <u></u> Jeffrey McCall, Jr. Signature of Authorized Member Official</p> <p>Title: <u>Chairman</u></p> <p>Date: <u>February 16, 2022</u></p>	<p>FUND:</p> <p>Texas Water Conservation Association Risk Management Fund</p> <p>By: _____ Signature of Authorized Fund Official</p> <p>Title: <u>Secretary</u></p> <p>Date: _____</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

WARRANTY

Member: Jefferson County Drainage District #3

TO: TEXAS WATER CONSERVATION ASSOCIATION RISK MANAGEMENT FUND (the "Fund")

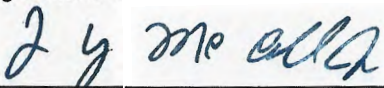
This warranty shall confirm that the information contained in the 2022-2023 Fund Year Risk Exposures Update completed and signed February 16, 2022, and presented to the Fund as the basis for (Date Exposure Update was signed)

which renewal coverage would apply, remains unchanged as of the date indicated below and there is no additional information which would need to be added to that exposure update in order to make it currently complete. This warranty is given as consideration for the offer of renewal coverage by the Fund.

This is declare and confirm that as of February 16, 2022 no fact, circumstance, (Today's Date)

or situation indicating the probability of an occurrence, claim, wrongful act, or action against which indemnification or payment is or would be afforded by the proposed insurance is now known to the Member's Fund Contact as set forth in the Interlocal Agreement between the Member and Fund and said Fund Contact has made a diligent effort to ascertain whether or not an actual or probable claim or action exists. It is agreed by all concerned that if there be actual knowledge of any such occurrence, claim, wrongful act, fact, circumstance, or situation, and it is not disclosed in the exposure update, any claim or action subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

It is further agreed by all concerned that knowledge or notice of an occurrence, claim, or wrongful act by an agent, servant or employee of the Member shall not in itself constitute no knowledge or notice to the Member, unless the Member's Fund Contact, as designated in the Interlocal Agreement, shall have received notice thereof from its agent, servant, or employee. The Fund Contact shall have a duty to make reasonable and diligent inquiry in this regard. The inadvertent failure of an agent, servant, or employee of the Member to notify the Fund of any occurrence, claim, or wrongful act of which he or she has knowledge shall not invalidate the proposed insurance.

SIGNED: 
LeRoy McCall, Jr.

DATE: February 16, 2022

TITLE: Chairman

Middle Market COO
Public Funds Collateral Management Team
333 Market St 4th Floor
MAC A0109-040
San Francisco, CA 94105 - 2100
publicfundscollateral@wellsfargo.com



February 08, 2022

Jefferson County Drainage Dist 3
Attn: Shanna Verrett

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

Subject: Request to Release Excess Collateral

Respond Bv: 2/10/2022

Pledgee: PL-0001221 Custodian: Bank of New York Mellon Custodian #: WUB564

Wells Fargo Bank, N.A. currently holds pledged collateral in the name of your organization to cover deposits in excess of FDIC insurance limits. As of January, 1, 2013, the FDIC insures the deposits of governmental accounts a per Official Custodian basis as follows:

The aggregate balances in demand deposit 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.

Wells Fargo Bank, N.A. collateralizes balances in accordance with all applicable state and federal laws. The balances in your public fund account(s) and collateral levels are monitored daily. A recent analysis of your account and pledged collateral presented the following:

Total deposits net FDIC as of: 02/07/2022	
(Total deposits less applicable FDIC insurance x 110%)	\$0.00
Total Market Value of Collateral held as of: 02/07/2022	\$1,422,480.22
Excess Collateral:	\$1,422,480.22


We are requesting your approval to release collateral to meet your current collateral needs. Please sign below and return as soon as possible. The signed release form should be faxed to my attention at **1-866-686-5441**.

If you should have any questions, or if further information is needed to satisfy this request, please call our toll free number 1-877-479-6603. We sincerely appreciate the opportunity to provide you the highest quality service for your business needs.

Sincerely,

Sheila Lynch - Vice President
Public Funds Collateral Management Team

I hereby authorize Wells Fargo Bank, N.A. to reduce the level of securities pledged to our public deposit account(s).



(Customer) Authorized Signature LeRoy McCallister 2/16/2022
Print Name Date



**JEFFERSON COUNTY DRAINAGE DISTRICT NO. 3
AMENDED UNIFORM TAX ABATEMENT POLICY-2022**

ADMONITORY PROVISIONS

The final determination of value to be abated is vested with the Jefferson County Central Appraisal District (JCCAD), an agency autonomous from Jefferson County. The Procedures used by JCCAD are attached as Exhibit "A" and incorporated and adopted in this Abatement Policy for all purposes. These provisions are illustrative only and shall not limit the Appraisal District in making determinations in any manner otherwise allowed by law.

Businesses applying for tax abatement with Drainage District No. 3 are advised that any agreement with Drainage District No. 3 applies only to taxes assessed by Jefferson County. Any abatement agreement with other taxing entities must be negotiated directly with such entities. In addition, each individual or business receiving an abatement retains the responsibility for annually applying to the Jefferson County Appraisal District for recognition and implementation of such abatement agreement.

STATEMENT OF PURPOSE

SECTION I

(a) The Commissioners Court of Jefferson County, Texas adopts this tax abatement policy to provide incentives to the owner of real property, who proposes a Project to develop, redevelop or improve eligible facilities. The incentives will consist of a limited special exemption from certain taxes provided that the Owner agrees to accept and abide by this Policy and provided that the real property is located in a lawfully created Reinvestment or Enterprise Zone.

(b) This policy is intended to improve the quality of life in economically depressed areas and throughout Drainage District No. 3 by stimulating industrial development, and job creation and retention provided that the taxable value of the property of the owner is not adversely affected.

DEFINITIONS

SECTION II

(a) **"Abatement"** means the full or partial exemption from ad valorem taxes of certain real property values in a reinvestment or enterprise zone designated by the County for economic development purposes.

U) **"Expansion"** means the addition of buildings, structures, machinery, tangible personal property, equipment, payroll or other taxable value for purposes of increasing production capacity.

(k) **"Field Buys"** include but are not limited to the procurement of material that is conducted by the project procurement team which is typically located on site throughout the duration of the project.

(l) **"Modernization"** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, equipment, pollution control devices or resource conservation equipment. Modernization shall include improvements for the purpose of increasing productivity or updating the technology of machinery and equipment, or both.

(m) **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.

(n) **"New Facility"** means a property previously undeveloped which is placed into service by means other than in conjunction with Expansion or Modernization.

(o) **"Productive Life"** means the number of years a property improvement is expected to be in service in a facility.

WHEN ABATEMENT AUTHORIZED

SECTION III

(a) **Eligible Facilities.** Upon application, Eligible Facilities shall be considered for tax abatement as hereinafter provided.

(b) **Creation of New Value.** Abatement may only be granted for the creation of additional value to eligible facilities made subsequent to and specified in an abatement agreement between Drainage District No. 3 and the property owner or lessee, subject to such limitations as Drainage District No. 3 may require. Under no circumstances will abatements be considered or granted once construction on a facility or project has begun.

(c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.

(d) **Eligible Property.** Abatement may be extended to the increase in value of buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility.

(e) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for tax abatement: land, supplies, inventory, vehicles, vessels, housing,

(7) The extent to which local labor, local subcontractors and local vendors and suppliers will be used in the construction phase of the project;

(8) The amount of local taxes to be generated directly. In this regard it is understood that purchases for the project will be invoiced locally that Jefferson County will be credited with sales taxes for purchases. By way of clarification Owner will enter into a Separate Contract as defined in 34 Texas Administrative Code 3.291 (a) (13) with an EPC contractor (EPC) for the construction of the new plant facility to be located at the in Jefferson County Texas.

Owner will obtain a Texas Direct Payment Permit (OPP) and issue a OPP exemption certificate in lieu of sales tax to EPC. Owner will remit use taxes on taxable purchases made for use in the Project directly to the state of Texas on its monthly Texas Direct Payment Return for both state and county taxes at the applicable rates. The State of Texas collects Limited, Sales, Excise and Use Taxes for both the state and local tax jurisdictions. The state is responsible for distributing the local taxes it collected to the applicable local jurisdiction.

(9) The amount the property tax base valuation will be increased during term of abatement and after abatement;

(10) The amount of economic impact the Eligible Facility will provide to the local community;

(11) The costs to be incurred by Drainage District No. 3 to provide facilities or services directly resulting from the new improvements;

(12) The amount of ad valorem taxes to be paid to Drainage District No. 3 during the abatement period considering (a) the existing values; (b) the percentage of new value abated; (c) the abatement period; and (d) the value after expiration of the abatement period;

(13) The population growth of Drainage District No. 3 projected to occur directly as a result of new improvements;

(14) The types and values of public improvements, if any, to be made by the applicant seeking abatement;

(15) Whether the proposed improvements compete with existing businesses to the detriment of the local economy;

(16) The impact of the proposed project on the business opportunities of existing businesses;

(17) The attraction of other new businesses to the area as a result of the project;

(18) The overall compatibility with the zoning ordinances and comprehensive plan for the area;

principal office in Jefferson, Hardin, and Orange, County will be recognized as a HUB/DBE for purposes of this policy. Jefferson County will supply a Minority Business Directory to each applicant.

2. Drainage District No. 3 will require that each abatement contract between itself and any individual or entity seeking the abatement of ad valorem taxes contain a provision requiring the owner, on at least a quarterly basis, and at owner's cost, to allow the full examination by County or its designated representative(s) of all documents necessary for County to assure that best efforts have been used by owner to utilize local labor, subcontractors, vendors, suppliers and HUB's/DBE's. Drainage District No. 3 will also require that such contracts contain provisions binding the engineering/construction firms utilized as general contractors on the Project to the terms of the abatement contract.

(e) **Denial of Abatement.** Neither a reinvestment or enterprise zone nor abatement agreement shall be authorized if it is determined that:

- (1) There would be a substantial adverse effect on the provision of government service or tax base;
- (2) The applicant has insufficient financial capacity;
- (3) Planned or potential use of the property would constitute a substantial hazard to public safety, health or morals;
- (4) The project would cause a violation of state or federal laws; or
- (5) For any other reason deemed appropriate by Drainage District No. 3 including the pendency of litigation between the individual or entity requesting the creation of the reinvestment or enterprise zone and Drainage District No. 3.

(f) **"Taxability"** From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:

- (1) The value of ineligible property shall be fully taxable; and
- (2) The base year value of existing eligible property as determined each year shall be fully taxable.

APPLICATION PROCESS

SECTION V

(a) Any present owner, potential owner or Lessee of taxable property in Drainage District No. 3 may request the creation of a reinvestment or enterprise zone and tax abatement by filing a written request with the County Judge.

(b) The application shall consist of a completed application form which shall provide detailed information on the items described herein; a map and property description with specific metes and bounds which includes GPS coordinates (pursuant to a directive from

(b) Drainage District No. 3 shall formally pass a resolution and execute an agreement with the owner of the facility and lessee, as the case may be, which shall include at least the following terms:

- (1) Estimated value to be abated and the base year value;
- (2) Percent of value to be abated each year;
- (3) The commencement date and the termination date of abatement;
- (4) The proposed use of the facility, nature of construction, time schedule, map, property description and improvement list;
- (5) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, or assignment;
- (6) Provision for access to and authorization for inspection of the property by County employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;
- (7) Limitations on the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
- (8) Provision for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement;
- (9) Provision that all permanent jobs be registered with the Texas Workforce Commission and that all contractors shall give preference to and to seek qualified workers through the Texas Workforce Commission.
- (10) Contain each and every term agreed to by the owner of the property;
- (11) Requirement that the owner or lessee of the property certify annually to the governing body of each taxing unit that the owner or lessee is in compliance with each applicable term of the agreement; and
- (12) All terms required by Texas Tax Code §312.205, as amended; Such agreement shall normally be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to Drainage District No. 3.

RECAPTURE

SECTION VII

(a) In the event that the company, owner's or individual (1) allows its ad valorem taxes owed Drainage District No. 3 to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or (2) violates any of the terms and conditions of the abatement agreement; and fails to cure during the cure period, or discontinues production the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.

(b) Should Drainage District No. 3 determine that the company or individual is in default according to the terms and conditions of its agreement, Drainage District No. 3 shall notify the company or individual of such default in writing at the address stated in the agreement; and if such is not cured within thirty (30) days from the date of such notice ("Cure Period"), then the agreement may be terminated. Alternatively, County may, as a penalty for default or non-compliance with the provisions of an abatement contract, reduce the term of the abatement period and/or the annual percentage abatements available thereunder.

(d) During the course of construction of the Project, Owner and its general contractor and/or subcontractors shall, on at least a quarterly basis, file a written report with and/or meet with designated County representatives for an onsite inspection to assure compliance with the terms of the abatement agreement. Owner will file quarterly reports that detail which persons, firms or entities supplied materials or labor utilized in the construction of the Project and the amounts expended for same and detailing which was purchased locally or otherwise. Owner shall be responsible to County for the payment of costs associated with such monitoring. In the event it is determined that Owner or its contractors have failed to comply with the terms of the abatement agreement, then County may terminate the abatement agreement or, in County's discretion, reduce the duration or annual percentages of such abatement.

(e) During construction, the Applicant shall maintain appropriate records of the employees affected by this abatement, including but not limited to, proof of employees' legal residence, proof of immigration-resident status, and, if applicable, such other documentation that may be required to document compliance with the Agreement

(f) The Chief Appraiser of the Jefferson Central Appraisal District shall timely file with the Texas Department of Economic Development and the State Property Tax Assistance Division all information required by the Tax Code.

(g) All requirements of the Abatement Agreement shall apply to Applicant's contractors/subcontractors and Applicant shall ensure that they abide by the terms of the Agreement.

AGREEMENT

SECTION IX

Abatement may be transferred, assumed and assigned in whole or in part by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Commissioners' Court; subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld. As a condition of transfer, an assignment fee of \$10,000.00 may be required, with the maximum fee being \$10,000.00

SUNSET PROVISION

SECTION X

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years, unless amended by three-quarters of the Commissioners' Court at which time all reinvestment and enterprise zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether

(1) Is your project within a city limit? _____. Name of City _____

(2) Is your project within an ETJ? Name of City ETJ _____

(3) Is your project within an Enterprise or Reinvestment Zone? Which? _____

(4) Will you own the realty or lease the realty? _____

(5) Present Appraisal District value of land and any EXISTING improvements owned by the

OWNER:

(Answer this question based on Appraisal District records for the specific site you select.)

Cost of Land (If you are purchasing): \$ _____

Number of Acres: _____ or Square Feet: _____

(6) Type and value of proposed improvements: (In this answer list the specific amount of investment that will be expended for the entire project for which you seek abatement.)

Type of construction:
(Tiltwall, Build-Out of Existing Facility, Etc.)

Value of Construction: _____

Value of Equipment: _____

Value of Pollution Control Devices: It is understood and agreed that Applicant will not seek a tax exemption for any equipment or portion of the facility which merely reduces the pollution characteristics of the finished product produced by the facility and that an exemption will only be sought for equipment and technology utilized to reduce pollution at or around the facility.

(7) Productive life of proposed improvements: _____ years, or term of initial lease: _____

(8) Number of existing jobs to be retained by proposed improvements: _____
(Answer only if the location is already in or near Jefferson County and now employs Jefferson residents.)

(9) Number and types of new jobs to be created by proposed improvements: _____
Include in this answer the number of Jefferson County residents that will be employed.

(10) Amount of Annual local payroll to be created: _____

(11) What percentage and type of jobs to be created will Jefferson residents have the opportunity to fill? _____

(22) Describe methods/procedures you (and any procurement personnel) will use to provide bidding information to local contractors, manufacturers and labor to allow them to have sufficient information and time to submit their bids and attend pre-bid meetings to enable them to submit bids in all stages of the procurement process, including but not limited to "bulk buys." For further clarification, "local" is intended to mean entities that maintain their primary business office (where company policies, financial decisions and management decisions are made) in Jefferson County.

NOTE: Failure to accurately disclose exempted property may result in a total default under the Abatement Contract, resulting in recapture of previously abated taxes and forfeiture of future abatement.