NOTICE OF MEETING AND AGENDA

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

Will Be Held At

7:30 A.M.

August 19, 2026

at

24460 Highway 124
Hamshire, Texas 77665

A. Meeting called to order.

B. Call Roll

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

D Public Comments.

Public Comments (3 minutes each)—This is an opportunity for the public to address the Jefferson County Drainage District No. 3 Board of Commissioners regarding agenda items or any concerns not listed. Individuals wishing to speak must complete a comment card and present it to the District's Administrative Assistant before the meeting begins. Delegation of more than five persons shall appoint one person to present their views before the Board. Each speaker is allowed a three-minute time limit. Those who require a translator to address the Board will be granted six minutes to speak.

E. Approve the minutes of the July 15, 2026, meeting.

F. BID OPENING

1. Consider and Possibly Approve and Accept Bid for RFP 26-0715/SJV – STAFFING SERVICES – TEMPORARY LABOR

G. Business Session:

1. Review and Accept Regular District bills from July 31, 2026, to August 15, 2026.
2. Consider and Accept the District's Monthly Financial Report.
3. Consider and Accept the District's Monthly Insurance Summary as presented by Southeast Texas Government Employee Benefits Pool.
4. Acknowledge the receipt and filing of Jefferson County Drainage District No. 3's Investment Schedule for July 2026, pursuant to Section 2256.023 of the Public Funds Investment Act.

6. Consider and Approve payoff balance on the Kubota Tractor with Government Capital Finance for September 15, 2026

6. Consider and Approve Management Letter for Funchess, Mills, White to perform the 2025-26 Audit.

7. Consider and Approve Management Letter for Pollens & Cohen, PC to perform the 2025-26 Audit.

8. Budget Workshop – Discuss and Consider upcoming budget items for the 2026-27 budget year.
    A. Insurance Rates
    B. Employee COL Increase
    C. Purchase of Equipment

9. Review 2026 Certified Taxable Value as presented by Jefferson County Central Appraisal District for $301,321,977

10. Consider a resolution approving the District's 2026 proposed tax rate of $0.282693 /$100 valuation as distributed below:

Proposed tax rate of $ 0.282693 /$100 valuation:	
Maintenance and Operating:	$0.242138 /$100 valuation
Interest & Sinking Debt Rate:	$0.040555/$100 valuation
TOTAL PROPOSED TAX RATE FOR 2026	$0.282693/$100 valuation
TOTAL ACTUAL TAX RATE FOR 2025	$0.281966 /$100 valuation
TOTAL INCREASE OVER LAST YEAR'S RATE	*$0.257500%*/$100 valuation

11. Consider a resolution setting a Public Hearing on Jefferson County Drainage District No. 3's proposed tax rate for 2026 of $0.282693 per $100 valuation for 7:30 a.m. on Wednesday, September 16, 2026.

12. Executive Session – See footnote
13. Consider and take action, if any, on items discussed in Executive Session

H. Equipment Update:

I. Project Update:
1. Property ID 52541 – By directive from the County Engineer, no permits are to be granted until the legal matter of platting the property has been completed by the landowner.
2. Consider and approve signing on to the H.R. 9325, the Lone Star Coastal National Recreation Area Act, as presented by Lone Star Coastal Alliance

Completed Projects:
1. Ditch 751 – Todd Rd – Set Culvert & Build Bulkhead
2. Ditch 117 – Hwy 124 – Clean Ditch

Projects In Progress:
1. Ditches are being mowed & sprayed

I. Project Update: (cont)

Upcoming Projects: *(work is not listed in any particular order)*

1. Ditch 111-1 Englin Rd
2. Ditch 302 – Englin Rd – Bulkhead Repair
3. Ditch 138 & 750B-115 – Wise Rd – Clean Ditch
4. Ditch 316 – Shellhammer Rd – Mulch Trees

I. Meeting Updates
J. Board and Staff Comments
K. Set next Board Meeting
L. Adjournment.

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.

This Notice of Meeting is given and posted pursuant to the Texas Open Meetings Act, contained in Chapter 551 of the Texas Government Code. Capitalized words and phrases have the meaning given to them in the Act. The Meeting will be held at the Date, Time, and Place stated above. The Board of Commissioners of the Governmental Body will deliberate upon the items listed in the Agenda above. Any Agenda item is subject to discussion only, action only, or both discussion and action. All portions of the Meeting shall be Open, unless a Closed Meeting is held when permitted, and in the manner specified by the Act. If the Act permits all or any portion of the Deliberation of an Agenda item to be Closed, the Governing Body may enter into a Closed Meeting, whether or not the Agenda item states that a Closed Meeting for such item is anticipated. Agenda items are not required to be considered in the same order as listed in the Agenda. Any agenda item(s) may be tabled for Deliberation at a later Meeting or removed from the Agenda. Any such tabled or removed Agenda item may be placed on an Agenda for a later Meeting for which Notice has been given and posted pursuant to the Act.

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 August 13, 2026

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

DRAINAGE DISTRICT No. 3

24460 Highway 124
Hamshire, Texas
Jefferson County, Texas

MINUTES OF MEETING
Of
BOARD OF COMMISSIONERS
Held
AUGUST 19, 2026, AT 7:30 A.M.

A. The meeting was called to order at 7:30 A.M. by Chairman Frank R. Rose.

B. Present were Frank R. Rose, Chairman; Reginald C. Boykin, Secretary; and Commissioner Joel Levingston, Jr. Also present was Steven Frazier with Advanced Staffing, Inc.

C. Chairman Rose announced that this meeting was being recorded for the purpose of transcribing the minutes.

D. There were no Public Comments

E. The Minutes of the July 15, 2026, meeting were approved on a motion made by Commissioner Levingston and seconded by Commissioner Boykin. All voted Aye.

F. BID OPENING – Two proposals for Temporary Staffing were received from Advanced Staffing and Lofton Industrial Services, LLC. The Bid winner for RFP 26-0715/SJV will be announced at a later date, after the review and scoring process is complete.

E. Business Session:

1. Commissioners reviewed and accepted the District's regular checks written from July 31 to June 15, 2026. A motion was made by Commissioner Boykin and seconded by Commissioner Levingston. All voted Aye.
2. Commissioners reviewed and accepted the monthly financial report presented by Shanna Verret, which showed an ending fund balance of $1,543,734.75 a decrease of $61,868.02 from last month. The motion was made by Commissioner Levingston and seconded by Commissioner Boykin. All voted Aye.
3. A motion was made by Commissioner Boykin and seconded by Commissioner Levingston to accept the District's Monthly Insurance Summary as presented by the Southeast Texas Government Employee Benefit Pool for July 2026. Active employees generated a year-to-date profit of $67,197.01 while retirees earned a year-end profit of $1,854.83. All voted Aye.
4. Commissioners acknowledged the receipt and filing of Jefferson County Drainage District's No. 3 Investment Schedule for June 2026, pursuant to Section 2256.023 of the Public Funds Investment Act. Motion made by Commissioner Levingston and seconded by Commissioner Boykin. All voted Aye.
5. A motion was made by Commissioner Boykin and seconded by Commissioner Levingston to pay off the balance owed on the Kubota Tractor with Government Capital Finance for September 15, 2026. All voted AYE
6. A motion made by Commissioner Levingston and seconded by Commissioner Boykin to approve the management letter for Funchess Mills & White to perform the 2025-26 Audit.
7. A motion made by Commissioner Levingston and seconded by Commissioner Boykin to approve the management letter for Pollens & Cohen, PC to perform the 2025-26 Audit.
8. Budget Workshop
A discussion was held regarding the revenue and expenses for the upcoming budget FY2027. There will be a 5% increase in medical and dental insurance rates. The commissioner elected to give a cost-of-living increase. A discussion was held to possibly purchase a new mini-excavator after the cost and trade value have been received.
9. A review of the 2026 Certified Taxable Value was presented by Jefferson County Central Appraisal District for $301,321,977, which was less than the 2025 Certified Taxable Value of $312,239,879. A difference of $10,917,902.

10. Motion was made by Commissioner Boykin and seconded by Commissioner Levingston to consider a resolution approving the District's 2026 proposed tax rate of $0.282693/$100 valuation as distributed below:

Proposed tax rate of $ 0.282693 /$100 valuation:

Maintenance and Operating:	$0.242138 /$100 valuation
Interest & Sinking Debt Rate:	$0.040555 /$100 valuation
TOTAL PROPOSED TAX RATE FOR 2025	$0.282693 /$100 valuation
TOTAL ACTUAL TAX RATE FOR 2024	$0.281966 /$100 valuation
TOTAL INCREASE OVER LAST YEAR'S RATE	$0.257500% /$100 valuation

All voted AYE.

11. Motion was made by Commissioner Levingston and seconded by Commissioner Boykin to consider a resolution to set a Public Hearing on Jefferson County Drainage District No. 3's proposed tax rate for 2026 of $0.282693 per $100 valuation for 7:30 a.m. on Wednesday, September 16, 2026. All voted AYE.

12. There was no Executive Session

G. Equipment Update:

1. General Manager Ruffus Lavergne stated the gearbox on the batwing mower needs to be replaced. The longstick trackhoe had the DPF filter clamps repaired. A representative from Mustang Cat came out to appraise the Takeuchi Mini-Excavator to give a trade-in value for it. We are awaiting his evaluation.

H. Project Update:

1. The Commissioners were informed of the County Engineer's directive not to grant any permits on Property ID 52541 until the legal matter of platting the property by the landowner has been resolved.
2. After discussion, a motion was made by Commissioner Levingston and seconded by Commissioner Boykin not to join the Lone Star Coastal Alliance regarding H.R. 9325, the Lone Star Coastal Recreation Area Act. All voted AYE.

Completed Projects

1. Ditch 751 – Todd Rd – Set Culverts & Build Bulkhead
2. Ditch 117 – Hwy 124 – Clean Ditch

Projects in Progress

1. Ditches within the District are still being mowed at this time

Upcoming Projects –

1. Ditch 111-1 – Englin Rd
2. Ditch 302 – Englin Rd – Need to install a bulkhead
3. Ditch 138 & 750B – Wise Rd – Clean Ditch

I. No Meeting Updates
J. No Board Comments
K. The next regular meeting date is set for Wednesday, September 16, 2026, at 7:30 a.m.
L. Adjournment - With no further business, Chairman Rose adjourned the meeting at 8:28 a.m.

Frank R. Rose, Chairman

Reginald C. Boykin, Sr., Secretary

Joel E. Levingston, Jr., Commissioner

DRAINAGE DISTRICT NO. 3

Commissioner's Meeting
August 19, 2026
7:30 a.m.

PLEASE PRINT FIRST & LAST NAME	ADDRESS OR COMPANY	CITY/ZIP
STEPHON FRAZIER	ADVANCED STAFFING, INC	BEAUMONT 77703

11:13 AM
08/10/26
Accrual Basis

DRAINAGE DISTRICT No. 3
Account QuickReport
As of August 15, 2026

Date	Num	Name	Memo	Split	Amount
07/30/2026	ACH	PAYROLL TAX LIABILITY	74-6000295	FICA TAXES	-3,375.84
07/30/2026	13833	PAYROLL ACCOUNT	SALARIES & AUTO ALLOWANCE 7-30-2026	SALARIES & AUTO ALLOWANCE	-16,336.50
07/30/2026	ACH	Texas County & District Retirement System	EMPLOYER CONTRIBUTIONS 7-31-2026	RETIREMENT	-2,285.83
07/30/2026	13834	Amwins Group Benefits, LLC	GROUP# 35253 INV# 9619787	INSURANCE	-4,742.72
07/30/2026	13835	The Examiner	AGREEMENT# 23629 RFP 26-0629/SJV STAFFIN(	BOOKS & PRINTED MATTER	-1,080.00
07/30/2026	13837	Tri-Con Inc	inv# 212548	DIESEL FUEL	-4,028.48
07/30/2026	13838	M & D Supply	inv# 791/11	HARDWARE & TOOLS	-564.62
07/30/2026	13839	SAM'S CLUB	inv# 8500000055278079	SUNDRY	-73.44
07/30/2026	13840	Vaughn's Air Conditioning	inv# 5942 Coil	BUILDING & STRUCTURE	-3,659.24
07/30/2026	13841	Waukesha-Pearce Industries, Inc.	inv# 3223343	EQUIPMENT REPAIRS	-189.60
07/30/2026	13842	Beaumont Tractor Company, Inc	inv# 3301442	TRACTOR & MOWER REPAIRS	-295.94
07/30/2026	13843	Triangle Engine Dist, Inc.	INV# 407419	EQUIPMENT REPAIRS	-104.74
07/30/2026	13844	Gulf Coast Screw & Supply Co.	INV# 097582	EQUIPMENT REPAIRS	-119.19
07/30/2026	13845	AT&T	287310892719	TELEPHONE	-123.30
07/30/2026	13846	Windstream	040206957	TELEPHONE	-380.43
07/30/2026	13847	Entergy	136299690,138724638,134386440	ELECTRICITY	-371.65
07/30/2026	13848	Jux Technologies	INV# 44670	DUES & SUBSCRIPTIONS	-24.00
07/30/2026	13849	JB CUSTOMS	Inv#0049A	MARINE CRAFT	-182.26
		TOTAL 7/30/2026			**-37,937.78**
08/13/2026	8967	PAYROLL TAX LIABILITY	74-6000295	FICA TAXES	-2,973.62
08/13/2026	13850	PAYROLL ACCOUNT	SALARIES 8/15/2026	SALARIES	-13,661.50
08/13/2026	13851	Southeast Tx Gov't Employees Benefit Pool	EMPLOYER CONTRIBUTION 8/15/2026	INSURANCE	-15,700.02
08/13/2026	13852	County Treasurer, Life Insurance	SEPTEMBER 2026	INSURANCE	-37.16
08/13/2026	13853	First National Bank Omaha	ACCT# 0154 & 1661	OFFICE SUPPLIES, TIRES, SUNDRY	-1,064.56
08/13/2026	13854	Frank R. Rose	PAMELA ROSE DEDUCTIBLE	HEALTH SAVINGS	-750.00
08/13/2026	13855	The Examiner	INV# 2026-49745 IFB26-0617/SV	BOOKS & PRINTED MATTER	-360.00
08/13/2026	13856	Red River Specialities, Inc.	INV# 911317	CHEMICAL WEED CONTROL	-4,054.20
08/13/2026	13857	M & J Fertilizer Company	INV# 068770	FENCING MATERIALS	-748.32
08/13/2026	13858	Gulfway Lumber Company	INV# 2607-061086	LUMBER TIMBER	-1,098.31
08/13/2026	13859	Southern Tire Mart	INV# 4580239345	TIRES	-322.39
08/13/2026	13860	M & D Supply	INV# 902/11	SMALL TOOLS	-54.25
08/13/2026	13861	Gulf Coast Screw & Supply Co.	INV# 097876	TRACTORS & MOWERS	-9.81
08/13/2026	13862	Beaumont Tractor Company, Inc	INV# 3301947A INV#3301947	TRACTORS & MOWERS	-647.04
08/13/2026	13863	West Jefferson Co. MWD	04051-1104680000	WATER	-31.12
08/13/2026	13864	Hamshire Waste	AUGUST 2026	WASTE DISPOSAL	-68.00
08/13/2026	13865	Jux Technologies	INV# 45101	DUES & SUBSCRIPTIONS	-30.00
08/13/2026	13866	Kasie Cooper	AUGUST 2026	JANITORIAL SERVICES	-175.00
08/13/2026	13867	FIRST FINANCIAL BANK, N.A.	Contract# 10886 Payment #21	MACHINERY & EQUIPMENT	-2,741.02
		TOTAL 8/15/2026			**-44,526.32**

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
July 2026

	Jul 26	Budget	Oct '25 - Jul 26	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
REVENUES					
101 - Current Taxes	6,935.84	72,329.17	873,821.99	723,291.66	867,950.00
102 - Delinquent Taxes	3,962.54	833.33	27,150.79	8,333.34	10,000.00
103 - Interest	4,665.69	2,666.67	45,891.04	26,666.66	32,000.00
104 - Rendition Penalty	0.00		0.00	0.00	0.00
106 - Miscellaneous	738.83	0.00	2,042.63	0.00	0.00
Total REVENUES	16,302.90	75,829.17	948,906.45	758,291.66	909,950.00
Total Income	16,302.90	75,829.17	948,906.45	758,291.66	909,950.00
Gross Profit	16,302.90	75,829.17	948,906.45	758,291.66	909,950.00
Expense					
1 - SALARIES					
1001 - Administration	5,761.00	5,761.25	58,074.64	57,612.50	69,135.00
1002 - Clerical	4,881.00	4,881.08	48,345.36	48,810.84	58,573.00
1009 - Dept Head / Foreman	5,527.00	5,527.33	54,504.72	55,273.34	66,328.00
1010 - Commissioners	900.00	900.00	9,000.00	9,000.00	10,800.00
1015 - Extra Help	2,250.00	4,500.00	14,432.00	7,350.00	12,705.00
1020 - Laborer	0.00	2,946.67	11,784.00	29,466.66	35,360.00
1048 - Equipment Operators/Asst	9,054.00	13,215.83	90,931.28	132,158.34	158,590.00
Total 1 - SALARIES	28,373.00	37,732.16	287,072.00	339,671.68	411,491.00
2 - FRINGE BENEFITS					
2001 - FICA Expenses	2,141.26	3,215.00	21,945.80	32,150.00	38,580.00
2002 - Retirement	2,285.83	3,272.50	25,944.72	32,725.00	39,270.00
2003 - Insurance	20,110.52	26,237.50	205,251.29	262,375.00	314,850.00
2004 - Worker's Compensation	0.00	833.33	3,802.00	8,333.34	10,000.00
2006 - Auto Allowance	1,625.00	1,625.00	16,250.00	16,250.00	19,500.00
2007 - Retirement Wage Contg	0.00	4,166.67	1,030.00	41,666.66	50,000.00
2008 - Health Ins. Savings Acct	0.00	687.50	3,015.69	6,875.00	8,250.00
Total 2 - FRINGE BENEFITS	26,162.61	40,037.50	277,239.50	400,375.00	480,450.00
3 - MATERIALS & SUPPLIES					
3006 - Auto Parts & Supplies	10.30	625.00	1,178.20	6,250.00	7,500.00
3006 Batteries	0.00		0.00	0.00	0.00
3008 Bolts Nuts Nails & Screws	0.00		0.00	0.00	0.00
3009 Antifreeze & Coolant	0.00		0.00	0.00	0.00
3010 Books & Printed Matter	1,800.00	500.00	3,037.00	5,000.00	6,000.00
3010 - Maps Prints Books Print	0.00		0.00	0.00	0.00
3012 Prints, Maps & Etc	0.00		0.00	0.00	0.00
3014 Chains & Hooks	0.00	66.67	0.00	666.66	800.00
3016 Chemicals Weed Control	0.00	1,916.67	0.00	19,166.66	23,000.00

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
July 2026

	Jul 26	Budget	Oct '25 - Jul 26	YTD Budget	Annual Budget
3018 Cleaners & Solvents	0.00		0.00	0.00	0.00
3018 - Janitorial Supplies	98.03	125.00	550.97	1,250.00	1,500.00
3019 - Additives & Lubricants	0.00		0.00	0.00	0.00
3020 Metal Culvert Pipe	9,300.00	4,166.67	14,354.60	41,666.66	50,000.00
3022 Copying Supplies	0.00		0.00	0.00	0.00
3027 Electrial Supplies	0.00	250.00	0.00	2,500.00	3,000.00
3030 Fencing Material	0.00	625.00	440.10	6,250.00	7,500.00
3032 Concrete, Sand, Aggregat	0.00	833.33	0.00	8,333.34	10,000.00
3034 Diesel Fuel	4,028.48	5,000.00	16,331.70	50,000.00	60,000.00
3036 Diesel Fuel ON ROAD	0.00	2,500.00	7,201.07	25,000.00	30,000.00
3037 Gasoline	0.00	583.33	3,346.68	5,833.34	7,000.00
3040 Hardware - Misc	13.94	250.00	1,429.63	2,500.00	3,000.00
3041 Hose & Fittings & Filters	0.00	833.33	2,073.10	8,333.34	10,000.00
3048 Lumber, Timbers, Rope	-1,890.31	416.67	-1,890.31	4,166.66	5,000.00
3050 Medical & Safety	208.76	250.00	1,499.02	2,500.00	3,000.00
3051 Motor Oil & Grease	0.00	833.33	295.23	8,333.34	10,000.00
3056 Paint & Brushes	0.00	83.33	0.00	833.34	1,000.00
3072 Rope Wire Manila & Burlap	0.00	66.67	170.44	666.66	800.00
3073 Spare Parts, Heavy Equip	0.00	83.33	0.00	833.34	1,000.00
3077 Computer Supplies	0.00	208.33	1,885.21	2,083.34	2,500.00
3078 Office Supplies	17.31	375.00	3,405.31	3,750.00	4,500.00
3080 Steel Angle Iron Rods, Etc	0.00		0.00	0.00	0.00
3083 Tires & Tubes	0.00	750.00	2,962.77	7,500.00	9,000.00
3084 Minor Equipment	0.00		0.00	0.00	0.00
3084 - Sm Tools & Minor Equip	550.68	958.33	579.65	9,583.34	11,500.00
3095 Welding Supplies	0.00	291.67	14.16	2,916.66	3,500.00
3098 - Clothing & Work Wear	0.00	208.33	862.82	2,083.34	2,500.00
3099 Sundry	73.44	166.67	818.43	1,666.66	2,000.00
Total 3 - MATERIALS & SUPPLIES	14,210.63	22,966.66	60,545.78	229,666.68	275,600.00
4 - MAINTENANCE & UTILITES					
4001 Cooling and Heating	0.00	0.00	0.00	0.00	0.00
4009 Building & Structure	3,659.24	375.00	3,659.24	3,750.00	4,500.00
4010 Tractors & Mowers	312.54	1,041.67	1,354.73	10,416.66	12,500.00
4011 Equipment Repairs	413.53	5,833.33	6,831.42	58,333.34	70,000.00
4013 Marine Craft	182.26	166.67	182.26	1,666.66	2,000.00
4014 - Auto - Truck	0.00		0.00	0.00	0.00
4014 - Auto Truck Trailer	0.00	250.00	553.07	2,500.00	3,000.00
4015 Communication Equip	0.00	125.00	0.00	1,250.00	1,500.00
4020 Miscellaneous	0.00	41.67	0.00	416.66	500.00
4030 Tools	0.00		0.00	0.00	0.00
4051 Freight	0.00	25.00	0.00	250.00	300.00
4052 Postage	0.00	41.67	438.76	416.66	500.00
4053 Natural Gas/Butane	118.82	308.33	1,122.54	3,083.34	3,700.00
4054 Telephone	625.44	500.00	5,116.28	5,000.00	6,000.00
4056 Electricity	371.65	500.00	2,364.18	5,000.00	6,000.00

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
July 2026

	Jul 26	Budget	Oct '25 - Jul 26	YTD Budget	Annual Budget
4057 Water & Sewer	32.13	166.67	309.31	1,666.66	2,000.00
4058 Garbage Waste Disposal	68.00	100.00	680.00	1,000.00	1,200.00
4059 - Unscheduled Misc	0.00	83.33	0.00	833.34	1,000.00
Total 4 - MAINTENANCE & UTILITES	5,783.61	9,558.34	22,611.79	95,583.32	114,700.00
5 - MISCELLANEOUS SERVICES					
5009 Professional Services	0.00	1,250.00	3,280.91	12,500.00	15,000.00
5010 - Medical & Surgical	0.00	166.67	589.00	1,666.66	2,000.00
5021 Dues & Subscriptions	554.00	291.67	2,243.67	2,916.66	3,500.00
5027 Engineering Fees	0.00	2,500.00	0.00	25,000.00	30,000.00
5028 Assessor/Collector Fees	0.00	183.33	2,118.06	1,833.34	2,200.00
5029 Attorney Fees	0.00	1,666.67	0.00	16,666.66	20,000.00
5031 Filing, Records & Photos	0.00	8.33	0.00	83.34	100.00
5032 Accounting Services	0.00	41.67	0.00	416.66	500.00
5036 Treasurer Commision	0.00	133.33	0.00	1,333.34	1,600.00
5038 Supplemenal Tax Refunds	0.00	166.67	0.00	1,666.66	2,000.00
5040 Insurance - Auto Prop Liab	0.00	1,341.67	12,204.00	13,416.66	16,100.00
5040 Insurance Autos & Trucks	0.00		0.00	0.00	0.00
5041 Insurance Property	0.00		0.00	0.00	0.00
5043 Insurance General Liab	0.00		0.00	0.00	0.00
5044 Insurance Official Liab	0.00		0.00	0.00	0.00
5045 Bonds Surety & Notary	0.00	83.33	518.23	833.34	1,000.00
5053 Equipment Rental	0.00	1,416.67	270.00	14,166.66	17,000.00
5054 Contract Aerial Spraying	0.00	833.33	0.00	8,333.34	10,000.00
5055 Contract Spraying	0.00	916.67	0.00	9,166.66	11,000.00
5060 Janitorial Services	175.00	175.00	1,750.00	1,750.00	2,100.00
5062 Travel & Meeting Expense	0.00	66.67	110.88	666.66	800.00
5064 Training & Education	0.00	108.33	0.00	1,083.34	1,300.00
5074 Independent Auditor Fees	0.00	2,500.00	28,250.00	25,000.00	30,000.00
5095 Bank Service Charges	0.00	250.00	0.00	2,500.00	3,000.00
5098 Appraisal District Fees	0.00	750.00	7,115.82	7,500.00	9,000.00
5099 Sundry	150.00	83.33	906.22	833.34	1,000.00
Total 5 - MISCELLANEOUS SERVICES	879.00	14,933.34	59,356.79	149,333.32	179,200.00
6 - CAPITAL OUTLAY					
6001 Office Machines	0.00	375.00	0.00	3,750.00	4,500.00
6002 Excavation Equipment	0.00	13,333.33	0.00	133,333.34	160,000.00
6011 Machinery & Equipment	2,741.02	13,333.33	104,262.70	133,333.34	160,000.00
6014 Building & Structures Grnd	0.00	833.33	0.00	8,333.34	10,000.00
6022 Furniture & Fixtures	0.00	416.67	0.00	4,166.69	5,000.03
6042 Auto Truck & Trailer	0.00	4,233.33	19,045.50	42,333.34	50,800.00
6045 Land/ROW Acquisitions	0.00	350.00	0.00	3,500.00	4,200.00
Total 6 - CAPITAL OUTLAY	2,741.02	32,874.99	123,308.20	328,750.05	394,500.03

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
July 2026

	Jul 26	Budget	Oct '25 - Jul 26	YTD Budget	Annual Budget
Payroll Expenses	0.00		0.00		
Reconciliation Discrepancies	0.00		-16,836.50	0.00	0.00
Total Expense	78,149.87	158,102.99	813,297.56	1,543,380.05	1,855,941.03
Net Ordinary Income	-61,846.97	-82,273.82	135,608.89	-785,088.39	-945,991.03
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	**-61,846.97**	**-82,273.82**	**135,608.89**	**-785,088.39**	**-945,991.03**

DRAINAGE DISTRICT No. 3
Statement of Cash Flows
July 2026

	Jul 26
OPERATING ACTIVITIES	
Net Income	-61,846.97
Adjustments to reconcile Net Income	
to net cash provided by operations:	
EMPLOYEE PAID EXPENSES:202-0400 Employee Insurance	17.35
EMPLOYEE PAID EXPENSES:202-0902 VOL - LIFE / AD&D	-81.00
Payroll Liabilities	42.60
Net cash provided by Operating Activities	-61,868.02
Net cash increase for period	-61,868.02
Cash at beginning of period	1,605,602.77
Cash at end of period	**1,543,734.75**

GROUP: DD3 Active

Month July '26

2026 SUMMARY REPORT

MONTH	PAID MEDICAL 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)	MED ENR UNITS	MED DEP UNITS	DEN ENR UNITS	DEN DEP UNITS
January	$ 6,550.17	54.11%	$ 555.00	4.59%	$ 4,999.24	41.30%	$ 12,104.41	$ 1,089.40	$ 13,193.81	$ 17,882.52	$ 4,688.71	7	3	7	4
February	$ 4,299.35	34.04%	$ -	0.00%	$ 8,330.85	65.96%	$ 12,630.20	$ 1,136.72	$ 13,766.92	$ 19,522.52	$ 5,755.60	7	3	7	4
March	$ 141.69	2.97%	$ -	0.00%	$ 4,635.93	97.03%	$ 4,777.62	$ 429.99	$ 5,207.61	$ 19,484.42	$ 14,276.81	8	3	8	4
April	$ 1,055.17	137.17%	$ -	0.00%	$ (285.90)	-37.17%	$ 769.27	$ 69.23	$ 838.50	$ 19,522.52	$ 18,684.02	8	3	8	4
May	$ 1,343.73	21.70%	$ -	0.00%	$ 4,848.92	78.30%	$ 6,192.65	$ 557.34	$ 6,749.99	$ 17,882.52	$ 11,132.53	7	3	7	4
June	$ 10,067.51	99.90%	$ -	0.00%	$ 10.24	0.10%	$ 10,077.75	$ 907.00	$ 10,984.75	$ 17,882.52	$ 6,897.77	7	3	7	4
July	$ 3,615.45	32.51%	$ 230.00	2.07%	$ 7,274.70	65.42%	$ 11,120.15	$ 1,000.81	$ 12,120.96	$ 17,882.52	$ 5,761.56	7	3	7	4
August		0.00%	$ -	0.00%		0.00%	$ -	$ -	$ -		$ -				
September		0.00%	$ -	0.00%		0.00%	$ -	$ -	$ -		$ -				
October		0.00%	$ -	0.00%		0.00%	$ -	$ -	$ -		$ -				
November		0.00%	$ -	0.00%		0.00%	$ -	$ -	$ -		$ -				
December		0.00%	$ -	0.00%		0.00%	$ -	$ -	$ -		$ -				
TOTALS	$ 27,073.07	46.94%	$ 785.00	1.36%	$ 29,813.98	51.70%	$ 57,672.05	$ 5,190.48	$ 62,862.53	$ 130,059.54	$ 67,197.01				
MONTHLY AVERAGE	$ 3,867.58		$ 392.50		$ 4,259.14		$ 8,238.86	$ 741.50	$ 8,980.36	$ 18,579.93	$ 9,599.57	7	3	7	4
ANNUAL PROJECTIONS	$ 46,410.98		$ 4,710.00		$ 51,109.68		$ 102,230.66	$ 8,897.97	$ 107,764.34	$ 222,959.21	$ 115,194.87				
PROJECTED MONTHLY AVERAGE PER ENROLLEE	$ 552.51		$ 56.07		$ 608.45		$ 1,217.03								
PROJECTED MONTHLY AVERAGE PER MEMBER	$ 386.76		$ 35.68		$ 425.91		$ 848.35								

GROUP: DD3 Retirees

Month July '26

2026 SUMMARY REPORT

MONTH	PAID MEDICAL 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)		MED ENR UNITS	MED DEP UNITS	DEN ENR UNITS	DEN DEP UNITS
January	$ -	0.00%	$ -	0.00%	$ 27.75	100.00%	$ 27.75	$ 2.50	$ 30.25	$ 275.72	$ 245.47		-	-	5	3
February	$ -	0.00%	$ -	0.00%	$ 27.75	100.00%	$ 27.75	$ 2.50	$ 30.25	$ 275.72	$ 245.47		-	-	5	3
March	$ -	0.00%	$ -	0.00%	$ 27.75	100.00%	$ 27.75	$ 2.50	$ 30.25	$ 275.72	$ 245.47		-	-	5	3
April	$ -	0.00%	$ -	0.00%	$ 27.75	100.00%	$ 27.75	$ 2.50	$ 30.25	$ 275.72	$ 245.47		-	-	5	3
May	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	$ -	$ -	$ 275.72	$ 275.72		-	-	5	3
June	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	$ -	$ -	$ 275.72	$ 275.72		-	-	5	3
July	$ -	0.00%	$ -	0.00%	$ (42.00)	100.00%	$ (42.00)	$ (3.78)	$ (45.78)	$ 275.72	$ 321.50		-	-	5	3
August	$ -	0.00%	$ -	0.00%		0.00%	$ -	$ -	$ -		$ -					
September	$ -	0.00%	$ -	0.00%		0.00%	$ -	$ -	$ -		$ -					
October	$ -	0.00%	$ -	0.00%		0.00%	$ -	$ -	$ -		$ -					
November	$ -	0.00%	$ -	0.00%		0.00%	$ -	$ -	$ -		$ -					
December	$ -	0.00%	$ -	0.00%		0.00%	$ -	$ -	$ -		$ -					
TOTALS	$ -	0.00%	$ -	0.00%	$ 69.00	100.00%	$ 69.00	$ 6.21	$ 75.21	$ 1,930.04	$ 1,854.83					
MONTHLY AVERAGE	#DIV/0!		#DIV/0!		$ 13.80		$ 13.80	$ 1.24	$ 15.04	$ 275.72	$ 264.98		-	-	5	3
ANNUAL PROJECTIONS	#DIV/0!		#DIV/0!		$ 165.60		$ 165.60	$ 14.90	$ 180.50	$ 3,308.64	$ 3,179.71					
PROJECTED MONTHLY AVERAGE PER ENROLLEE	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!									
PROJECTED MONTHLY AVERAGE PER MEMBER	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!									

Terry S. Whiddon, CPA
Ryan C. Harkey, CPA
Patti R. Mitchell, CPA

July 27, 2026

To Management
Jefferson County Drainage District No. 3
P.O. Box 120
Hampshire, Texas 77622

We are pleased to confirm our acceptance and understanding of the services we are to provide Jefferson County Drainage District No. 3 ("the District") for the year ended September 30, 2026.

You have requested that we prepare the financial statements of Jefferson County Drainage District No. 3, which comprise the annual Statement of Net Position and Governmental Fund Balance Sheet and the related Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Net Position of Drainage District No. 3, Jefferson County, Texas for the year ended September 30, 2026, and the related notes and management's discussion and analysis and perform a compilation engagement with respect to those financial statements. You have also requested that we prepare the supplementary Schedule of the Budgetary Comparison General Fund, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contributions, Schedule of Changes in OPEB Liability and Related Ratios, Services and Rates, General Fund Expenditures, Temporary Investments, Taxes Levied and Receivable, Long-Term Debt Service Requirements by Years, Changes in Long-Term Debt Service, Comparative Schedule of Revenues and Expenditures – General Fund, and Board Members, Key Personnel, and Consultants based on information provided by you.

We will assist your chief financial officer/bookkeeper in adjusting the books of accounts with the objective that she/he will be able to prepare a working trial balance from which financial statements can be prepared. Your chief financial officer will provide us with a detailed trial balance and any supporting schedules we require.

Our Responsibilities

The objective of our engagement is to –

1. prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you and
2. apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when preparing the financial statements and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the District or noncompliance with laws and regulations.

We in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2) The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America.
3) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
4) The prevention and detection of fraud.
5) To ensure that the District complies with the laws and regulations applicable to its activities.
6) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
7) To provide us with—
    - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
    - additional information that we may request from you for the purpose of the compilation engagement.
    - unrestricted access to persons within the District of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee the preparation of your financial statements and depreciation schedule. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

We are not independent with respect to Jefferson County Drainage District No. 3 and will disclose that we are not independent in our compilation report.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to obtain our permission to do so. The supplementary information accompanying the financial statements will be presented for purposes of additional analysis. Our report will not express an opinion, a conclusion, nor provide any assurance on such information.

Engagement Administration, Fees, and Other

Terry S. Whiddon, CPA is the engagement principal and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will range from $16,500 to $18,500. You will also be billed for out-of-pocket costs such as report production, word processing, postage, travel, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

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

Sincerely,

Terry S Whiddon CPA

FMW, P.C.

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

____________________ Chairman

Signature Title

Frank R. Rose

District Representative Printed Name

POLLANS & COHEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

August 8, 2026

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

We are pleased to confirm our understanding of the services we are to provide Jefferson County Drainage District No. 3 for the year ended September 30, 2026.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and the disclosures, which collectively comprise the basic financial statements of Jefferson County Drainage District No. 3 as of and for the year ended September 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Jefferson County Drainage District No. 3's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Jefferson County Drainage District No. 3's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis
2) Budgetary Comparison Schedule General Fund
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 Jefferson County Drainage District No. 3's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, 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 government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is 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. 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 government'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 direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

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

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

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, 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 opinions. 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 deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of [Name of Governmental Unit] ’s compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

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, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government’s ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). 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 government 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 the financial statements and related matters.

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 of each opinion unit taken as a whole.

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

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

Engagement Administration, Fees, and Other

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

The audit documentation for this engagement is the property of 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 U.S. Government Accountability Office or its designee, 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 or its designee. These parties or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Jana Uribe is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately December 1, 2026 and to issue our reports no later than January 31, 2027.

We estimate that our fees will not exceed $12,500. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

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 opinions, 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 opinions are 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 opinions, we may decline to express opinions or withdraw from this engagement.

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

Title: ______________________________

Date: ______________________________

Governance signature: ______________________________

Title: ______________________________

Date: ______________________________

Coalition for the Lone Star Coastal National Recreation Area

The Honorable Bruce Westerman
Chairman
House Committee on Natural Resources

The Honorable Jared Huffman
Ranking Member
House Committee on Natural Resources

Dear Chairman Westerman and Ranking Member Huffman:

The undersigned organizations respectfully urge the House Committee on Natural Resources to advance H.R. 9325, the Lone Star Coastal National Recreation Area Act.

H.R. 9325 is the culmination of nearly two decades of collaboration among local governments, businesses, conservation and heritage organizations, recreation interests, community leaders, and citizens across the Upper Texas Coast. It represents an innovative, partnership-based approach to establishing a National Recreation Area, one built on local leadership, voluntary participation, and collaboration rather than large-scale federal ownership, mandates, or new federal regulatory authority.

The Upper Texas Coast is one of America's nationally significant coastal landscapes. Its bays, wetlands, estuaries, beaches, working lands, working waterfronts, wildlife habitat, and historic communities support internationally significant migratory bird populations, productive fisheries, and world-class outdoor recreation, making the region one of the nation’s most remarkable coastal landscapes. By connecting these extraordinary natural, recreational, cultural, and historical assets, H.R. 9325 will strengthen stewardship, expand outdoor recreation access and heritage tourism, support resilient coastal communities, strengthen local economies, including rural and semi-rural areas, and establish the Upper Texas Coast as one of the nation's premier coastal destinations.

Importantly, the legislation:

- Builds upon existing public lands, programs, and partnerships.
- Creates no new federal regulatory authority.
- Respects private property rights and relies entirely on voluntary participation.
- Does not authorize a broad federal land acquisition program.
- Strengthens collaboration among federal, state, local, nonprofit, and private partners.

- Expands recreation, conservation, stewardship, education, and sustainable economic opportunity.

This legislation builds upon existing public lands and longstanding partnerships while creating a framework to improve public access and better coordinate conservation, recreation, heritage tourism and economic development across the Upper Texas Coast.

As organizations representing conservation, recreation, business, tourism, heritage, education, and community interests, we believe H.R. 9325 reflects years of thoughtful collaboration and demonstrates that conservation, recreation, economic opportunity, and respect for private property rights are complementary goals that can be advanced together through strong local leadership and collaborative partnerships.

We commend Congressman Randy Weber for his leadership in introducing H.R. 9325 and thank the bipartisan group of original co-sponsors for their support.

We respectfully urge the House Committee on Natural Resources to favorably report H.R. 9325 and advance it to the full House of Representatives for consideration.

Thank you for your consideration.

Sincerely,

Coalition Signatories
(Organizations listed alphabetically)

Land		Value			
Homesite:		25,242,004			
Non Homesite:		40,174,148			
Ag Market:		112,589,554			
Timber Market:		2,047,654	**Total Land**	(+)	180,053,360
Improvement		**Value**			
Homesite:		144,140,467			
Non Homesite:		76,408,921	**Total Improvements**	(+)	220,549,388
Non Real	**Count**	**Value**			
Personal Property:	141	87,359,215			
Mineral Property:	1,079	4,750,591			
Autos:	0	0	**Total Non Real**	(+)	92,109,806
			Market Value	=	492,712,554
Ag	**Non Exempt**	**Exempt**			
Total Productivity Market:	114,637,208	0			
Ag Use:	3,619,904	0	**Productivity Loss**	(-)	110,958,317
Timber Use:	58,987	0	**Appraised Value**	=	381,754,237
Productivity Loss:	110,958,317	0			
			Homestead Cap	(-)	9,609,423
			23.231 Cap	(-)	4,536,843
			Assessed Value	=	367,607,971
			Total Exemptions Amount (Breakdown on Next Page)	(-)	66,285,994
			Net Taxable	=	301,321,977

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
881,686.18 = 301,321,977 * (0.292606 / 100)

Certified Estimate of Market Value:	492,712,554
Certified Estimate of Taxable Value:	301,321,977
Tax Increment Finance Value:	0
Tax Increment Finance Levy:	0.00

Exemption Breakdown

Exemption	Count	Local	State	Total
145B	75	0	4,347,431	4,347,431
145D	33	0	300,176	300,176
145D1	33	0	1,847,686	1,847,686
DP	20	619,136	0	619,136
DV1	2	0	10,000	10,000
DV2	5	0	36,650	36,650
DV3	2	0	20,000	20,000
DV4	12	0	129,850	129,850
DV4S	1	0	12,000	12,000
DVHS	20	0	3,708,372	3,708,372
DVHSS	3	0	321,547	321,547
EX-XV	53	0	6,416,644	6,416,644
FR	2	6,018,075	0	6,018,075
HS	807	31,041,565	0	31,041,565
OV65	322	11,288,322	0	11,288,322
PC	3	168,540	0	168,540
	Totals	**49,135,638**	**17,150,356**	**66,285,994**

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	SINGLE FAMILY RESIDENCE	1,067	1,896.5648	$2,084,601	$177,147,103	$131,237,573
C1	VACANT LOTS AND LAND TRACTS	453	967.1871	$0	$10,011,123	$9,058,112
D1	QUALIFIED AG LAND	823	37,446.9858	$0	$114,637,208	$3,677,158
D2	NON-QUALIFIED LAND	111		$486,413	$4,079,373	$4,079,373
E	FARM OR RANCH IMPROVEMENT	388	4,104.0666	$1,038,988	$54,135,020	$41,245,098
F1	COMMERCIAL REAL PROPERTY	46	94.0203	$3,534,959	$17,262,401	$16,259,720
F2	INDUSTRIAL REAL PROPERTY	26	176.7332	$0	$13,432,993	$13,204,569
G1	OIL AND GAS	1,074		$0	$4,741,158	$4,726,691
J3	ELECTRIC COMPANY (INCLUDING C	5	0.8000	$0	$12,304,299	$12,054,299
J4	TELEPHONE COMPANY (INCLUDI	5	0.0964	$0	$165,490	$40,248
J6	PIPELAND COMPANY	29	2.5680	$0	$10,468,405	$8,977,688
J8	OTHER TYPE OF UTILITY	13		$0	$985,579	$84,912
L1	COMMERCIAL PERSONAL PROPE	77		$0	$35,406,493	$26,434,494
L2	INDUSTRIAL PERSONAL PROPERT	17		$0	$27,793,608	$27,018,865
M1	TANGIBLE OTHER PERSONAL, MOB	131		$198,477	$3,725,657	$3,223,177
X	TOTALLY EXEMPT PROPERTY	53	196.9203	$0	$6,416,644	$0
		Totals	44,885.9425	$7,343,438	$492,712,554	$301,321,977

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A		1	2.7780	$0	$33,718	$0
A1	REAL, RESIDENTIAL, SINGLE-FAMIL	786	1,527.7373	$1,579,154	$163,856,331	$121,506,994
A2	REAL, RESIDENTIAL, MOBILE HOME	90	149.2831	$182,504	$5,493,063	$4,287,072
A7	REAL/RES/MH 5 AC/LESS-BY OWNE	198	216.7664	$322,943	$7,763,991	$5,443,507
C1	REAL, VACANT PLATTED RESIDENTI	445	892.0601	$0	$9,316,102	$8,512,604
C2	REAL, VACANT PLATTED COMMERCI,	8	75.1270	$0	$695,021	$545,508
D1	REAL, ACREAGE, RANGELAND	851	37,976.5202	$0	$114,876,990	$3,916,940
D2	REAL, ACREAGE, TIMBERLAND	111		$486,413	$4,079,373	$4,079,373
D3	REAL, ACREAGE, FARMLAND	61	591.9519	$307,050	$9,472,869	$8,154,573
D4	REAL, ACREAGE, UNDEVELOPED LA	155	2,113.3890	$0	$10,164,505	$9,009,207
D5	UNFILLED LAND	7	129.3540	$0	$1,034,045	$848,066
E	E	1	1.6421	$0	$29,952	$0
E1	REAL, FARM/RANCH, HOUSE	95	552.7212	$577,834	$29,728,998	$20,540,510
E2	REAL, FARM/RANCH, MOBILE HOME	10	57.0260	$0	$1,307,698	$788,366
E7	MH ON REAL PROP (5 AC/MORE) MH	33	128.4480	$154,104	$2,157,171	$1,664,594
F1	REAL, Commercial	46	94.0203	$3,534,959	$17,262,401	$16,259,720
F2	REAL, Industrial	9		$0	$12,424,304	$12,255,764
F5	OPERATING UNITS ACREAGE	17	176.7332	$0	$1,008,689	$948,805
G1	OIL AND GAS	1,074		$0	$4,741,158	$4,726,691
J3	REAL & TANGIBLE PERSONAL, UTIL	5	0.8000	$0	$12,304,299	$12,054,299
J4	REAL & TANGIBLE PERSONAL, UTIL	5	0.0964	$0	$165,490	$40,248
J6	REAL & TANGIBLE PERSONAL, UTIL	29	2.5680	$0	$10,468,405	$8,977,688
J8	REAL & TANGIBLE PERSONAL, UTIL	13		$0	$985,579	$84,912
L1	TANGIBLE, PERSONAL PROPERTY, C	77		$0	$35,406,493	$26,434,494
L2	TANGIBLE, PERSONAL PROPERTY, I	17		$0	$27,793,608	$27,018,865
M1	TANGIBLE OTHER PERSONAL, MOBI	131		$198,477	$3,725,657	$3,223,177
X		53	196.9203	$0	$6,416,644	$0
		Totals	44,885.9425	$7,343,438	$492,712,554	$301,321,977

New Value

TOTAL NEW VALUE MARKET:	**$7,343,438**
TOTAL NEW VALUE TAXABLE:	**$3,424,947**

New Exemptions

Exemption	Description	Count		
EX-XV	Other Exemptions (including public property, r	3	2025 Market Value	$476,384
	ABSOLUTE EXEMPTIONS VALUE LOSS			**$476,384**

Exemption	Description	Count	Exemption Amount
145B	11.145 (b) Single Situs, Single Owner	57	$3,554,415
145D	11.145 (d) Multiple Situs, Leases	33	$300,176
DP	Disability	1	$40,000
DV1	Disabled Veterans 10% - 29%	1	$5,000
DV3	Disabled Veterans 50% - 69%	1	$10,000
DV4	Disabled Veterans 70% - 100%	3	$36,000
DVHS	Disabled Veteran Homestead	1	$55,986
HS	Homestead	27	$851,847
OV65	Over 65	35	$1,028,478
	PARTIAL EXEMPTIONS VALUE LOSS	**159**	**$5,881,902**
		NEW EXEMPTIONS VALUE LOSS	**$6,358,286**

Increased Exemptions

Exemption	Description	Count	Increased Exemption Amount

INCREASED EXEMPTIONS VALUE LOSS

TOTAL EXEMPTIONS VALUE LOSS	**$6,358,286**

New Ag / Timber Exemptions

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
776	$216,823	$52,079	$164,744

Category A Only

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
657	$207,427	$49,917	$157,510

Median Homestead Value

Category A and E

Count of HS Residences	Median Market	Median HS Exemption	Median Taxable
776	$201,280	$46,680	$154,600

Category A Only

Count of HS Residences	Median Market	Median HS Exemption	Median Taxable
657	$196,234	$44,434	$151,800

2026 CERTIFIED TOTALS

847 - DRAINAGE DISTRICT #3

Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used

Uncontested Value

Count of Uncontested Properties	Total Market Value	Total Uncontested Value

2026 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts

Form 50-858

Jefferson County Drainage District No 3	409-243-3495
Water District Name	Phone *(area code and number)*
P. O. Box 120 Hamshire, TX 77622	jcdd3.org
Water District's Address, City, State, ZIP Code	Water District's Website Address

GENERAL INFORMATION: The Comptroller's office provides this worksheet to assist water districts in determining their voter-approval tax rate. The information provided in this worksheet is offered as technical assistance and not legal advice. Water districts should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

Indicate type of water district:

- ☐ Low tax rate water district *(Water Code Section 49.23601)*
- ☑ Developing water district *(Water Code Section 49.23603)*
- ☐ Developed water district in a declared disaster area *(Water Code Section 49.23602(d))*

SECTION 1: Voter Approval Tax Rate

The voter-approval tax rate for low tax rate and developing water districts is the current year's debt service and contract tax rates plus the maintenance and operation (M&O) tax rate that would impose no more than 1.08 times the amount of M&O tax imposed by the water district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

If any part of a developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the voter-approval tax rate in the manner provided in Water Code Section 49.23601(a) and determine whether an election is required to approve the adopted tax rate in the manner provided in Water Code Section 49.23601(c). In such cases, the developed water district may use this form to calculate its voter-approval tax rate.

Taxing units must include a hyperlink to a document that evidences the accuracy of each entry in the worksheet other than an entry making a mathematical calculation.[1] Source materials must contain data for all worksheets used.

Insert hyperlink:

https://jeffcotax.com/property-tax/tax-rate-calculations-worksheets

Line	Worksheet	Amount/Rate
1.	**Prior year average appraised value of residence homestead.** [2]	$ 200,322
2.	**Prior year general exemptions available for the average homestead.** Excluding age 65 or older or disabled persons exemptions. [3]	$ 47,389
3.	**Prior year average taxable value of residence homestead.** Line 1 minus Line 2.	$ 152,933
4.	**Prior year adopted M&O tax rate.**	$ 0.281966 /$100
5.	**Prior year M&O tax on average residence homestead**. Multiply Line 3 by Line 4, divide by $100.	$ 431.22
6.	**Highest M&O tax on average residence homestead with increase.** Multiply Line 5 by 1.08. [4]	$ 465.72
7.	**Current year average appraised value of residence homestead.**	$ 216,823
8.	**Current year general exemptions available for the average homestead**. Excluding age 65 or older or disabled persons exemptions. [5]	$ 52,079
9.	**Current year average taxable value of residence homestead.** Line 7 minus Line 8.	$ 164,744
10.	**Highest current year M&O tax rate.** Line 6 divided by Line 9, multiply by $100. [6]	$ 0.282693 /$100

[1] Tex. Tax Code §§5.07(g)(4) and 26.04(d-1)
[2] Tex. Water Code §49.236(a)(2)(D)
[3] Tex. Water Code §49.236(a)(2)(D)
[4] Tex. Water Code §§49.23601(a)(3) and 49.23603(a)(3)
[5] Tex. Water Code §49.236(a)(2)(E)
[6] Tex. Water Code §§49.23601(a)(3) and 49.23603(a)(3)

SECTION 1: Voter Approval Tax Rate (continued)

Line	Worksheet	Amount/Rate
11.	**Current year debt tax rate.**	$ 0.040555 /$100
12.	**Current year contract tax rate.**	$ 0.000000 /$100
13.	**Current year voter-approval tax rate.** Add lines 10, 11 and 12.	$ 0.323248 /$100

SECTION 2: Election Tax Rate

For a low tax rate water district, the election tax rate is the highest total tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

For a developing water district, the election tax rate is the highest total tax rate the district may adopt before qualified voters of the district may petition for an election to lower the adopted tax rate.

If any part of a developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the election tax rate as the highest tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

In these cases, the election tax rate is the rate that would impose 1.08 times the amount of tax imposed by the district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older. [7]

Line	Worksheet	Amount/Rate
14.	**Prior year average taxable value of residence homestead.** Enter the amount from Line 3.	$ 152,933
15.	**Prior year adopted total tax rate.**	$ 0.281966 /$100
16.	**Prior year total tax on average residence homestead.** Multiply Line 14 by Line 15, divide by $100.	$ 431.22
17.	**Current year highest amount of taxes per average residence homestead.** Multiply Line 16 by 1.08.	$ 465.72
18.	**Current year tax election tax rate.** Divide Line 17 by Line 9 and multiply by $100.	$ 0.282693 /$100

SECTION 3: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the voter-approval tax rate as authorized by the governing body of the water district. By signing below, you certify that you are the designated officer or employee of the taxing unit and have calculated the tax rates in accordance with requirements in Water Code.

print here Kate Carroll

Printed Name of Water District Representative

sign here

Water District Representative

Date

[7] Tex. Water Code §§49.23601, 49.23602(d), and 49.23603

Executive Summary: HB#9325
Lone Star Coastal National Recreation Area Act

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

The Act may be cited as the 'Lone Star Coastal NRA ACT.'

Table of Contents:

SEC. 2. PURPOSES.

- Promote outdoor recreation, including hunting and fishing, public access, heritage tourism, and coastal resilience in a manner that supports local economies and communities
- Protect open spaces through voluntary participation by public, nonprofit and other eligible landowners
- Support locally led conservation and economic development

SEC. 3. DEFINITIONS.

- 'Network' means the National Recreation Area and Associated Sites
- 'Partnership' means the collaborative coordinating body established under the Act.
- 'Secretary' means Secretary of the Interior
- 'Associated Site' means any site that voluntarily participates through cooperative or other agreements, without transfer of ownership or administrative jurisdiction
- 'State' means Texas

SEC. 4. ESTABLISHMENT; BOUNDARIES; LAND ACQUISITION.

- Establishes the Lone Star Coastal NRA as a unit of the National Park System
- Limits expansion of the federal estate through strict acquisition authorities and voluntary participation requirements
- Land may only be acquired from willing sellers via donation, purchase with donated funds, exchange, or federal transfer
- Land transferred must already be designated public lands, or held for conservation by State, local or nonprofit organizations
- Condemnation of land is expressly prohibited
- Participation in the Network does not confer federal ownership or management authority over private lands

SEC. 5. ADMINISTRATION.

- NRA is administered by the Secretary of the Interior in partnership with state, local, and private partners
- Secretary may enter cooperative agreements with federal and state agencies, nonprofits and members of the partnership
- Federal funding, if appropriated, is subject to a minimum 3-1 nonfederal match

SEC. 6. LONE STAR COASTAL PARTNERSHIP.

- A Partnership comprised of voluntarily participating Federal, State, and local governmental entities, nongovernmental organizations, individuals and private entities is established as the governing body
- Partnership composed of a majority of local and regional representatives, with federal and state participation limited and primarily ex officio
- Lone Star Coastal Alliance serves as a key supporting and coordinating entity
- Federal and state representation is limited to ensure local leadership within the partnership
- Officers elected annually; ethics and conflict-of-interest rules apply

SEC. 7. INTEGRATED RESOURCE MANAGEMENT PLAN.

- Partnership must develop and submit a Plan to the Secretary within three years of establishment
- Plan must address NPS land management, associated sites, funding strategies, and interagency coordination
- Emphasizes voluntary landowner participation and preservation of local control
- Governor of Texas must have the opportunity to review the Plan before submission to the Secretary

SEC. 8. SAVINGS PROVISIONS.

- Designation does not impose new federal regulations
- Clean Air Act Class I Area designations cannot be imposed because of designation
- Federally authorized infrastructure, including oil and gas pipelines and projects, channels, storm surge protection, flood control devices, will not be impeded
- Hunting, fishing, off-road vehicles, and personal watercraft use may be permitted on NPS-managed lands
- Any area closures require public notice and local consultation
- State and local jurisdiction over fish, wildlife, and taxation is fully preserved

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

- Authorizes but does not require appropriations for technical assistance, planning, interpretation, education, and cooperative agreement administration
- All expenditures must align with the approved Plan once adopted
- Appropriated funds may not be used to purchase or condemn land

RANDY WEBER
14TH DISTRICT, TEXAS

107 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225–2831

Congress of the United States
House of Representatives
Washington, DC 20515

July 9, 2026

To whom it may concern:

Congressman Randy Weber (TX-14) invites you to cosponsor H.R. 9325, the Lone Star Coastal National Recreation Area Act, establishing a partnership-based National Recreation Area along the Upper Texas Gulf Coast.

The Upper Texas Gulf Coast is one of America's most significant coastal regions, where diverse coastal landscapes, outstanding outdoor recreation, thriving coastal communities, and one of the nation's most important maritime and energy economies come together to define a place of national significance.

H.R. 9325 is the product of extensive collaboration among local governments, state and federal partners, and various stakeholder groups. Through that collaborative process, the legislation has been carefully refined to recognize the national significance of the Upper Texas Gulf Coast by connecting its exceptional natural, cultural, recreational, and historic assets through a locally driven partnership with the National Park Service (NPS).

H.R. 9325 was intentionally designed around several guiding principles:

- Local communities remain in the lead.
- Participation is voluntary.
- Private property rights are respected.
- No new federal regulatory authority is created.
- Does not authorize a broad federal land acquisition program.

By connecting the region's existing recreational, cultural, historical, and natural destinations into one nationally recognized recreation area, H.R. 9325 will help:

- Expand outdoor recreation opportunities.
- Increase tourism and visitor spending.
- Support local businesses and gateway communities.
- Encourage regional collaboration and conservation.
- Elevate the visibility of the Upper Texas Gulf Coast as a widely-recognized destination.

H.R. 9325 represents an opportunity to strengthen one of America's most significant coastal regions by expanding outdoor recreation, supporting local economies, and enhancing the visitor experience through a locally driven partnership with the NPS.

Current Cosponsors: Reps. Wesley Hunt (R-TX), Troy Nehls (R-TX), Brian Babin (R-TX), Lizzie Fletcher (D-TX)

To cosponsor H.R. 9325 or to learn more about this bill, please contact Congressman Weber's Legislative Director, Hayden Crawford, at hayden.crawford@mail.house.gov.

Sincerely,

Randy K. Weber

RANDY K. WEBER
United States Representative