

Board of Trustees
Bellevue Independent School District
Bellevue, Texas

To: Clay County Judge, Mr. Mike Campbell
Clay County Commissioner's
Midway ISD, Mr. Randel Beaver
Bellevue ISD, Mr. Wade Westley
Clay County Appraisal District, Mrs. Lisa Murphy

March 8, 2021

Subj: Clay County vs. J.W. Power i.e., Pending Compressor Lawsuit

Respectfully submitted for your consideration is provided an update on the compressor lawsuit involving J.W. Power vs. Clay Appraisal District. J.W. Power is engaged in a lawsuit involving many counties across Texas including Clay County. Were as J.W Power is attempting to recover taxes and personal property penalties paid for the years of 2013 through 2016. As of January 2021, collectively Clay Counties exposure totals \$88,506.22 dollars. This figure represents principal and interest. Please find attached a financial breakdown for each entity, *see Attachment 1, Pages 1 - 4*. These illustrated amounts will potentially increase as this law suit drags on through the court system and interest is accrued at a simple interest rate of 9.5% APR.

In an effort to minimize the downstream costs I have asked CCAD's legal representative handing the compressor lawsuit if we—Bellevue ISD—could as of January or soon thereafter simply refund the taxes.

His comments follow:

Mr. Kirk Swinney, of Low, Swinney, Evans, and James, attorneys representing Clay County in this compressor lawsuit the following email excerpt, dated Wednesday, February 10, 2021 at 1:20 pm is provided:

"It is pretty tricky to settle out just one taxing unit. I've never seen it successfully done before. But, if JW Power will buy into the concept, and if the other taxing units were to also agree, we might could pull off the functional equivalent of it."

"My first thought is to offer JW Power a settlement by which it gets a refund of \$45,800. That would, if accepted, which I doubt, and if Bellevue were to agree to cover the whole refund, get the other taxing units off free. Do we need to talk to Bellevue first to be sure it is willing to do that?"

"If all the units were willing to compromise, we could simply offer to meet JW Power half way. That is much more doable. Whether JW Power would agree is another matter."

Recognizing that this lawsuit may continue on for a prolonged period of time I conclude that an effort to attempt to reimburse J.W. Power is in the best interest of all concerned entities. At the very least it will document a good faith effort on the part of Clay County to reconcile this matter and end the financial hemorrhaging of precious resources.

Bellevue ISD recommends a resolution—*See Attachment 2, draft resolution*—from each governing body be adopted and collectively forwarded to Mr. Kirk Swinney of Low, Swinney, Evans, and James, PLLC, Austin, Texas by the Clay County Appraisal District.

Sincerely

John A. Grunseich
President, BISD Board of Trustees

Clay County Compressor Law Suite Exposure						
Comp #	Taxing Entity	2013 Taxes Collected	2014 Taxes Collected	2015 Taxes Collected	2016 Taxes Collected	Total Taxes Collected 2013-2016
3860	Clay County	\$588.35	\$570.01	\$530.70	\$529.45	\$2,218.51
5043	Clay County	\$705.43	\$700.32	\$671.43	\$694.37	\$2,771.55
4836	Clay County	\$705.43	\$700.32	\$671.43	\$0.00	\$2,077.18
5044	Clay County	\$705.43	\$700.32	\$671.43	\$694.37	\$2,771.55
4673	Clay County	\$751.75	\$751.88	\$727.12	\$759.53	\$2,990.28
5652	Clay County	\$751.75	\$0.00	\$751.88	\$788.59	\$2,292.22
5766	Clay County	\$0.00	\$796.11	\$774.88	\$815.45	\$2,386.44
5663	Clay County	\$0.00	\$0.00	\$751.88	\$788.59	\$1,540.47
4859	Clay County	\$0.00	\$0.00	\$700.32	\$728.19	\$1,428.51
5284	Clay County	\$0.00	\$0.00	\$671.43	\$694.37	\$1,365.80
5643	Clay County	\$0.00	\$0.00	\$0.00	\$788.59	\$788.59
5142	Clay County	\$0.00	\$0.00	\$0.00	\$728.19	\$728.19
Yearly Totals		\$4,208.14	\$4,218.96	\$6,922.50	\$8,009.69	
Total Taxes Collected						\$23,359.29
Total Refund Including Principal/Interest		\$5,754.63	\$5,547.93	\$8,739.66	\$11,053.37	\$31,095.59
Personal Property Penalty (PPP)						\$1,996.61
Current Interest Applied as of January 2021					\$7,736.30	
Grand Total Including Principal/Interest/PPP						\$33,092.20

Note: Year 2016 forward a simple interest rate of 9.5% APR is applied.

Bellevue ISD Compressor Law Suite Exposure						
Comp #	Taxing Entity	2013 Taxes Collected	2014 Taxes Collected	2015 Taxes Collected	2016 Taxes Collected	Total Taxes Collected 2013-2016
3860	Bellevue ISD	\$1,050.66	\$904.80	\$0.00	\$871.77	\$2,827.23
5043	Bellevue ISD	\$1,259.74	\$1,250.61	\$1,199.02	\$1,143.32	\$4,852.69
4836	Bellevue ISD	\$1,259.74	\$1,250.61	\$1,199.02	\$0.00	\$3,709.37
5044	Bellevue ISD	\$1,259.74	\$1,250.61	\$1,199.02	\$1,143.32	\$4,852.69
4673	Bellevue ISD	\$1,342.46	\$1,342.69	\$1,298.47	\$1,250.61	\$5,234.23
5652	Bellevue ISD	\$1,342.46	\$0.00	\$1,342.69	\$1,298.47	\$3,983.62
5663	Bellevue ISD	\$0.00	\$0.00	\$1,342.69	\$1,298.47	\$2,641.16
4859	Bellevue ISD	\$0.00	\$0.00	\$1,250.61	\$1,199.02	\$2,449.63
5284	Bellevue ISD	\$0.00	\$0.00	\$119.02	\$1,143.32	\$1,262.34
5643	Bellevue ISD	\$0.00	\$0.00	\$0.00	\$1,298.47	\$1,298.47
5142	Bellevue ISD	\$0.00	\$0.00	\$0.00	\$1,199.02	\$1,199.02
Yearly Totals		\$7,514.80	\$5,999.32	\$8,950.54	\$11,845.79	
Total Taxes Collected						\$34,310.45
Total Refund Including Principal/Interest		\$10,276.49	\$7,889.11	\$11,300.06	\$16,347.19	\$45,812.84
Personal Property Penalty (PPP)						\$2,941.58
Current Interest Applied as of January 2021					\$11,502.39	
Grand Total Including Principal/Interest/PPP						\$48,754.42

Note: Year 2016 forward a simple interest rate of 9.5% APR is applied.

Midway ISD Compressor Law Suite Exposure						
Comp #	Taxing Entity	2013 Taxes Collected	2014 Taxes Collected	2015 Taxes Collected	2016 Taxes Collected	Total Taxes Collected 2013-2016
3860	Midway ISD	\$0.00	\$0.00	\$842.40	\$0.00	\$842.40
5766	Midway ISD (M&O)	\$0.00	\$1,263.70	\$1,230.01	\$1,193.50	\$3,687.21
5766	Midway ISD (I&S)	\$0.00	\$0.00	\$0.00	\$241.00	\$241.00
Yearly Totals		\$0.00	\$1,263.70	\$2,072.41	\$1,434.50	
Total Taxes Collected						\$4,770.61
Total Refund Including Principal/Interest		\$0.00	\$1,661.77	\$2,616.42	\$1,979.61	\$6,257.79
Personal Property Penalty (PPP)						\$401.80
Total Interest Applied as of January 2021					\$1,487.18	
Grand Total Including Principal/Interest/PPP						\$6,659.60

Note: Year 2016 forward a simple interest rate of 9.5% APR is applied.

Clay County, Bellevue ISD, and Midway ISD Personal Property Penalty (PPP) Exposure						
Comp #	Type of Collection	2013 PPP Collected	2014 PPP Collected	2015 PPP Collected	2016 PPP Collected	Total PPP Collected 2013-2016
3860	PPP	\$0.00	\$0.00	\$137.31	\$140.13	\$277.44
5043	PPP	\$0.00	\$0.00	\$187.04	\$183.77	\$370.81
4836	PPP	\$0.00	\$0.00	\$187.04	\$0.00	\$187.04
5044	PPP	\$0.00	\$0.00	\$187.04	\$183.77	\$370.81
4673	PPP	\$0.00	\$0.00	\$202.56	\$201.01	\$403.57
5652	PPP	\$0.00	\$0.00	\$209.46	\$208.71	\$418.17
5766	PPP	\$0.00	\$0.00	\$200.49	\$225.00	\$425.49
5663	PPP	\$0.00	\$0.00	\$209.46	\$208.71	\$418.17
4859	PPP	\$0.00	\$0.00	\$195.09	\$192.72	\$387.81
5284	PPP	\$0.00	\$0.00	\$187.04	\$183.77	\$370.81
5643	PPP	\$0.00	\$0.00	\$0.00	\$208.71	\$208.71
5142	PPP	\$0.00	\$0.00	\$0.00	\$192.72	\$192.72
Yearly Totals		\$0.00	\$0.00	\$1,902.53	\$2,129.02	
Total Personal Property Penalty (PPP) Collected						\$4,031.55
PPP including interest (2015)					\$2,401.94	
PPP including interest (2016), Note 2					\$2,938.05	
						\$5,339.99
Total PPP Apportionment Clay County, Note 1				\$31,095.59	\$1,996.61	
Total PPP Apportionment Bellevue ISD, Note 1				\$45,812.84	\$2,941.58	
Total PPP Apportionment Midway ISD, Note 1				\$6,257.79	\$401.80	

Note 1: A factor of \$0.06420864 was used to calculate the apportionment.

Note 2: Year 2016 forward a simple interest rate of 9.5% APR is applied.

**Bellevue ISD Board of Trustees
Resolution
Settlement Agreement, JW Power vs. Clay County Appraisal District
Compressor Lawsuit**

At a lawfully called meeting on March 11, 2021, the Bellevue ISD Board of Trustees does hereby make the following resolution regarding the efforts of the Bellevue ISD to settle the pending compressor lawsuit with JW Power vs. Clay County Appraisal District in which BISD has standing.

WHEREAS, Bellevue ISD has in the past, paid back taxes collected with penalties and interest in a compressor lawsuit; and

WHEREAS, Bellevue ISD is seeking to avoid continued interest and penalties while awaiting a decision in the pending compressor lawsuit, JW Power vs. Clay County Appraisal District; and

WHEREAS, the district has been informed that a single entity cannot settle the compressor lawsuit;

IT IS THEREFORE RESOLVED THAT:

1. Bellevue ISD joins the other county entities of Midway ISD and Clay County affected by the compressor lawsuit; and
2. Propose to settle the compressor lawsuit with JW Power; and
3. Clay County will pay the entire amount owed to JW Power on behalf of all entities with reimbursement from Bellevue ISD and Midway ISD for their portion of the lawsuit being paid within 10 business days of said payment.

Passed and Approved by the Bellevue ISD School Board this 11th day of March, 2021.

John A. Grunseich
President, BISD Board of Trustees

ATTEST:

Mitch Ford
Secretary, BISD Board of Trustees