

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
HARDIN COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 1**

A regular meeting of the Board of Directors of the Hardin County Water Control & Improvement District No. 1 was held on Tuesday, November 15, 2016, pursuant to notice duly posted in accordance with law. The meeting was held at 333 Commercial Drive, Sour Lake, Hardin County, Texas. The following members of the Board were present:

Jack Maddox

Jerry Giardina

Tim Beard

Paul Gustafson

Absent: Buddy Hughes

Also present were Wayne Turk, representatives of Utility Innovations, LLC dba Utility Specialties, Jeff Leavins of LJA Engineers, and Guy N. Goodson of Germer PLLC as legal counsel for the District.

AGENDA ITEM NO. 1: Call to Order. A quorum being present, the meeting was called to order at 6:30 p.m. by President Maddox.

AGENDA ITEM NO. 2: Public Comments. None.

AGENDA ITEM NO. 3: Minutes. The Minutes from the October 18, 2016 meeting were corrected under Agenda Item No. 8 to show the bills for payment as \$32,441.94. The minutes as corrected were approved unanimously upon motion duly made by President Maddox and seconded by Director Giardina.

AGENDA ITEM NO. 4: Contract for additives to the water system. The Board recognized the representative of Simply Aquatics had provided information, but the Board needed further data

before considering this matter. After a review of the report from Simply Aquatics, Mr. Turk provided a detailed report on the history of water pumpage within the District and dates of certain chemical purchases. The Board received input from representatives of Utility Specialties, but tabled consideration of this agenda item to the next regular scheduled meeting of the Board.

AGENDA ITEM NO. 5: **Manager's Report.** The Board recognized Josh Armfield who presented the Operator's Report from Utility Specialties dated November 15, 2016. It was noted that Utility Specialties responded to 17 grinder calls, and the water pumped at both Well No. 1 and Well No. 2 was presented. Mr. Armfield indicated that the meter at Well No. 2 was not working, so the amount of water provided was an estimate. He indicated that Utility Specialties would attempt to disassemble the meter to see if it could be repaired, and if not, the District would have to acquire an additional meter for Well No. 2. It was also noted that during the month, there was one water tap, six water leaks, and two meter leaks handled by Utility Specialties. The Board then was presented by Mr. Wayne Turk with a Callout Data Sheet for all residents in the District for the last fiscal year. Mr. Turk provided an indication of the type of issues addressed at each address on the date specified. Mr. Turk further noted that as to water callout, there was just a generalized term used rather than the detail that was provided for grinder system callouts. The Board reviewed the details, and then a representative of Utility Specialties indicated all work outlined on an invoice followed from a work order process where the field staff was required to provide detailed explanation of the work performed and the equipment required to complete each task. Mr. Turk indicated that he felt that the information was being provided thoroughly because the information he had accumulated was based on the detail within the Utility Specialties invoice.

AGENDA ITEM NO. 9: **Improvements to District water distribution system funding through TCEQ Surplus Funds Application & AGENDA ITEM NO. 10: Award water system**

controllers contract. The Board received a presentation from Jeff Leavins who provided a spreadsheet that had been assembled for Contract C, Water Well Site No. 1 & No. 2 electrical improvements. Mr. Leavins reviewed the quotation tabulation with bid proposals from Electrical Specialties, Inc. and Gulf Coast Electric Company, Inc., and Mr. Leavins advised that the low bid was approximately 30% above the estimate. As the low bid from Electrical Specialties, Inc. had a quotation price of \$101,409.41, legal counsel stated that the quotations could not be either accepted or separated, but the project would have to be subject to bid. The Board entered into a lengthy discussion on the cost of the bid and alternatives, and after discussion and upon motion duly made by Director Beard and seconded by President Maddox, the Board directed LJA to prepare and submit for advertising, a bid package for the outlined electrical improvements. The Board held the consideration of the LJA invoice in the amount of \$11,205.70 until later in the meeting.

AGENDA ITEM NO. 6: **Monthly Financial Statements.** The Board recognized Wayne Turk who presented the accounting statement from BBVA Compass Bank dated November 15, 2016. Mr. Turk noted that the only item that was unique for the month was the transfer of \$9,000 from the District's General Reserve Fund to the System Operating Fund. Director Gustafson asked for a review of prior transfers, and Mr. Turk stated that he believed during the fiscal year that there had been approximately \$25,000-\$30,000 of general reserves moved to system operating. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the financial statement was approved as presented.

AGENDA ITEM NO. 7: **Accounts Payable.** The Board again recognized Mr. Turk who reviewed the bills for payment totaling \$21,198.54. Mr. Turk reviewed various items including chlorine acquired from DXI Industries, the equipment acquired from Automatic Pump & Equipment, as well as testing required by the TCEQ provided through DSHS Central Labs. Mr. Turk closed by noting

both the Texas Commission on Environmental Quality sewer permit water quality fee in the amount of \$2,335.75 and the TCEQ water system fee in the amount of \$1,090.25. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the accounts payable in the amount of \$21,198.54 were approved as presented.

AGENDA ITEM NO. 8: **Amendments to Water and Sewer Use Order.** This item was tabled.

AGENDA ITEM NO. 11: **Report on County drainage grant and project progress report.** The Board recognized President Maddox who indicated that the project was progressing, but noted that the request to the District from KSA Engineers to approve a rerouting of certain drainage improvements because of property owners placing private facilities on District's easement had been referred back by the District to both the County and KSA to resolve. President Maddox noted the property owners had apparently been contacted because both the fence and the other personal property of the second property owner was in the process of being removed from the drainage right-of-way so that the improvements could be installed as originally designed.

AGENDA ITEM NO. 12: **District Website.** No action.

AGENDA ITEM NO. 13: **Correspondence.** The Board recognized Wayne Turk who provided correspondence from the Texas Municipal League on the District's Worker's Comp audit showing a zero dollar adjustment. Mr. Turk also advised the Board that the annual eminent domain filing had been made timely by the District, and the Board then discussed additional issues including a payment from Mr. and Mrs. Jannise as to their irrigation system, correspondence from the EPA on a study notice and a memorandum from District's legal counsel as to the new overtime rules to become effective December 1st.

AGENDA ITEM NO. 14: **Comments from Board Members.** The Board recognized President Maddox who discussed with Utility Specialties pending issues from prior meetings, each of which

had been resolved. President Maddox did note and advised Utility Specialties that the District's master meter which was used to provide service to contractors, including those currently within the District performing street repairs, was not operating properly. President Maddox stated he had negotiated a flat fee for service temporarily, but the District's master meter would need to be repaired. President Maddox did note that the deposit and rental payments due from the contractor had been received.

AGENDA ITEM NO. 15: Adjourn. There being no further business before the Board, the meeting was adjourned at 7:54 p.m.

President of the Board

ATTEST:

Secretary of the Board