

**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, December 20, 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

Buddy Hughes

Absent: Paul Gustafson

Also present were Wayne Turk, representatives of Utility Innovations, LLC dba Utility Specialties, Jeff Leavins of LJA Engineering, Inc., 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 November 15, 2016 meeting were tabled.

AGENDA ITEM NO. 9: Improvements to District water distribution system funding through TCEQ Surplus Funds Application; authorize/approve advertising projects for competitive bidding & AGENDA ITEM NO. 10: Award water system controllers contract.

President Maddox indicated that he would like for the District's engineers to provide responses

and a recommendation of award for the Water Well Site #1 & #2 electrical improvements. The Board recognized Jeff Leavins who presented correspondence to the District dated December 14, 2016 advising bids were received that date on the District Water System Improvement Project Contract C for the Well Site #1 & #2 electrical improvements, and bids were received from Electrical Specialties, Inc. in the amount of \$101,409.41 and from Gulf Coast Electric Co., Inc. in the amount of \$110,000.00. Mr. Leavins reviewed the bids and the qualifications of the bidders and made the recommendation that the District award the electrical improvements to Electrical Specialties, Inc. A review of the bid documents and the project scope followed. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the Board authorized the award of Contract C for Water Well #1 & #2 electrical improvements to Electrical Specialties, Inc. in the amount of \$101,409.41.

AGENDA ITEM NO. 5: Manager's Report. The Board recognized representatives of Utility Specialties who presented their monthly Operating Report indicating a response to 24 grinder calls, providing the pumpage at Water Well #1 & # 2 and noted that the meter at Well #2 was not working with a repair estimate for that work. Additionally, it was noted there were two (2) sewer leaks. The Board then moved to a report from the operators on misuse of District operating equipment by the owners of the property at 1031 Pine Needles. Utility Specialties advised of prior problems with inappropriate items being flushed through the toilets in the home into the District wastewater system. President Maddox stated that under District policy, the property owners would be advised that additional charges shall be placed on their bill and future misuse of the District's utility system could result in further action, including service interruption. The Board then reviewed the Utility Specialties invoice in the amount of \$12,073.18.

AGENDA ITEM NO. 4: Contract for additives to the water system. President Maddox indicated that he had received an updated proposal from Kevin Hester at Simply Aquatics who would provide the necessary additives for the District's water system at a cost of \$8.25/gallon or an enhanced product at \$10.25/gallon. President Maddox also indicated that he had consulted with Mr. Hester on water corrosion issues and corrosion management. Mr. Hester indicated that he could undertake a corrosion management program with appropriate chemicals if the District wished to proceed. After a lengthy discussion, the Board moved to discontinue its water additive contract with Napco with notice to be provided to Napco and to the contract with Simply Aquatics for a one (1) year for additives to the water system, and would consider at a subsequent meeting the corrosion management program. The Board action was undertaken upon motion duly made by Director Beard and seconded by Director Giardina, and the approval of the one (1) year contract with Simply Aquatics was unanimous.

AGENDA ITEM NO. 6: Approve auditor for 2016 audit. The Board recognized Mr. Turk who indicated he had not received the audit engagement letter and would ask this to be tabled until January.

AGENDA ITEM NO. 7: Monthly Financial Statements. The Board recognized Wayne Turk who presented his account statement for BBVA Compass Bank dated December 20, 2016. President Maddox indicated that this had been mailed to the Board members. Upon motion duly made by Director Beard and seconded by Director Giardina, the Monthly Financial Report was approved as presented.

AGENDA ITEM NO. 8: Accounts Payable. The Board recognized Mr. Turk who reviewed the District's operating account totaling \$33,825.19. President Maddox also noted that these had been mailed to the Board and had been reviewed during the meeting. After discussion and upon

motion duly made by Director Hughes and seconded by Director Beard, the accounts payable were approved for payment as presented. The Board then considered the accounts payable from the District's bond account, including the invoice from LJA Engineering, Inc. in the amount of \$9,245.22 and the payment for advertising of bids through the *Beaumont Enterprise* in the amount of \$604.30. After discussion and upon motion duly made by Director Hughes and seconded by Director Giardina, the accounts payable in the amount of \$9,848.52 were approved for payment as presented.

AGENDA ITEM NO. 11: Report on County drainage grant and project progress report.

President Maddox indicated that the County Drainage Program was well underway.

AGENDA ITEM NO. 12: Correspondence. The Board received and asked Director Hughes to review correspondence from the Hardin County Appraisal District. Director Hughes indicated that the letter was in a request to the Appraisal District's audit and recommended that the letter be approved as presented.

AGENDA ITEM NO. 13: Comments from Board Members. None.

AGENDA ITEM NO. 14: Adjourn. There being no further business before the Board, the meeting was adjourned at 7:20 p.m.

President of the Board

ATTEST:

Secretary of the Board