

**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, March 21, 2017, 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

Tim Beard

Paul Gustafson

Buddy Hughes

Absent: Jerry Giardina

Also present were Wayne Turk, Charlie Adams of Utility Innovations, LLC dba Utility Specialties, Jeff Leavins of LJA Engineering, 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 6:35 p.m. by President Maddox.

**AGENDA ITEM NO. 2: Public Comments.** None.

**AGENDA ITEM NO. 3: Minutes.** The Minutes from the regularly scheduled meeting of February 21, 2017 were approved as presented upon motion duly made by President Maddox and seconded by Director Hughes.

**AGENDA ITEM NO. 12: Improvements to District water distribution system funding through TCEQ Surplus Funds Application; authorize/approve advertising projects for competitive bidding.** The Board recognized Jeff Leavins who presented the bid tabulation for the line extension

project of the District noting that the District had received a number of qualified bids, and the tabulation showed that the low bidder was T. Johnson Industries with a bid of \$194,204. The Board reviewed the bid tabulation, the project timetable and the remaining funds of the District Bond issue. Wayne Turk affirmed that the District had adequate funds for the award of the contract as proposed. After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the Board awarded the contract for the construction of the Bond capital improvements to T. Johnson Industries in the contract amount of \$194,204. The Board then was presented with a copy of the LJA Engineering Services Agreement dated March 3, 2017 for the period ending February 24, 2017 in the amount of \$4,875.28. The Board reviewed the scope of the project and the status report presented by Mr. Leavins. After discussion and upon motion duly made by President Maddox and seconded by Director Gustafson, the Board approved the LJA invoice in the amount off \$4,875.28.

**AGENDA ITEM NO. 8: Engineering services for TCEQ permit application amendment.**

Legal counsel for the District noted that he had provided to the Board a copy of a request for proposal for engineering services for review, to complete the necessary timetable as outlined in Section 3 and to consider the terms of the contract as outlined in Section 9. After a brief discussion, the Board agreed to table consideration of the request for proposal until the April Board meeting to give the Board an opportunity to review more thoroughly and to determine a timetable.

**AGENDA ITEM NO. 9: Authorize request for proposal for general engineering service agreement.** The Board tabled Agenda Item No. 9 until the next meeting.

**AGENDA ITEM NO. 7: Water system chemical additives contract.** The Board noted that the District had acted to contract with Simply Aquatics for the Water System Chemical Additive Project and that after further consideration, it was determined that a minor permit amendment would be

required in order to provide the chemical additives to the District's water supply. The Board was advised by Mr. Leavins that he would be contracting through Simply Aquatics to provide Simply Aquatics with engineering services that would provide for the necessary permit amendment needed by the District and that these services would be billed directly to Simply Aquatics and would not be a contract directly with the District. The Board thanked Mr. Leavins.

AGENDA ITEM NO. 4: **Manager's Report.** The Board recognized Charlie Adams who presented the Utility Specialties Operator's Report dated March 21, 2017. Mr. Adams noted that Utility Specialties had responded to 19 grinder calls. Mr. Adams also reported on the water pumpage at Well #1 and #2 and reported the repairs to the meter at Water Well #2 followed by a review of customer repairs including a water leak, the installation of grinders at 200 Pinelake and 1022 Pinewood Blvd., a brown water call at 238 Pine Shadows, a sewer leak at 270 Idlywild and the demolition of the old grinder tank at 1100 Pine Shadows. Director Beard and Director Gustafson questioned the charge for the brown water calls and other matters on the Utility Specialties invoice, and responses were provided by Mr. Adams. After discussion and upon motion duly made by President Maddox and seconded by Director Hughes, the Manager's Report was approved as presented.

AGENDA ITEM NO. 5: **Monthly Financial Statements.** The Board recognized Wayne Turk who presented the monthly financial statement from BBVA Compass Bank showing service fees of \$14,758.33, a new service payment in the amount of \$3,900, a repayment by Director Gustafson of \$194.41 for services billed through Utility Specialties for service to property at 202 Pinehurst. Mr. Turk also noted the bond payments to Compass Bank and Bank of New York Mellon for the District's outstanding bond issues and noted the transfer of certain funds in order to make payments and to pay the to be discussed bills for payment. After discussion and upon motion duly made by

Director Beard and seconded by Director Hughes, the Board approved the financial report as presented.

AGENDA ITEM NO. 6: Accounts Payable. The Board recognized Wayne Turk who noted a higher than normal number of returned checks, but also noted that Liz Will had already undertaken steps to ensure the payment of these accounts or place in line for termination of service. The Board reviewed the invoice from Utility Specialties, and additional questions followed. The Board also reviewed the charge from Automatic Pump, and it was noted that Automatic Pump had corrected the description of the District's purchase of grinder system units. President Maddox noted that in addition to the payment for the current accounting statement, the District would be receiving additional payments for new service installations. Mr. Turk reviewed the second quarter payment requirement from the Hardin County Appraisal District followed by the presentation of the DSHS Central Lab reports, which were presented to Mr. Adams for the District's files. After discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the accounts payable were approved for payment as presented in the amount of \$32,530.67.

AGENDA ITEM NO. 10: Service interruption or other action for non-payment of District charges (1031 Pine Needles). It was noted that the property owner at 1031 Pine Needles had received notification of the service interruption which would be affected in April if the District charges were not paid.

AGENDA ITEM NO. 11: Amendment/addendum to Water and Sewer Use Order for procedures to accept developer/property owner installed water and/or sewer lines and requirement for maintenance/bonding. The Board recognized President Maddox who reviewed in detail his proposed amendments and addendums to the Water and Sewer Use Order as well as considering a procedure for service to developers of property within the District and possible

extensions of service to areas outside the District. Legal counsel advised that he would provide the link to the Lumberton Municipal Utility District Resolution for their guidelines for water and sewer line extensions along with the Lumberton Municipal Utility District standards for water and sewer construction. A lengthy discussion followed concerning whether the District should maintain the reference to a plumbing standard in its Water and Sewer Use Order since it was not providing plumbing inspections, and the County did not have comparable standards adopted to the best of knowledge of the District. President Maddox stated he would review this further with the County to ensure that there was not an existing plumbing standard. President Maddox indicated that he would provide a redline copy of the Water and Sewer Use Order to the Board and legal counsel for consideration at the April Board meeting. This agenda item was tabled.

**AGENDA ITEM NO. 13: Authorize letter to GLO and project engineers on County drainage grant and project.** The Board reviewed the letter drafted for presentation to the GLO and to Hardin County on issues with the use of District property. The County drainage grant was presented and reviewed and after discussion and upon motion duly made by Director Beard and seconded by Director Gustafson, the Board authorized finalizing and submitting of the letter as presented.

**AGENDA ITEM NO. 14: Correspondence.** The Board was advised that the District audit was upcoming. Legal counsel noted that he had received his audit response letter. The Board also reviewed correspondence from the Texas Commission on Environmental Quality concerning the renaming of District water wells due to prior conflicts and issues as to the proper securing by the District of easements. Mr. Adams, President Maddox and Mr. Turk reviewed this new request and the naming provided by each well to ensure the clarity in future inspections. Additional correspondence was also reviewed.

AGENDA ITEM NO. 15: Comments from Board Members. None.

AGENDA ITEM NO. 16: Adjourn. There being no further business before the Board, the meeting was adjourned at 8:05 p.m.

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President of the Board

ATTEST:

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Secretary of the Board