

**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, April 18, 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

Jerry Giardina

Also present were Wayne Turk, Charlie Adams and Josh Armfield of Utility Innovations, LLC dba Utility Specialties, Kevin Hester of Simply Aquatics, 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. President Maddox noted that some residents had indicated they wanted to attend the meeting concerning a water pressure issue which allegedly arose since last Board meeting, but no members were present. President Maddox indicated that he would return to the public comments section if any residents arrived later in the meeting.

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

AGENDA ITEM NO. 7: Water System Chemical Additives Contract; presentation by Kevin Hester. **AGENDA ITEM NO. 8: Engineering Services for TCEQ Permit Application Amendment.** The Board recognized Kevin Hester who updated the Board on the additional corrosion testing of the District's water system. The Board reviewed the proposed water system improvements anticipated to cost approximately \$2,000 which included moving certain points for tapping samples and injection points along with replacement of certain piping to provide better separation between chlorine and phosphate injection points into the District's water system. A discussion then followed as to the procedures that would be taken to possibly amend the District's water to remove corrosive elements by altering its PH or adding alkaline products. The Board reviewed the cost of the projects, and it was noted that the District had heretofore spent approximately \$2,200 on chemicals (phosphate) which were not a new charge but were a change in provider, but that for the improvements to remove the corrosive elements in the system, the District would be considering approximately \$2,000 of improvements as outlined by Mr. Hester along with engineering fees to provide for a TCEQ permit application amendment and approximately \$1,300 for pumps that would be considered by the Board under accounts payable at the present meeting. After discussion and upon motion duly made by President Maddox and seconded by Director Beard, the Board authorized Simply Aquatics to proceed with corrosion testing and implementation of the capital improvements as noted along with its undertaking of a minor permit amendment from the TCEQ for the District's water system.

AGENDA ITEM NO. 4: Manager's Report. The Board recognized the representatives of Utility Specialties who indicated in the month of March, they responded to 26 grinder calls. A review followed of the water pumpage at Well #1 and Well #2. Mr. Armfield noted repairs including one short side grinder installation at 159 Woodshire, removal of an old panel and power

pole at 1100 Pine Shadows, inspection and cleaning of the pressure tank at the well on Pine Glen together with repairs to seven (7) water leaks, the laying of new underground wire and rewiring pump at 138 Woodlawn. Questions followed concerning the pressure tank cleaning at the well on Pine Glen, and Mr. Adams and Mr. Armfield noted that Utility Specialties would be inspecting and cleaning the District's other pressure tank as well. President Maddox asked Mr. Armfield and Mr. Adams to review additional matters including noting that the bar screening was out at the District's wastewater treatment plant. Mr. Adams provided a detailed report on the Roto screen and indicated that a local business, Pimsco, had presented a proposal in the amount of \$4,700.00 to repair the Roto screen. After discussion and upon motion duly made by President Maddox and seconded by Director Beard, the Board authorized the repair to the screen as presented by Mr. Adams based on the repair proposal from Pimsco. Mr. Adams continued updating the Board and advised that the District had undergone its TCEQ wastewater inspection, and items were noted as possible violations. Mr. Adams and President Maddox noted that several of the items had already been resolved including the submission of the annual sludge report to the regional office as well as the previous filing with the state office. The TCEQ inspection noted the drum screen being out of service as noted above and also noted the presence of brush in the District's outfall below the District's discharge line from the wastewater treatment plant. The Board was advised that the District's lawn care service would be asked to clean this area as requested by the TCEQ. Finally Mr. Adams reported that there were certain chlorine metering reports that records had been requested which had already been provided. The TCEQ had reported an unlawful discharge at 410 Pinemont during 2016, and the Board was advised this was the home of Jim Crain and had a 400-600 gallon excursion of wastewater due to a breach in the check valves in the low pressure system serving the house. Questions followed, and it was noted that there were no records to

substantiate that level of excursion, but the matter had been addressed with the TCEQ. The Board then was advised by Mr. Turk under management and operation issues that Waste Management would be discontinuing its service as of May 1 for the hopper in which sludge was deposited, and the District would be entering into an agreement for delivery of a hopper and providing of the sludge removal from Pinewood Sanitation. The Board then finished with additional questions concerning the invoice from Utility Specialties including issues in 198 Woodshire.

AGENDA ITEM NO. 5: Monthly Financial Statements. The Board recognized Wayne Turk who presented the BBVA statement which noted normal transactions other than the transfer of \$13,000 for payment of the District's prior month invoices. After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the financial statements were approved as presented.

AGENDA ITEM NO. 6: Accounts Payable. Mr. Turk again noted that Mr. Sticker had provided his ledger preparation and analysis for the District's CPA, and there was also a review of invoicing and attesting required by DSHS Central Lab. After discussion and upon motion duly made by Director Hughes and seconded by Director Giardina, the accounts payable in the amount of \$28,964.41 were approved for payment as presented.

AGENDA ITEM NO. 9: Authorize request for proposal for general engineering service agreement. Legal counsel again requested that the Board provide information on the dates and times for the RFQ's presentation and review. President Maddox and Mr. Turk indicated they would review and provide responses.

AGENDA ITEM NO. 10: Service interruption or other action as to District facilities (1031 Pine Needles). The Board received a presentation from President Maddox on the discontinuation

of service to the property at 1031 Pine Needles. Mr. Turk noted that after the District had locked out service, the homeowner contacted the District for reconnection of service which was only approved subject to the property owner providing payment before the property owner left town. Liz Will did secure the payment from the property owner for the service, but noticed that the meter lockout had been cut and service reestablished by the property owner unlawfully. President Maddox then presented the Board a letter that had been sent to the property owner who indicated that per the District Water and Sewer Use Order, the property owners would be assessed an additional charge for damage or destruction of District facilities, and if it was not paid in accordance with the District's letter, the meter would be pulled and service permanently discontinued to the residence until satisfaction of the outstanding charges.

AGENDA ITEM NO. 11: Amendment/addendum to Water and Sewer Use Order. No action.

AGENDA ITEM NO. 12: Improvements to District water distribution system funding through TCEQ Surplus Funds Application; authorize project contracts and payment of project invoices. The Board was presented with project invoices from the *Beaumont Enterprise* in the amount of \$654.86 and from LJA Engineering in the amount of \$3,020. After discussion and upon motion duly made by Director Hughes and seconded by Director Giardina, the project invoices were approved for payment as presented.

AGENDA ITEM NO. 13: Status report on County drainage grant and project. President Maddox presented the Board with a letter that had been submitted to the GLO and acknowledged that it had been received, but there had been no response by the GLO or the project's engineers.

AGENDA ITEM NO. 13: Correspondence. Mr. Turk provided correspondence from the TCEQ renaming District plant sites due to prior confusion on a reporting and easements. The

Board reviewed correspondence from Germer PLLC concerning service to property of Pica Corporation/RaNel Clubb. President Maddox provided additional information concerning the service and options that had been provided to the property owners to obtain water and sewer service to the District.

AGENDA ITEM NO. 14: Comments from Board Members. None.

AGENDA ITEM NO. 15: Adjourn. There being no further business before the Board, the meeting was adjourned at 7:55 p.m.

President of the Board

ATTEST:

Secretary of the Board