

**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, August 15, 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 & Marty Adams of Utility Innovations, LLC dba Utility Specialties, and Jeff Leavins of LJA Engineering.

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: Public Hearing on Proposed 2017 Tax Rate

The Board discussed the adjustments to the taxable value of the District that was issued by the Appraisal District on July 19, 2017. A reduction of more than \$40,000 in the base that was used to calculate the proposed tax rate. This reduction included those homeowners that recently had their 65<sup>th</sup> birthday that resulted in the extra reduction in their home's taxable value.

AGENDA ITEM NO. 4: Consideration and Possible Action to Adopt 2017 Tax Rate

Upon a motion made by Director Buddy Hughes to adopt the proposed M&O tax rate of \$0.072171/\$100 and seconded by Director Tim Beard, the Board approved this 2017 tax rate.

Upon a motion made by Director Hughes to adopt the proposed Debt Service tax rate of \$0.416294/\$100 and seconded by Director Beard, the Board approved this 2017 tax rate. It was noted that this total tax rate of \$0.488465/\$100 is more than three cents less than last year's rate.

**AGENDA ITEM NO. 5: Review and Consider Approving Minutes of July 25, 2017.**

The Board did not get the minutes in timely manner and Director Beard moved to table this item. Director Giardina seconded the motion, and the Board approval to table till the next regular meeting.

**AGENDA ITEM NO. 6: Manager's Report.**

The Board recognized Charlie Adams who presented the Operator's report with 23 grinder calls and 4 water leaks. There was extended discussions regarding two homes that have been putting none degradable items (rags, flash light, rubber turtle, etc.) in the sewer system that has caused excess maintenance costs. This will have to be addressed by the District's Attorney because of extra ordinary issues. The Board also noted that they needed to have some type of documentation to show the service calls to individual homes so it can be determined if action is needed for excess maintenance per the District's published ordnance. Marty Adams presented a listing that she has started. Wayne Turk will also work on an update to the spreadsheet started last year.

The Board had several other questions regarding the service calls on the monthly invoice. It was noted that repeat calls seem to be tied to not having materials to make repairs at the time of the first call. The Board noted that the trucks must have common parts on board to eliminate dual trips with added costs.

More than 4 million gallons of water was pumped from the two wells. There was a meeting with the contactor that is working on Coon Marsh Gulley to discuss the cost of relocating the water line that goes under this gulley. An additional valve will need to be installed to limit the area that will be affected when the water is shut off to do this work. More information on this was discussed under item 12.

There was some discussion regarding a home owner that is building a new structure and wanted to move the grinder system himself. The Board noted that he could not move District property. This has to be done by District approved maintenance personnel.

Upon a motion duly made by President Maddox and seconded by Director Hughes, the Manager's report was approved.

**AGENDA ITEM NO. 7: Monthly Financial Statements.**

The Board recognized Wayne Turk who presented the monthly financial statement from BBVA Compass Bank showing service fees of \$14,537.50. 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 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. 8: Accounts Payable.**

The Board recognized Wayne Turk who noted Simply Aquatics for preparation of documents to get TCEQ approval for changes in chemicals added to the water system. Also, the invoice was from PEMSCO was issued in May for repairs to the drum filter at the sewer Plant. The Board reviewed the invoice from Utility Specialties, and additional questions followed. After discussion

and upon motion duly made by Director Hughes and seconded by Director Beard, the accounts payable were approved for payment as presented in the amount of \$24,202.41.

**AGENDA ITEM NO. 9: Amendment/addendum to Water and Sewer Use Order.**

The Board tabled this item for possible review at future meetings.

**AGENDA ITEM NO. 10: Improvements to District Water Distribution System under TCEQ**

**Surplus Funds Application**

The Board recognized Jeff Leavins of LJA Engineering, who provided a status report and invoices for the new water pipeline. Pay request #2 by T Johnson Industries, is for materials that are now on site, (7,100 feet of pipe @ \$3.50/ft) and 1,400 feet of pipe in the ground, as of the end of July. There is 2,700 feet in the ground as of this meeting date, and the total for the project is 4,800 feet. Also, there was a discussion about the number of contract days still available to complete the project without penalty. Mr. Leavins noted that there had been 20 "rain out days" since the contract was awarded. These days were documented in the engineering log for this project. There was 100 days to do the work or a 120 days for final completion.

Other issues discussed by the Board included dirt on the roadway that needed to be cleaned off, putting mail boxes back in place, and the phone calls and Facebook postings by home owners.

Upon a motion duly made by Director Gustafson and seconded by President Maddox the follow invoices were approved for payment: T Johnson Industries--\$55,922.32 and LJA Engineering--\$2,200.00.

Mr. Leavins was asked to review the status of the revisions to the water treatment permit. He stated that TCEQ had some problems finding the permit for the current additives that have been in place for years. It may have been under the previous agency, TNRCC. He reported that he will

continue to work with them to resolve any issues and get a new permit for the proposed additions to help improve water quality.

**AGENDA ITEM NO. 11: Selection of Firm for Engineering Services Agreement**

Proposals from three engineering firms were handed out at the last board meeting. The three are Arceneaux Wilson Cole Engineers; Schaumbury & Polk Engineers; LJA Engineers. After the review of the proposals each Board member then provided ratings on the criteria stated in the RFP for “Engineering Services Evaluation/Selection.” Upon completion of that chart of six criteria it was determined by the Board that a contract will be awarded to LJA Engineers for future engineering services.

**AGENDA ITEM NO. 12: Update on County Drainage Grant and Project**

The Board opened with a discussion of the potable drinking water line that goes under the Coon Marsh Gulley. Approximately 2,700 feet of pipe will have to be replaced/relocated. Cost of this work will be paid by the project, however, there are some issues to handle in order to meet GLO requirements. The contractor, Rebel Construction, is having some issues to get this resolved. The District’s Maintenance Contractor will do the work and KSA Engineering will submit the Change Order to get said approval, which should take approximately 2 to 3 weeks. Another issue with the drainage project was a structure built over the easement along the ditch. The structure extends approximately 6 to 7 feet over the easement and holding up the contractor from completing the work. It was stated that the contractor should be able to continue the work by going around this small area.

**AGENDA ITEM NO. 13: Correspondence.**

The letter issued by Charlie Adams to TCEQ on July 28, 2017, provided additional information they needed to close three items on their NOV report of November 17, 2016.

Letter from TCEQ on July 27, 2017 is a reminder that the District's sewer permit is due for renewal by July 31, 2018. The application has to be filed 180 days prior to the date of expiration. It was noted that a contract had already been issued for the work needed to make the application and submit the necessary documentation for the renewal.

**AGENDA ITEM NO. 15: Comments from Board Members.**

Need to have the status of the November, 2016 NOV on next month's agenda.

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

---

President of the Board

ATTEST:

---

Secretary of the Board