

**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 and Improvement District No. 1 was held on Tuesday, March 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

Paul Gustafson

Tim Beard

Jerry Giardina

Absent: Buddy Hughes

Also present was 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 by President Maddox at 6:30 p.m.

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

AGENDA ITEM NO. 3: **Minutes.** The Minutes from the February 16, 2016 meeting were reviewed and approved as presented.

AGENDA ITEM NO. 8: **Water System Improvement Project Contract A (water well) &**

AGENDA ITEM NO. 9: **Water System Improvement Project Contract B (Well Site 1 & 2).**

The Board recognized Jeff Leavins who presented the Well Completion Report from Holly Water Well Service as to Contract A. Mr. Leavins then moved to consideration of Contract B and

indicated he had requested for the agenda three (3) items including the Pay Request from T. Johnson Industries, Change Order No. 2 (final) and the Certificate of Construction Completion. Mr. Leavins reviewed the progress and completion of the well site improvement project and noted that the pay request after the deductive change order to be discussed was \$23,744.71. Mr. Turk indicated that this pay request included a small amount of interest due to the contractor. The Board then moved to consideration of Change Order #2 which included the reconciliation of contract quantities and also provided for a deletion of certain previously approved items. It was also noted that there was no contract time added and that the work had been 100% completed in approximately 76.43% of the time. After further discussion and questions from the Board and upon motion duly made by Director Beard and seconded by Director Giardina, Pay Request #6 (final), Change Order #2 (final) and the Certificate of Construction Completion were approved and accepted as presented.

AGENDA ITEM NO. 10: Procurement of general engineering services. Legal counsel noted that he had previous conversations with Mr. Leavins on the provision of future general engineering services and that as the District's present contract with Carroll & Blackman was only for the development of projects associated with its previously voted and approved bond issue, a request for qualifications for general engineering services would be required for the Board to proceed. Questions followed from the Board, and legal counsel did note that the Board should act to authorize the assignment of the current bond issue project contract from Carroll & Blackman to LJA Engineering due to the merger of the firms which contract would continue through the completion of the bond projects and the development of any projects for use of remaining surplus funds. After discussion and upon motion duly made by President Maddox and seconded by Director Gustafson, the Board authorized the assignment of the present engineering service

contract with Carroll & Blackman to LJA Engineers and tabled for future consideration, the development of request for qualifications for general engineering services.

AGENDA ITEM NO. 4: Manager's Report. The Board recognized Charlie Adams of Utility Specialties who stated that Josh Armfield was handling other matters related to the flooding conditions in the surrounding communities. Mr. Adams reviewed the March 22, 2016 report noting that Utility Specialties in January had responded to 17 grinder calls, repaired a sewer leak on the discharge line at 467 Pine Shadows and installed a long side grinder at 275 Idlywild. He also reviewed the amount of water pumped at Wells #1 & 2, and a question followed from President Maddox as to the calculation of charges for the long side service at 275 Idlywild. President Maddox also indicated that he had authorized Utility Specialties to acquire five (5) grinder pump units for District operations. The Board then was advised that there were certain grinder pump parts that had been removed and were no longer usable by the District for District purposes, and therefore, were surplus, and the Board directed that Utility Specialties requested to move these from the District premises. After discussion and upon motion duly made by Director Beard and seconded by Director Giardina, the Manager's Report was approved as presented.

AGENDA ITEM NO. 5: Water distribution system upgrades and repairs. No action.

AGENDA ITEM NO. 6: Monthly Financial Statements. The Board recognized Wayne Turk who presented his financial report from BBVA Compass Bank dated March 15th, reviewed the account balances and reviewed the debt service payment. After review and 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 accounts payable and noted, specifically, the payment for the one call service as Mr.

Turk also reviewed the requirements now under the District's audit procedures for Mr. Sticker to prepare general ledger entries. Mr. Turk reviewed at the request of the Board the details of the Will's Administration and Certification invoice. After discussion and upon motion duly made by President Maddox and seconded by Director Beard, the accounts payable in the amount of \$19,616.63 were approved for payment as presented.

AGENDA ITEM NO. 11: District website. The Board recognized Director Beard, and it was agreed that Mr. Beard would be the conduit to which all information required for the web designer would be provided. Legal counsel noted that he would be providing the Water & Sewer Use Order as well as minutes and agendas from prior year Board meetings. President Maddox noted that he had been in contact with Liz Will as well as the District's operator and all other relevant forms for District service, connection, dis-connection or other procedures would be accumulated and provided to Director Beard.

AGENDA ITEM NO. 12: County drainage grant and project progress report. No report.

AGENDA ITEM NO. 13: Report on correction of Hardin County Appraisal District records as to District properties shown as part of Big Thicket Preserve. No report.

AGENDA ITEM NO. 14: Certification and Order as to Unopposed Status of Director Candidates for the May 7, 2016 Election. The Certification and Order of Unopposed Status was presented by legal counsel for the District and an acknowledgment that none of the Director candidate races for the May 7, 2016 Election were contested. After discussion and upon motion duly made by President Maddox and seconded by Director Giardina, the Certification and Order were approved as presented.

AGENDA ITEM NO. 15: District Water Loss Report. No report.

AGENDA ITEM NO. 16: Correspondence. The Board received correspondence from EasTex Labs and Texas Department of Health Services on various lab and sample results. Mr. Turk presented a copy of correspondence from the TCEQ on coliform sampling siting plan requirements which Mr. Adams indicated that Utility Specialties would complete on behalf of the District. Mr. Turk also provided notice of the permanent renewal from the Southeast Texas Groundwater District for the District's Site #2, Well #4.

AGENDA ITEM NO. 17: Comments from Board Members. None.

AGENDA ITEM NO. 18: Adjourn. There being no further business before the Board, the meeting was adjourned at 7:30 p.m.

President of the Board

ATTEST:

Secretary of the Board