

**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, June 14, 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

Buddy Hughes

Also present was Larry Davenport of Utility Innovations, LLC dba Utility Specialties, Wayne Turk, 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 May 17, 2016, meeting were reviewed and approved as presented upon motion duly made by Director Giardina and seconded by President Maddox.

AGENDA ITEM NO. 4: Oaths of Office. Legal counsel administered the Oaths of Office upon motion duly made by President Maddox and seconded by Director Hughes.

AGENDA ITEM NO. 5: Reorganization of Board Officers. Legal counsel indicated that the Board could designate new officers by making motions as to each position or a motion could be

made on a slate of officers. After a brief discussion and upon motion duly made by Director Gustafson and seconded by Director Giardina, the Board unanimously approved the following reconstitution of the Board of Directors with its current officers.

- President – Jack Maddox
- Vice President – Tim Beard
- Secretary – Buddy Hughes

Director Beard then arrived at the meeting.

AGENDA ITEM NO. 6: Manager's Report. The Board recognized Larry Davenport of Utility Specialties who was attending the meeting for Josh Armfield who was on vacation. Mr. Davenport reviewed the Operators Report dated June 14, 2016 and reviewed the response to 17 grinder calls, noted a major tear down of the blower at the Wastewater Treatment Plant, and the placing of the blower back in service. He also noted that Utility Specialties had replaced two (2) float trees, installed one (1) new water tape, and repaired three (3) sewer leaks. He briefly reviewed the amount of water pumped at Well #1 and Well #2.

After Mr. Davenport presented the Operators Report, President Maddox again requested that Utility Specialties try to balance the water well pumpages closer.

AGENDA ITEM NO. 7: Water distribution system upgrades and repairs. President Maddox indicated to Mr. Davenport that he needed to follow-up with Josh Armfield on the status of acquiring the chlorinators that had been approved at the last Board meeting. It was also noted that the District's Surplus Funds Application, including the corrected Board Resolution had been finalized and presented to Jeff Leavins of LJA Engineers for submission to the Texas Commission on Environmental Quality.

AGENDA ITEM NO. 8: Monthly Financial Statements. The Board recognized Wayne Turk who reviewed the monthly financial statements. Mr. Turk reviewed several unusual items including a refund to the District for an overpayment for environmental testing services. Mr. Turk also noted the receipt of tap fee for 335 West Pine Shadows and the quarter annual payment from New Waive for utility access for the internet provider. After discussion and upon motion duly made by Director Beard and seconded by Director Giardina, the Board approved the financial statements as presented.

AGENDA ITEM NO. 9: Accounts Payable. Mr. Turk noted that all the invoices were usual, and there were no extraordinary costs. After discussion and upon motion duly made by Director Hughes and seconded by Director Giardina, the accounts payable in the amount of \$21,692.99 were approved for payment as presented.

AGENDA ITEM NO. 10: Engage FSC Continuing Disclosure Services for bond issue(s) disclosure compliance services. The Board recognized legal counsel who reviewed the requirements for the District to submit by June 30th its financial statements on the Municipal Securities Rule-Making Board (“MSRB”) EMMA System. Legal counsel reviewed recent changes in continuing disclosure filing requirements and recommended that the Board proceed with engaging FSC Continuing Disclosure Services pursuant to their proposed engagement letter. The Board also recognized Mr. Turk who indicated that he had reviewed this request and consulted with the District’s accountants and bankers and determined that this service was required and services should be engaged. After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the Board approved the execution of the engagement letter between the District and FSC Continuing Disclosure Services as presented.

AGENDA ITEM NO. 11: **District website.** President Maddox indicated that he had to re-submit certain photographs and additional information to the web designer, and that a final review would be set as soon as he and Director Beard were able to schedule with the web designer.

AGENDA ITEM NO. 12: **County drainage grant and project progress report.** The Board received a presentation from President Maddox who indicated the final design had been approved and presented for bids. The bid opening was scheduled for Wednesday, June 15th at which time the determination of a bidder would be made, and subsequently, an award made to initiate the Drainage Grant Project.

AGENDA ITEM NO. 13: **Report on Correction of Hardin County Appraisal District records as to District properties shown as Part of Big Thicket Preserve.** The Board noted that the corrections had been made on the Appraisal District records on this matter, and this item could be removed from the agenda; therefore, no action was taken.

AGENDA ITEM NO. 14: **Correspondence.** None.

AGENDA ITEM NO. 15: **Comments from Board Members.** There were no comments from the Board.

AGENDA ITEM NO. 16: **Adjourn.** There being no further business before the Board, the meeting was adjourned at 7:05 p.m.

President of the Board

ATTEST:

Secretary of the Board