

**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, January 15, 2019, pursuant to notice duly posted in accordance with law. The meeting was held at 333 Commercial Drive, Hardin County, Texas. The following members of the Board were present:

Jack Maddox

Tim Beard

Tim Jones

Jody Aiena

Buddy Hughes

Also present were Larry Davenport and Mrs. 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 6:30 p.m. by President Maddox.

AGENDA ITEM NO. 2: Public Comments. None.

AGENDA ITEM NO. 3: Minutes. The Board approved the minutes of December 18, 2018 upon motion duly made by Director Beard and seconded by Director Aiena.

AGENDA ITEM NO. 4: Manager's Report. The Board deferred consideration of the Manager's Report, so Mr. Davenport could return to the meeting.

AGENDA ITEM NO. 5: Approval of Well Site #2 Change Order #1. The Board received a presentation from Jeff Leavins reviewing Change Order #1. Questions followed concerning the

Change Order and the change in scope and services provided at Well Site #2. After discussion and upon motion duly made by President Maddox and seconded by Director Aiena, the Board approved Change Order #1 in the amount of \$22,400.00 increasing the contract amount to \$343,660.00 with no change in the construction. It was noted that this matter would be ratified as well under the payables for Hurricane Harvey.

AGENDA ITEM NO. 4: Manager's Report. The Board then returned to the Manager's Report and recognized the representatives of Utility Specialties who reviewed the Operator's Report dated January 15, 2019, including a review of response to grinder calls, providing information concerning water pumpage and additional work including line locates, weatherizing the water at wastewater treatment plants, addressing a brown water call and replacing three panels and four pumps. It was noted after installation of the three panels and four pumps, Utility Specialties still had on hand in inventory four panels and two pumps. The Board also reviewed the Utility Innovations, LLC d/b/a Utility Specialties invoices for the prior billing period. The Board then received a memorandum concerning a problem for beyond routine at 250 Idlywild and 355 Pinemont. The Board was presented with the writeup for the issues at both properties and discussed a continuing problem at 451 Pinemont.

A discussion followed with the operator by the President as to property and equipment at Well Site #2 that was deemed generally not usable for future District purposes and, thereby, surplus. The Board discussed acquiring a roll on/roll off container for remaining equipment, possibly to be utilized by the District including certain float trees or otherwise to dispose of any other unusable property. A discussion also followed once the Texas Water Development Board grant funding was provided and additional grinder units could be acquired and what manner of disposal should be used by the District to handle removed grinder stations and related equipment. It was agreed that this

matter should be discussed and placed on the agenda for further action. Before moving to additional agenda items, the Board again reviewed in the absence of Mr. Turk that its funding from state and federal insurance had been used generally as follows:

FEMA funds for grinder repairs, TML Risk Pool insurance for plant repairs, and the anticipated Texas Water Development Board grant funds for new grinder stations and installation.

**AGENDA ITEM NO. 6: Report on Federal Emergency Management Agency (“FEMA”)**

**Public Assistance.** President Maddox stated that the discussion in Agenda Item No. 4 had reviewed any information he had in the absence of Mr. Turk.

**AGENDA ITEM NO. 7: Report on TML Intergovernmental Risk Pool and claim status.**

President Maddox indicated that he had no new information from the TML but understood that the District had committed funds for completed or continuing projects for approximately \$600,000.00 with approximately \$430,000.00 of additional funds in the pipeline. President Maddox indicated more information would be provided by Mr. Turk.

**AGENDA ITEM NO. 8: Report on Texas Water Development Board disaster recovery grant.**

The Board again recognized Jeff Leavins who stated that the District was proceeding with the Disaster Recovery Grant which would fund grinder station replacements and installation. Mr. Leavins noted that the TWDB funding required placement of grant funds in escrow. Mr. Leavins in concurrence by legal counsel suggested that the Board execute an Escrow Agreement with Amegy Bank for an escrow fee of \$500.00. The Board stated that President Maddox and its consultants should proceed with any required action for the Texas Water Development Board Disaster Recovery Grant.

**AGENDA ITEM NO. 9: Report from Pine Island Bayou Drainage Committee.** No report.

AGENDA ITEM NO. 10: Monthly Financial Statements. The Board recognized President Maddox who stated he provided in the absence of Mr. Turk the monthly accounting statement from BBVA Compass Bank noting the transfer of funds of \$20,000.00 from General Reserve to Operating Account and the notation that the District would be making its bond principal and interest payments on outstanding indebtedness effective as of February 15, 2019. The Board also remarked on the level of tap fees considering that many District residents were still in recovery from Hurricane Harvey. After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the Board approved the financial statements as presented.

AGENDA ITEM NO. 11: Accounts Payable. President Maddox presented the accounts payable ledger prepared by Mr. Turk as showing payables in the amount of \$19,407.01. The Board reviewed the accounts payable. After discussion and upon motion duly made by Director Hughes and seconded by Director Beard, the accounts payable were approved for payment as presented.

AGENDA ITEM NO. 12: Approve Auditor for 2018 Audit. After a brief discussion and upon recommendation of Mr. Turk, the Board moved to engage Mitch Fontenote to perform the 2018 audit of the District upon motion duly made by President Maddox and seconded by Director Beard.

AGENDA ITEM NO. 13: Hurricane Harvey project payments including chlorinators and scale as well as the relief valves on the high-pressure tank and well manifold. The Board reviewed the prior year's consideration of Change Order #1, Pay Request #4 at Well Site #2 in the amount of \$12,960.00 and Pay Request #1 for the Wastewater Treatment Plant in the amount of \$137,946.00. Mr. Leavins noted certain anticipated completion dates for the projects and gave information on the anticipated installation of the generator. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the payment requests as presented

along with the invoice of \$3,507 from LJA Engineers were approved along with Harvey related payments in the amount of \$154,413.60.

AGENDA ITEM NO. 14: Correspondence. None.

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

AGENDA ITEM NO. 16: Adjourn. There being no further business, the meeting was adjourned at 7:30 p.m.

ATTEST:

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President of the Board

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Secretary of the Board