

**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 19, 2021, 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 Jones

Buddy Hughes

Tim Beard

Allen Davis

Also present were Wayne Turk and Guy N. Goodson of Germer PLLC as legal counsel to 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 of December 15, 2020 had the following corrections: 1) Buddy Hughes was present and there were no absences; 2) Page 2 had a correction under Accounts Payable. It was noted the renewal was for the SCADA monitoring services at the wastewater treatment plant; and 3) Page 3 had a correction under Correspondence. It was noted the address was 1031 Pine Needles and the amount for the property in question, the property owner paid \$1,800.00. The minutes of December 15, 2020 were unanimously approved as corrected upon motion duly made by President Maddox and seconded by Director Beard.

AGENDA ITEM NO. 4: Manager's Report.

(a) Operational Report:

Mr. Turk provided the Utility Specialties Operator's Report dated January 19, 2021. Utility Specialties acknowledged they responded to 25 grinder calls, and Mr. Turk noted for the first time, the water pump at each well site was virtually balanced. Mr. Turk then noted that Utility Specialties advised they had made eight line locates, had weatherized the water and wastewater treatment plants, had cleaned sludge out of the contact chamber at the wastewater treatment plant and had greased the fire hydrant on Pine Shadows and Woodway. It was noted they had purchased no panels and four pumps and had one panel and four pumps in inventory. The Board also reviewed briefly with Utility Specialties the invoices for the month of December. After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the Operator's Report was approved as presented.

AGENDA ITEM NO. 5: Monthly Financial Statements. The Board recognized Wayne Turk who presented the accounting statement from BBVA Compass Bank dated January 19, 2021 and noted specifically the service reimbursement at 1031 Pine Needles in the amount of \$1,800.00. Mr. Turk noted the payment from Don Williams at 530 Piney Point of \$675.80 which was the equivalent tax payment for his out-of-district service. Mr. Turk also noted that per previous report, the Maxwell water meters at 134 Woodlawn were moved, and the District had received a reimbursement of \$676.00. Mr. Turk noted the service fees for the previous month, and questions followed concerning the interfund transfer from the operation holding of the system operation account, and a discussion was held on the debt service accounts. After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the Board unanimously approved the monthly financial statements.

AGENDA ITEM NO. 6: Accounts Payable. The Board again recognized Mr. Turk who noted the accounts payable in the amount of \$34,221.41. Mr. Turk reviewed several invoices at the request of Board. Mr. Turk noted Check No. 2785 to Pemsco was an invoice that was for work performed in

October 2019, and while Pemsco had provided a cost estimate, no invoice had ever been received, and Pemsco was now requiring payment before it would proceed with additional work. Mr. Turk then noted questions about Core & Main, LP invoice for a meter resetter. Mr. Turk stated this was apparently a part required for a meter riser and would provide further information to the Board. President Maddox then asked as to Check No. 2799, and while it included a purchase of four grinder pumps, it also involved the invoicing for nine float switches which he indicated would appear to have a price lower than noted in this pay request. A lengthy discussion followed on the process by which the District had its float trees including the inclusion of float switches prepared, and President Maddox indicated he would contact Mike Will to discuss whether the District would continue to have him prepare float trees or whether it would become more economical to simply buy a complete assembly. The Board then reviewed the Munibilling and noted this was the first quarter subscription and merchant fee. The Board then questioned the payment to Jet Aeration, and President Maddox noted this again was the first of what might be several future callouts and responses to customer complaints which were not warranty related. President Maddox stated this was in line with procedure and the price that had been negotiated with Jet Aeration. The Board then reviewed the payment to Rural Pipe & Supply for the 2hp grinder pump followed by Mr. Turk's review of the DSHS Central Lab invoice for TCEQ testing. After review of the various accounts payable and upon motion duly made by Director Hughes and seconded by Director Beard, the accounts payable in the amount of \$34,221.41 were approved for payment as presented.

AGENDA ITEM NO. 7: Update status of TWDB Grant and Contract. Mr. Turk provided correspondence from LJA Engineering noting the District would be required to proceed through a TWDB closeout inspection which was scheduled for January 20.

AGENDA ITEM NO. 8: Correspondence. None.

AGENDA ITEM NO. 9: Comments from Board Members. The Board recognized Mr. Turk who noted a closeout of the TCEQ Notice of Violation for a prior sewer line break. Mr. Turk noted

the TWDB annual water loss audit in completion of that report. Mr. Turk also reported on the filing of the Special Purpose District Report with the Texas Comptroller and closed with a review of the updated Texas Municipal Report on the District's debt obligations. The Board then moved to comments from the Board, and a question was raised concerning the status of a newsletter to the customers on placement of non-biodegradable products. Legal counsel indicated that another client was completing a similar project, and he would request their authority to provide a copy of its draft newsletter for submission to the customers. Mr. Turk noted he had requested and compiled the list of grinder callouts which showed the customers placing non-biodegradable items in the system. The Board reviewed those and noted they would restart the procedures to notify customers when they were in violation of the Water & Sewer Use Order and begin billing customers for misuse of the District's system. The Board then recognized President Maddox who discussed several matters for consideration of warranty and further notified the Board the property owner on Woodcrest Blvd. had requested the District participate in the movement of its gate which President Maddox declined. He noted the property owner planned to place asphalt on the road, and since the District had heavy vehicles use the road to access the plant, the property owner may want to ensure he put the proper amount of compacted base material under any asphalt to be placed on the road. President Maddox indicated he was going to get in touch with Liz Will over some pending projects which had not been completed due to some recent health events for her. President Maddox stated he had contacted Simply Aquatics concerning the District's prior acquisition to chlorine scales which were no longer found at the plant. Simply Aquatics indicated that due to the sensitive nature of those scales, there was concern about their operation but agreed he would return those to the District's chlorine room and remove the chlorine scales he had provided in replacement. President Maddox noted that previously the District had a 3-year warranty on those scales and did not want them moved. The Board then discussed the acquisition of the chlorine regulators at Well No. 1 and requested a report about why those had been acquired. President Maddox indicated he had spoken with Karen at

Utility Specialties to adjust the flushing schedule to four days prior to any system inspections. President Maddox noted a module installation under contract by Electrical Specialist. President Maddox then indicated there was a pending project with LJA Engineering after Jeff Leavins had left concerning getting information on improving the well site communications, but the LJA consulting electrical engineer had not provided specifications. President Maddox indicated he would contact representatives of LJA to get a timetable for completion of the specifications by its electrical engineers. President Maddox closed with indicating the number of new services that had been initiated in the District and his request on the next agenda for a pay increase to Wayne Turk.

AGENDA ITEM NO. 10: Adjourn. There being no further business, the meeting was adjourned at 7:25 p.m.

ATTEST:

President of the Board

Secretary of the Board