

**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, October 16, 2018, 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

Buddy Hughes

Tim Beard

Tim Jones

Absent: Jody Aiena

Also present were Wayne Turk, Larry Davenport 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 September 18, 2018 upon motion duly made by Director Beard and seconded by President Maddox.

AGENDA ITEM NO. 10: **Hurricane Harvey project payments.** Mr. Leavins presented the Board with information concerning the proposed payments noted on the Hurricane Harvey TML Insurance statement to T. Johnson Industries for the Well No. 2 work. The Board then moved to Agenda Item No. 4(b). Mr. Leavins presented the Board with Estimate No. 1 from T. Johnson

Industries for the Water Well No. 2 Rehabilitation Project (Hurricane Harvey Disaster Recovery). Mr. Leavins reviewed the work done to date by line item. President Maddox questioned whether some of the work had been completed, and Mr. Leavins stated that he would make a site inspection and advise if there were any issues with the information that had been provided by the inspector for LJA. The Board then reviewed certain items in the rehabilitation project, and it was noted that with the 10% retainage, the payment due for the original Estimate No. 1 was \$115,650. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the Board approved Estimate No. 1 to T. Johnson Industries, Inc. for Water Well No. 2 rehabilitation project in the amount of \$115,650.

**AGENDA ITEM NO. 11: DMA Resolution as to TWDB Urgent Need Application.** The Board received a report from Jeff Leavins on the Designated Management Agency Resolution which was requested to be executed as a requirement of the Texas Commission on Environmental Quality (“TCEQ”) and related to the Texas Water Development Board (“TWDB”) Urgent Need Application. Mr. Leavins noted that TWDB was not requiring presentation of the DMA Resolution, but as it was a requirement of the TCEQ, it was recommended for adoption. Legal counsel noted that as this could not be filed electronically, the DMA Resolution would be presented to President Maddox for execution and returned to Mr. Leavins for filing. After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the Board approved the DMA Resolution as requested.

**AGENDA ITEM NO. 4: Manager’s Report.** The Board received a report from Larry Davenport of Utility Specialties. The Operator’s Report for the period through October 16, 2018 noted that in September, Utility Specialties had responded to 29 grinder calls, three calls being from residents moving back and wanting system checks. Mr. Davenport also noted that the annual tank

inspections had been conducted, and Utility Specialties had responded to five water leaks, one sewer leak, pulled sludge for transport to Houston for disposal and repaired a driveway at 111 Pinehurst due to a water leak. Mr. Davenport also noted that Utility Specialties installed a meter on Pineglen, installed four electrical panels and replaced two grinder pumps. Mr. Davenport closed with noting Utility Specialties had three pumps and two panels in inventory for future needs.

Questions followed from the Board, and the Board then moved to Agenda Item No. 4(c) on the TTHM issues. President Maddox asked that the Board review the draft response prepared by Karin Warren at Utility Specialties and suggested the Board provide any comments. Legal counsel noted that he had some suggested changes but would await further comments by President Maddox before presenting.

**AGENDA ITEM NO. 5: Cost summary/estimates to provide to Federal Emergency Management Agency (“FEMA”) for Public Assistance/approve actions for FEMA Public Assistance.** The Board recognized Wayne Turk who advised that the District had received approximately \$150,000 in FEMA reimbursements which included panel replacements in the amount of \$137,000.

**AGENDA ITEM NO. 6: Report on TML Intergovernmental Risk Pool insurance coverages and claim status.** The Board again recognized Mr. Turk who advised that the TML Intergovernmental Risk Pool had ear-marked an additional \$600,000 for Harvey recovery projects. Mr. Turk stated \$137,000 of the initial \$200,000 received from TML/IRP has been expended on electrical panel replacements. Mr. Turk noted that the representative of the TML Intergovernmental Risk Pool had made a site inspection and developed the TML Claim Exposure Report. Mr. Turk indicated that the TML/IRP Claim Exposure Report was now in excess of \$900,000 and additional claims may be added with the approval of the TML/IRP.

AGENDA ITEM NO. 7: Reauthorize Pine Island Bayou Drainage Committee. Director Beard noted that he would support the reauthorization but wanted to ensure membership on the committee by Board representatives. Director Jones had advised of his willingness to serve along with Jeanie Turk and other prior members of the committee. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the Board reauthorized the Pine Island Bayou Drainage Committee with Director Jones to act as the District liaison.

AGENDA ITEM NO. 8: Monthly Financial Statements. The Board recognized Mr. Turk who presented the BBVA Compass Bank accounting statement. The Board reviewed the System Operating, Operations Holding, Debt Service and General Reserve Funds as well as reviewed the TML Insurance proceeds account. The Board was also advised of a reimbursement for FEMA Project #960, the payment of a tap fee for 1034 Pineglen and reviewed the monthly service fees. After discussion and upon motion duly made by Director Beard and seconded by Director Jones, the monthly accounting statement was approved as presented.

AGENDA ITEM NO. 9: Accounts Payable. Mr. Turk reviewed all pending invoices and noted the invoice to Simply Aquatics, Inc. for additional caustic materials, the invoice to Sprint Waste Services, LP for sludge disposal which had been addressed the Management Report by Larry Davenport along with the insurance renewal premium of \$10,582.04 from the TML Intergovernmental Risk Pool. The Board asked, and Mr. Turk confirmed that all District insurable assets were now covered under the TML Intergovernmental Risk Pool Policy. After discussion and upon motion duly made by Director Hughes and seconded by Director Beard, the accounts payable in the amount of \$42,989.11 were approved for payment as presented.

AGENDA ITEM NO. 12: Correspondence. Mr. Turk provided information from the State Department of Health as well as correspondence from the TCEQ on the District's previous Notice

of Violation, as well as the information to TCEQ's contractor, Cohen Reznick on a cooperative purchasing. The Board also received the LJA Engineering letter of recommendation for the bid award to T. Johnson Industries in the amount of \$439,110 for the Wastewater Treatment Plant rehabilitation project. President Maddox noted that this was an action item under 4(b) and after discussion and upon motion duly made by Director Hughes and seconded by Director Beard, the Board approved the award to T. Johnson Industries in the amount of \$439,110 for the Wastewater Treatment Plant rehabilitation project with a contract time of 100 working days.

AGENDA ITEM NO. 13: **Comments from Board Members.** Comments followed from the Board.

AGENDA ITEM NO. 14: **Adjourn.** There being no further business, the meeting was adjourned at 7:28 p.m.

ATTEST:

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President of the Board

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Secretary of the Board