

**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 20, 2020, 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

Also present were Wayne Turk, Jeff Leavins of LJA Engineering 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 6:31 p.m. by President Maddox.

AGENDA ITEM NO. 2: Board vacancy. The Board received comments from Director Jones on possible nominees to fill the vacancy left by Jody Aiena. The Board tabled this item, so they could request interested candidates attend the next regularly scheduled meeting.

AGENDA ITEM NO. 3: Public Comments. President Maddox noted there were no members of the public in attendance, however, he indicated he thought a resident of the District might attend the meeting due to a sewer discharge which he would discuss further during Board comments.

AGENDA ITEM NO. 4: Minutes. The minutes of September 15, 2020 were approved as presented upon motion duly made by President Maddox and seconded by Director Hughes.

AGENDA ITEM NO. 5: Manager's Report.

(a) Operational Report:

The Board recognized Wayne Turk who provided a copy of Utility Specialties Operator's Report dated October 20, 2020. It was noted in the document that Utility Specialties had responded to 25 grinder calls and well pumpage at each well. Mr. Turk also noted that based upon the Manager's Report, Utility Specialties had performed 8 line locates, met Third Coast for TCEQ required testing, purchased zero panels and zero pumps and had one panel and three pumps in inventory. It was further noted in the Manager's Report that the generator at the Wastewater Treatment Plant was not cycling on, so Utility Specialties had cleaned cables and put on a charger and would return to check. A discussion followed by the Board and Mr. Leavins stating this matter was covered by a warranty on the generator, and if so, was just a warranty item. President Maddox indicated he thought the warranty period had started in mid-2019, and therefore, beyond a 12-month warranty period. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the Board approved the Operator's Report as presented.

(b) TTHM Issues:

Mr. Turk again provided a copy of the report outlining the TTHM report results from February 2019 through September 2020 showing a compliance for three consecutive quarters, and if the District was able to achieve a compliance testing for the final quarter of this year, it will have satisfied the Texas Administrative Order dated January 31, 2020. A brief discussion followed.

AGENDA ITEM NO. 6: TWDB CWSRF Urgent Need Project (Residential Sanitary Sewer Grinder Stations). The Board recognized Jeff Leavins who stated there were three items for

consideration being the final Change Order, the final Pay Request and proposed Release of Retainage as well as the Certificate of Construction Completion.

(a) Final Change Order:

Mr. Leavins reviewed the final Change Order No. 4 in the amount of \$2,761.80. Following questions from the Board and upon motion duly made by President Maddox and seconded by Director Hughes, the Board unanimously approved Change Order No. 4 (final).

(b) Pay Requests and Release of Retainage:

Mr. Leavins reviewed the pay request and noted the District had agreed to contribute certain project funds in addition to the funds available through the TWDB Grant. After discussion and upon motion duly made by President Maddox and seconded by Director Hughes, Pay Request No. 5 showing a final payment due of \$35,787.48 was approved.

(c) Certificate of Construction Completion:

The Board again recognized Mr. Leavins who indicated that while the project was complete, a portion of the project had been the agreement of JET Aeration to return the 10 pumps taken out of the system to be rehabilitated and returned to the District. Mr. Leavins stated that JET Aeration had not completed the rehabilitation of the pumps. Questions then followed from Director Beard and President Maddox. After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the Board approved the execution and delivery of the Certificate of Construction Completion contingent upon the return by JET Aeration of the 10 rehabilitated pumps to the District. Mr. Leavins also noted that the 12-month warranty period would begin with the approval date of the Certificate of Construction Completion. Mr. Leavins further noted he had built from a database, the date, times and work performed at each property location in the District as a part of the TWDB

CWSRF Urgent Need Project (Residential Sanitary Sewer Grinder Station). Mr. Beard asked if a copy of this was available, and Mr. Turk and Mr. Leavins indicated they would provide copies of the database to the Board.

AGENDA ITEM NO. 7: Monthly Financial Statements. The Board recognized Wayne Turk who reviewed the accounting statement from BBVA Bank dated October 20, 2020 showing water service fees of \$21,339.05. Mr. Turk noted the accounting statement showed the receipt of TWDB grant funds for Outlay No. 12 in the amount of \$34,401.28. After review and upon motion duly made by President Maddox and seconded by Director Hughes, the monthly financial statements were approved as presented.

AGENDA ITEM NO. 8: Accounts Payable. Mr. Turk reviewed the accounts payable and noted specifically the invoice from Simply Aquatics for chlorine injector repairs at the Wastewater Treatment Plant. The Board asked as to the cost incurred since this was a new chlorine injection system. President Maddox asked that if the accounts payable were approved, the check be held, so he could contact Simply Aquatics to determine the reason for the required chlorine injector repairs. Director Beard also asked for further detail on the invoice in the amount of \$700.35 from Munibilling. Mr. Turk indicated it was for a quarterly cost of the services and online pay of the Munibilling system. Director Beard asked Mr. Turk to provide further information to the Board on the exact nature of the charges being billed by Munibilling. Mr. Turk noted the invoices included the renewal of the District's insurance through the TML Intergovernmental Risk Pool in the amount of \$11,409.68. Mr. Turk indicated along with President Maddox that a representative of the TML Intergovernmental Risk Pool would be at the next Board meeting to make a presentation concerning the coverages and particularly, the sewer backup coverage, as well as review in detail the coverages provided by the TMLIRP. After further discussion and upon motion duly made by Director Hughes

and seconded by Director Beard, the accounts payable in the amount of \$29,272.70 were approved for payment as presented.

AGENDA ITEM NO. 9: Correspondence. The Board recognized Mr. Turk who indicated he had received and would provide to the District's operator the Texas Department of Health reports. He also reported that in light of the renewal of the District's insurance, TML would provide a copy of the claim experience. Mr. Turk noted he had received additional reports from the Hardin County Tax Office. Legal counsel noted the Board had authorized its Board President to execute any additional tax reports required for the current tax year.

AGENDA ITEM NO. 10: Comments from Board Members. President Maddox noted a sewer force main had been damaged by a contractor behind a home at 1031 Pine Needles resulting in sewer flowing onto the ground. President Maddox further noted the spill was mitigated by the area being cleaned and disinfected, and the sewer force main had been repaired. It was also noted the incident would be reported by Utility Specialties, and a copy of the report would be provided to the Board upon receipt by the District. There were no other comments from Board members.

AGENDA ITEM NO. 11: Adjourn. There being no further business, the meeting was adjourned at 7:20 p.m.

President of the Board

ATTEST:

Secretary of the Board