

**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, February 18, 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 Beard

Tim Jones

Absent: Jody Aiena

Absent: Buddy Hughes

Also present were Wayne Turk, Larry Davenport of Utility Innovations, Jeff Leavins of LJA Engineering and Guy N. Goodson 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 January 21, 2020 were approved as presented upon motion duly made by President Maddox and seconded by Director Beard.

AGENDA ITEM NO. 6: TWDB CWSRF Urgent Need Project (Residential Sanitary Sewer Grinder Stations) – Change Order #1. The Board recognized Jeff Leavins who presented Change Order #1 for the TWDB CWSRF Urgent Need Project. Mr. Leavins provided a detailed explanation of the total additives and proposed deletions noting that the additive items exceeded the proposed deletions, but it was also noted that the Change Order would delete and move unexpended

funds previously identified in administration for financial advisor and bond counsel to the construction fund. It was noted that the services of the financial advisor and bond counsel were not required due to the nature of the grant as opposed to a bond issue. It was also noted that no additional calendar dates were added to the project. A lengthy discussion followed on the configuration of grinder units and control panels. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, Change Order #1 for the TWDB CWSRF Urgent Need Project was approved as presented.

The Board then entered a brief discussion of other pending District projects and noted the District had conducted its pre-construction meeting but was not issuing its notice to proceed as the TWDB required approval of items prior to issuing its notice to proceed. Mr. Leavins also noted that as the District would be discussing in its Manager's Report the continuing issue with its TTHM problem, Mr. Leavins had been advised that the TWDB through its drinking water programs was initiating a Pure Safe Water Program which would be grant or loan funds totaling approximately \$2 million, and applications could be made. Mr. Leavins and President Maddox discussed the various procedures that had been under review between the District and representatives of the TCEQ at their most current site visit as well as testing of the its water system in February, and Mr. Leavins noted that the Pure Safe Water Program may allow for a test or temporary operational change to the drinking water treatment system in a nature of the TCEQ planning and design projects. Mr. Leavins stated he would explore further with the TCEQ the initiation of such a pilot program and whether that could be done and still commit funds for a later water system improvement project. The Board thanked Mr. Leavins for his attendance, and Mr. Leavins then left the meeting.

AGENDA ITEM NO. 4: Manager's Report.

(a) Operational Report:

The Board recognized Larry Davenport who reviewed the Operator's Report dated February 18, 2020 noting the response to 29 grinder calls as well as a log of the well pumpage at Well #1 and Well #2. Mr. Davenport also noted that Utility Innovations did three 3 line locates for the gas company, Entergy and Aqua Marine. It was also noted that Utility Innovations had performed routine maintenance of changing the oil and filters on the generator at Well #1 and gave an inventory of grinder pumps and panels purchased and those on hand. A number of discussions followed from the Board on items identified in the invoices from Utility Innovations. After discussion and upon motion duly made by Director Beard and seconded by Director Jones, the Manager's Report was approved as presented.

(b) TTHM Issues: President Maddox stated an updated report would be provided at the March Board meeting.

AGENDA ITEM NO. 5: §2.051(b) Texas Election Code as to unopposed candidates for the Directors' Election of May 2, 2020. Legal counsel noted that the filing period for both candidates and write-in candidates for positions on the Board of Directors had closed, and the District would be issuing its unopposed status certification and canceling its election. Legal counsel recommended that any notification to joint entities with whom the District might have been conducting the election be notified that there were no opposed candidates for the District's election.

AGENDA ITEM NO. 7: Report from Pine Island Bayou Drainage Committee. There was no report, but the Board agreed to leave this matter on the agenda for updates through Mrs. Turk.

AGENDA ITEM NO. 8: Monthly Financial Statements. The Board recognized Wayne Turk who presented the monthly accounting statement from BBVA Compass Bank noting the collection of \$128,775.00 in ad valorem taxes and the bond payments to BBVA Compass Bank of both bond issues. Service fees were also noted in the amount of \$20,089.20, and a question followed from

Director Beard on amounts held in the general reserve. Mr. Turk noted these items were from the proceeds of the grant of the District. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the financial statements were approved as presented.

AGENDA ITEM NO. 9: Accounts Payable. The Board recognized Mr. Turk who reviewed the accounting statement showing invoices in the amount of \$22,675.00. Questions followed specifically as to an invoice from Simply Aquatics in the amount of \$1,700.00, an invoice from Electrical Specialties in the amount of \$187.50 and Environmental Treatment Technologies in the amount of \$136.00. A discussion then followed on each invoice, and the Board asked that the payment to Simply Aquatics be approved, but not paid until Simply Aquatics provided a more detailed invoice as it had stated it would provide. Mr. Davenport and Utility Innovations were asked to confirm with Electrical Specialties the services provided in December which were invoiced, and Mr. Turk and Mr. Davenport reported on the filters purchased through Environmental Treatment Technologies. After discussion and upon motion duly made by Director Beard and seconded by Director Jones, the accounts payable were approved for payment as presented.

AGENDA ITEM NO. 10: Approve auditor for 2019 audit. Mr. Turk noted he had received an audit engagement letter from Mitch Fontenote. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the Board authorized the engagement of Mitch Fontenote to perform the 2019 audit of the District.

AGENDA ITEM NO. 11: Correspondence. Mr. Turk noted several items including providing letters that had been submitted to residents of the District for damage claims and payments due under the District's Water and Sewer Use Order. Mr. Turk noted along with legal counsel certain requirements that had been adopted as part of legislation in 2019 obligating the District to provide additional information on its website. Legal counsel recommended the District be in contact with

Buddy Hughes as the Assistant Director of the Jefferson County Appraisal District to ensure the District would be able to execute the certification required by the Appraisal District as to its website. Mr. Turk stated he had received and filed in the District's records the TCEQ Agreed Order from 2019 and noted he would be required to provide water use and water loss survey information to the Texas Water Development Board. Mr. Turk ended with a review of upcoming training required for cyber security pursuant to House Bill 3834. Director Beard stated he would work with Mr. Turk as his industry was aware of these impending requirements for training and would provide more information at the next meeting to ensure what District personnel would require to be trained and certified.

AGENDA ITEM NO. 12: Comments from Board Members. Comments from Board members followed.

AGENDA ITEM NO. 13: Adjourn. There being no further business, the meeting was adjourned at 7:50 p.m.

President of the Board

ATTEST:

Secretary of the Board