

**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, June 18, 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

Buddy Hughes

Tim Jones

Absent: Jody Aiena

Also present were Wayne Turk, Charlie Adams of Utility Innovations, LLC dba Utility Specialties, Mr. and Mrs. Keith Wathers as a resident of the District, 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. The Board recognized Mr. and Mrs. Wathers concerning a leak on their property which they believe occurred upon removal of a FEMA trailer. The representatives of Utility Specialties and President Maddox indicated they would review the matter and come back to the Board with the recommendation if a leak adjustment was merited under the District's rules.

AGENDA ITEM NO. 3: Minutes. The Board approved the minutes of May 21, 2019 upon motion duly made by Vice President Beard and seconded by President Maddox.

AGENDA ITEM NO. 4: Manager's Report.

(a) Operational Report:

The Board recognized Charlie Adams who presented the Operating Report dated June 18, 2019 noting that Utility Specialties had responded to 37 grinder calls, provided the information concerning water pumpage at Well #1 and Well #2 and ten (10) line locates. Mr. Adams also noted that Utility Specialties had located, dug up and repaired a flush valve, researched and submitted data on construction of homes for lead and copper testing, repaired the scum floater at the wastewater treatment plant and submitted public notices regarding the TTHM sampling. Mr. Adams closed with noting that Utility Specialties had met with Third Coast for TCEQ on required sampling, had purchased and installed a larger A/C unit for the wastewater treatment plant, had replaced three pumps and had one panel and four pumps on hand.

(b) Repairs due to Harvey – No report.

(c) TTHM issues – Questions followed from the Board including a question from President Maddox about the TCEQ sampling for TTHM and the location for the test. President Maddox indicated that he had been led to believe that the testing and the District's considerable efforts to flush were actually at a location that was not selected in the site of testing for TTHM by TCEQ. Mr. Adams stated he would review the matter but had attended the most recent sampling, and it was not the location that President Maddox was indicating. The Board then discussed Mr. Turk's presentation of documentation from the TCEQ dated May 30, 2019 on chemical monitoring, routine major pertaining to 146 Woodbine Drive. Mr. Turk also presented correspondence from the TCEQ dated April 26, 2019 as to the Notice of Violation for Comprehensive Compliance Investigation, and again,

the noted investigation site was 146 Woodbine Drive. Mr. Turk also provided correspondence on the Certificate of Delivery of Public Notice to Customers as to the TTHM exceedances which he provided to Utility Specialties. After discussion and upon motion duly made by President Maddox and seconded by Vice President Beard, the Board requested that Utility Specialties acquire a flush valve to be installed on Lakeview Avenue to enable the District to provide more flushing of that line.

(d) Report on TCEQ Enforcement Action – The Board having received a report on the TCEQ Enforcement Order, part of which Mr. Turk noted had been closed.

(e) Lead-Copper Testing – The Board moved to a discussion of water and sewer system repairs due to Tropical Storm Harvey. Mr. Turk indicated that those matters were covered on other agenda items.

AGENDA ITEM NO. 5: Well Site #1 Rehabilitation Project – project pay request. The Board recognized Jeff Leavins who advised the Board that the contractor had not presented a pay request, but LJA Engineering had an invoice submitted in the amount of \$2,995.00, and Mr. Turk noted there was an invoice from the *Beaumont Enterprise* for \$720.78. After receiving Mr. Leavins report and upon motion duly made by Vice President Beard and seconded by President Maddox, the Board authorized payment of the LJA invoice and the invoice of the *Beaumont Enterprise*.

AGENDA ITEM NO. 6: Wastewater Treatment Plant/Project Certificate of Construction Completion. The Board again recognized Jeff Leavins who indicated he was presenting Pay Request No. 5 and No. 6 in final. Mr. Leavins also noted that after consideration of the pay request, that LJA Engineering had presented a Project Certificate of Construction Completion which he requested the Board approve. The Board then reviewed Pay Request No. 5 in the amount of \$12,322.08 and Pay Request No. 6 in final which included retainage in the amount of \$44,901.00.

After discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the Board unanimously approved Pay Request No. 5 and No. 6 as presented by LJA Engineering. After further discussion and upon motion duly made by President Maddox and seconded by Vice President Beard, the Board approved the Project Certificate of Construction Completion.

AGENDA ITEM NO. 7: TWDB CWSRF Urgent Need Project (Residential Sanitary Sewer Grinder Stations). The Board recognized both Jeff Leavins and Wayne Turk who noted that the Project Feasibility Report provided for the approval of replacement of approximately 240 grinder units. The Board was also advised that the District had received a pay request in the amount of \$11,000.00 for engineering fees which the TWDB had approved. After discussion and upon motion duly made by Vice President Beard and seconded by Director Jones, the Board approved the payment under the TWDB CWSRF Urgent Need Project.

AGENDA ITEM NO. 8: Report on Federal Emergency Management Agency (“FEMA”) Public Assistance/approve actions for FEMA Public Assistance. Mr. Turk indicated that he was still working with FEMA on the Direct Administration Cost (“DAC”) and was in a forensic audit conducted by Cohen Reznick on behalf of FEMA and would need to secure possible information from District’s engineer and legal counsel to respond.

AGENDA ITEM NO. 9: Report from Pine Island Bayou Drainage Committee. This item was requested to be taken from the agenda until further notice.

AGENDA ITEM NO. 10: Monthly Financial Statements. The Board recognized Mr. Turk who presented the financial statements and noted the receipt of the Cable One fee for the first quarter of 2019 in the amount of \$1,551.30. After the Board reviewed the balance of the accounting statement

and upon motion duly made by Vice President Beard and seconded by Director Hughes, the financial statements were approved as presented.

AGENDA ITEM NO. 11: Tax refund for Candice Brittain Aldrich (Acct. #007555-000100).

The Board recognized Mr. Turk who presented information from Shirley Cook of the Hardin County Appraisal District on the required reimbursement. After discussion and upon motion duly made by Director Hughes and seconded by Vice President Beard, the Board authorized the refund in the amount of \$1,026.75 as presented by the Tax Assessor/Collector.

AGENDA ITEM NO. 12: Accounts Payable. The accounts payable were presented in the amount of \$44,636.09, including the noted LJA Engineering invoice which would be reimbursed with a grant. After discussion and upon motion duly made by Director Hughes and seconded by Vice President Beard, the accounts payable were approved as presented.

AGENDA ITEM NO. 13: Correspondence. The Board received correspondence provided by Mr. Turk on the budget for the Hardin County Appraisal District showing an increased budget and the probability of additional costs in the upcoming budget for the District. Mr. Turk also provided additional information including a discussion on the future billing by the District of customer accounts and noted that the District was to receive a proposal from Muni Billing as recommended by Liz Will due to the non-support of the District's current billing system. Mr. Turk stated he would provide this information to the Board.

AGENDA ITEM NO. 14: Comments from Board Members. President Maddox stated that the Board had not addressed one matter under the Manager's Report, Agenda Item No. 4(a), and the Board was asked to return to that agenda item for consideration of replacement of the drum screen that was damaged which would have to be replaced prior to the next Board meeting. A lengthy discussion followed on the authorization of the Board President to expend funds on behalf of the

District. President Maddox indicated that he would prefer the Board authorize an up to amount. After discussion and upon motion duly made by Vice President Beard and seconded by Director Hughes, the Board authorized the President to expend District funds in an amount up to \$10,000.00 for the drum screen as necessary for this emergency repair.

AGENDA ITEM NO. 15: Adjourn. There being no further business, the meeting was adjourned at 7:50 p.m.

President of the Board

ATTEST:

Secretary of the Board