

**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, July 20, 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

Buddy Hughes

Tim Jones

Absent: Tim Beard

Absent: Allen Davis

Also present were Wayne Turk, representatives of Utility Specialties 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 June 15, 2021 were unanimously approved upon motion duly made by President Maddox and seconded by Director Hughes.

AGENDA ITEM NO. 4: 2021/2022 Budget. The Board recognized Wayne Turk who provided the proposed budget for 2021/2022. Mr. Turk noted total operating revenues anticipated at \$433,000.00, but also noted that said amount was not inclusive of \$90,000 previously set aside for the services of a General Manager. After discussion, the Board requested the \$90,000 be added back to the budget with appropriate adjustments and other line items to provide such funding. Mr.

Turk reviewed line items including TCEQ expenses for various testing, chemicals and repair and replacement materials. After further review and upon motion duly made by Director Hughes and seconded by Director Jones, the 2021/2022 budget was approved as revised.

AGENDA ITEM NO. 5: Designate Shirley Cook, Hardin County Tax Assessor-Collector, to calculate and publish the No-New-Revenue Tax Rate and Voter-Approval Tax Rate for the District pursuant to §26.04 of the Property Tax Code; and, as the District's designee, it will be the duty of Shirley Cook to submit updated electronic data to Hardin County Appraisal District as required by §26.17 of the Property Tax Code. Legal counsel noted this was requested by the Hardin County Tax Assessor. After discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the Board unanimously approved designation of Shirley Cook, Hardin County Tax Assessor-Collector, to perform services, pursuant to §26.04 of the Property Tax Code.

AGENDA ITEM NO. 6: Manager's Report.

(a) Operational Report:

The Board recognized representatives of Utility Specialties who provided the Operators Report dated July 20, 2021. It was noted Utility Specialties had responded to 15 grinder calls and had attempted to rebalance water at the water wells, had provided 12 line locates, administrative services in preparation for the Consumer Confidence Report, repaired one sewer leak and called out on six water leaks including those on the customer side. President Maddox briefly stopped the Operators Report and suggested the Board needed to give consideration of items in the Utility Specialties invoice as to cost that were being incurred for plumbing issues not in the District's system. The Board returned to a review of the Manager's Report, and it was noted Utility Specialties had installed confined space signs

and locks, installed booster pump #2 at Well #1 and reported on a number of panels and pumps in inventory. President Maddox again suggested the Board review the Utility Specialties invoice and consider rebilling costs to customers that were not related to utility system reports. President Maddox was requested to arrange with Liz Will for rebilling to customers.

AGENDA ITEM NO. 7: Monthly Financial Statements. The Board recognized Wayne Turk who presented the accounting statement from BBVA Compass Bank dated July 20, 2021 noting the repayment of a grinder unit at 331 Pinemont with service fees in the amount of \$19,253.16 and certain interfund transfers. Mr. Turk also reported on the upcoming August bond payment. After discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the monthly financial statements were approved as presented.

AGENDA ITEM NO. 8: Accounts Payable. Mr. Turk reviewed various items in accounts payable and specific invoices from Simply Aquatics, Inc., Automatic Pump & Equipment and Jet Aeration of Texas, LLC. Questions followed and upon motion duly made by Director Hughes and seconded by Director Jones, the accounts payable in the amount of \$23,200.70 were approved for payment as presented.

AGENDA ITEM NO. 9: Update status of TWDB Grant and Contract. Mr. Turk stated the Contract had been closed, and he had so notified Amegy Bank.

AGENDA ITEM NO. 10: Authorize Alternative Procurement Pursuant to Texas Government Code, Chapter 2269. Legal counsel restated that the adoption of Chapter 2269, Texas Government Code would allow the District to provide alternate procurement methods. After discussion and upon motion duly made by Director Hughes and seconded by Director Jones, the Board

unanimously authorized the Resolution authorizing alternative procurement pursuant to Texas Government Code, Chapter 2269.

AGENDA ITEM NO. 11: Correspondence. Mr. Turk again restated that the District had received a payment of \$1,750.00 for 331 Pinemont. Mr. Turk noted he updated and renewed the District's SAM.gov. President Maddox noted the District was filing a request through Hardin County to consider elevating certain District equipment for possible funding under the American Recovery Act. Mr. Turk also reported on information received from the TCEQ on its courtesy comprehensive reminder system. Mr. Turk reported that a payment based on invoicing to Brystar for damage to District facilities had been paid. Mr. Turk noted that BBVA Compass Bank had been sold to PNC Bank, and he was uncertain as to what effect this would have on banking relations. Mr. Turk further noted that he had received two lab reports which were provided to Utility Specialties. He then closed with a notation that the TML Claim Summary had been provided showing the significant loss ratio based on prior claims filed in Hurricane Harvey and further noted the TML Risk Pool had a 4.9% rate increase.

AGENDA ITEM NO. 12: Comments from Board Members. President Maddox again noted the issue with the District's sodium level and the work done by Utility Specialties to try to balance the water more from the well which was not producing the sodium levels. President Maddox also noted due to a relocation, Director Beard was resigning from the Board and would need not only to consider his replacement on the next agenda but also services for web hosting as Director Beard had performed significant services for the District. In closing, President Maddox indicated the District had two significantly past due property owners, and legal counsel stated the District was able to proceed with disconnect notices. President Maddox indicated he would contact Liz Will to make sure the disconnect notices were processed to those property owners.

AGENDA ITEM NO. 13: Adjourn. There being no further business, the meeting was adjourned
at 7:44 p.m.

President of the Board

ATTEST:

Secretary of the Board