

**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, August 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

Buddy Hughes

Also present were Wayne Turk, Jeff Leavins and Trey Gaspard 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 6:03 p.m. by President Maddox.

AGENDA ITEM NO. 2: Board vacancy. President Maddox indicated that the Board needed to continue to ask interested citizens for participation on the Board so the vacancy could be filled as soon as possible. No action was taken, and the matter was to be left on future agendas.

AGENDA ITEM NO. 3: Public Comments. None.

AGENDA ITEM NO. 4: Minutes. The minutes of July 21, 2020 were approved unanimously upon motion duly made by Director Beard and seconded by President Maddox. President Maddox then noted that Director Jones had joined the meeting.

AGENDA ITEM NO. 5: Action on 2020/2021 budget. The Board recognized Wayne Turk who stated that after further review, he did recommend the preliminary 2020/2021 budget as presented at the July 21, 2020 meeting in the amount of \$423,943.00 including a fixed asset budget of

\$23,000.00. After further discussion and upon motion duly made by President Maddox and seconded by Director Jones, the Board approved the preliminary 2020/2021 budget unanimously.

AGENDA ITEM NO. 6: 2020 Certified Tax Roll. Legal counsel noted that the certified tax roll and related documents had been provided by the Hardin County Appraisal District. The tax roll was reviewed and after discussion and upon motion duly made by Director Beard and seconded by Director Jones, the preliminary 2020 certified tax roll showing taxable value in the District of \$94,379,268.00 was approved unanimously.

AGENDA ITEM NO. 7: Set preliminary 2020 debt service and maintenance and operation tax rates. Mr. Turk again noted that the District's maintenance and debt service totaled \$400,943.00, but both the debt service and operation components were separately calculated by the Jefferson County Tax Office. Director Hughes was then recognized who along with Mr. Turk reviewed briefly the new truth and taxation forms. It was noted that the District's 2020 debt rate was \$0.261163 per \$100 valuation, and the maintenance and operation tax rate was \$0.077144. The Board discussed the tax rate, and it was noted that the roll back rate from prior years was now referred to as the voter approved rate. Director Hughes further noted the voter approved rate was \$0.338307. After further discussion and upon motion duly made by Director Hughes and seconded by Director Jones, the Board set the proposed 2020 voter approved rate as \$0.338307.

AGENDA ITEM NO. 8: Set date and provide for publication of public hearing on proposed tax rate. President Maddox asked if this meeting could be conducted virtually, and legal counsel stated that pursuant to recent information provided, the Office of the Governor had not allowed the statutory hearing required under §26.06 of the Tax Code to be held virtually, so the meeting on the proposed tax rate would have to be an in person meeting. After a lengthy discussion, it was agreed that the meeting would take place at the District's regular meeting place at 333 Commercial Drive. After discussion and upon motion duly made by President Maddox and seconded by Director Jones,

the Board unanimously set the public hearing on the proposed tax rate for September 15, 2020 at 6:30 p.m. and authorized publication of the public notice.

**AGENDA ITEM NO. 9: Submit tax rate reports to Hardin County.** Legal counsel stated this was an agenda item to simply authorize the Board President to execute any and all future tax reports and filings with Hardin County. After discussion and upon motion duly made by President Maddox and seconded by Director Hughes, the Board authorized the Board President to submit all tax reports to Hardin County as required.

**AGENDA ITEM NO. 10: Manager's Report.**

(a) Operational Report:

The Board initially did not notice that the Operator Report had been provided, but it was then noted it had been submitted along with invoices from Utility Specialties. Legal counsel then read into the record the Operators' Report dated August 18, 2020 noting that Utility Specialties had responded to 16 grinder calls, stated the amount of water pumped at Water Well #1 and #2 and had responded to a grinder call at 123 Pinehurst where the grinder was missing from the tank. It was also noted that Utility Specialties had changed a check valve at the main at 315 Pinehurst, had found a fire hydrant leak at 102 Woodshire and was setting up for a repair. Additionally, Utility Specialties had made five line locates, repaired two leaks at meters, had purchased two panels and four pumps and had two panels and three pumps in inventory. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the Manager's Report was approved as presented.

(b) TTHM Issues:

President Maddox reported he had spoken to Karin, and there was no present report on the TTHM issues, but an additional inspection was forthcoming.

**AGENDA ITEM NO. 11: TWDB CWSRF Urgent Need Project (Residential Sanitary Sewer Grinder Stations).**

(a) Pay Requests (Outlay #11):

The Board recognized Jeff Leavins along with Trey Gaspard to give an update on the status of the project and noted that the project had not been completed as hoped by the meeting, but there were approximately six grinder units left to install. The Board was then presented with Pay Request #4 and Outlay #11. A discussion followed on the services performed in the Pay Request and for the TWDB Outlay Report #11. After discussion and clarification of the total amount for approval and upon motion duly made by Director Hughes and seconded by Director Jones, the Board unanimously approved Outlay Report #11 including all pay requests related thereto in the amount of \$63,791.66.

(b) Change Orders:

The Board then received a lengthy presentation from Jeff Leavins who noted there had been alterations in the project scope beginning prior to the project's initiation, but at the end of the day, the project would provide for 140 units installed, leaving a small surplus. Mr. Leavins asked the Board to consider contributing the balance in addition to surplus funds for the installation of one additional new grinder system. After discussion, the Board agreed that upon approval for use of surplus funds, the District would supplement any surplus funds as necessary to complete the installation of an additional grinder unit.

(c) Sewage Backflow (June 5, 2020):

President Maddox stated he had no further report on the sewage backup incident on June 5, 2020 but noted it appeared the property owners may be back in their home.

**AGENDA ITEM NO. 12: Monthly Financial Statements.** The Board recognized Wayne Turk who presented the accounting statement from BBVA Compass Bank dated August 18, 2020, reviewed the new service at 205 W. Pine Shadows and service fees of \$21,816.23. After a review of the financial statements and upon motion duly made by Director Hughes and seconded by Director Beard, the financial statements were unanimously approved as presented.

AGENDA ITEM NO. 13: Accounts Payable. Mr. Turk noted there was slightly less than the normal amount of expenditures for the month and reviewed various items with the Board. After discussion and upon motion duly made by President Maddox and seconded by Director Hughes, the accounts payable in the amount of \$19,491.31 were unanimously approved for payment as presented.

AGENDA ITEM NO. 14: Correspondence. Mr. Turk stated that any correspondence had been discussed in earlier agenda items.

AGENDA ITEM NO. 15: Comments from Board Members. The Board discussed comments from the Board members.

AGENDA ITEM NO. 16: Adjourn. There being no further business, the meeting was adjourned at 7:20 p.m.

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President of the Board

ATTEST:

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Secretary of the Board