

**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 20, 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:

Tim Beard

Tim Jones

Jody Aiena

Absent: Jack Maddox

Absent: Buddy Hughes

Also present were Wayne Turk, Jeff Leavins of LJA Engineering, Marty Adams and Larry Davenport of Utility Innovations, Jeanie Turk (Chairman) and Peggy Garza of the Pine Island Bayou Drainage Committee 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 Vice President Beard.

AGENDA ITEM NO. 2: Public Comments. There were no public comments, but legal counsel noted that beginning at the September meeting, members of the public could comment either during the public comments section, or if they had comments concerning a particular item on the Board agenda, could wait and ask or make their comments. At this point, the Board deliberated a particular agenda item.

AGENDA ITEM NO. 3: Customer leak adjustment request. The Board deferred this matter to determine if Liz Will would be able to attend the meeting.

AGENDA ITEM NO. 4: Minutes. The Board approved the minutes of July 16, 2019 upon motion duly made by Director Jones and seconded by Director Aiena.

AGENDA ITEM NO. 11: **Well Site #1 Rehabilitation Project – project pay request.** The Board recognized Jeff Leavins who gave a project update and presented the invoice for the project request. After review and upon motion duly made by Director Aiena and seconded by Director Jones, the project pay request was approved for payment as presented.

AGENDA ITEM NO. 12: **TWDB CWSRF Urgent Need Project (Residential Sanitary Sewer Grinder Stations).** The Board again recognized Mr. Leavins who gave a project update on the status of plans and specifications of the approval process at the Texas Water Development Board. Mr. Leavins indicated that it was his hope that the Board would receive authorizations to proceed in the next few weeks. Vice President Beard asked when the project might go out for bid, and Mr. Leavins indicated that due to state law procurement requirements, the Board should anticipate an approximate 30-day period from the time the Texas Water Development Board gave approval for bids to be advertised and returned for Board consideration of an award. The Board thanked Mr. Leavins for his report and excused him from the meeting. Before leaving Mr. Turk noted that in the bids for payment, there would be a pay request presented for LJA Engineering for both the Well Site #1 Rehabilitation Project and the CWSRF Urgent Need Project.

AGENDA ITEM NO. 3: **Customer leak adjustment request.** Mr. Turk indicated that as Ms. Will did not appear to be able to attend the meeting, he could report that the issue which had been raised concerning a customer leak adjustment had been processed under the District's prior leak adjustment policy, and the payment from the customer of the adjusted billing had been received. After discussion and upon motion duly made by Director Jones and seconded by Director Aiena, the customer leak adjustment request was ratified.

AGENDA ITEM NO. 5: **2019/2020 Budget.** The Board recognized Wayne Turk who presented his 2019/2020 budget and noted the prior budget to date and the actual budget were extremely close, but due to the extraordinary amount of capital expenditures made, the District's reserve funds had dwindled to less than \$20,000.00. The Board reviewed in detail the 2019/2020 budget, and after

discussion and upon motion duly made by Director Aiena and seconded by Director Jones, the 2019/2020 budget was approved as presented.

**AGENDA ITEM NO. 6: 2019 Certified Tax Roll.** The Board noted that the Hardin County Appraisal District had provided a report that was enclosed in the Directors' packet indicating a certified tax toll of \$81,401,683.00. Comments followed from the Board that this was a significant increase over the prior year tax roll and was an amount slightly above the anticipated tax roll projected earlier in June 2019. After discussion and upon motion duly made by Director Jones and seconded by Director Aiena, the Board approved the certified tax roll in the amount of \$81,401,683.00 with a notation that 2019 values still withheld as under protest was \$1,383,120.00.

**AGENDA ITEM NO. 7: Preliminary 2019 debt service and maintenance and operation tax rates.** Mr. Turk reviewed the schedule prepared by the Hardin County Appraisal District to calculate the debt service rate and the maintenance and operation tax rate. Mr. Turk noted that the maintenance and operation tax rate was calculated based exactly upon the debt service requirements of the District which he reviewed and noted was \$0.302408/\$100 valuation. Mr. Turk also reviewed the calculated highest 2019 M&O tax rate of \$0.087548/\$100 valuation leaving a 2019 total tax rate of \$0.389956/\$100 valuation. The Board reviewed the calculated Water District Rollback Tax Rate Worksheet as provided from the Hardin County Appraisal District along with Mr. Turk's review of maintenance and debt service tax rates back to 1992. After review of the information provided by Mr. Turk and upon motion duly made by Director Jones and seconded by Director Aiena, the Board authorized a proposed debt service and maintenance and operation tax rate of \$0.389956/\$100 valuation.

**AGENDA ITEM NO. 8: Set date and provide for publication of public hearing on proposed tax rate.** The Board noted that this public hearing would occur contemporaneously with the September Board meeting, so after discussion and upon motion duly made by Director Aiena and seconded by Director Jones, the Board authorized Mr. Turk to prepare the appropriate water district

tax rate notification showing the required information and a public hearing to be set at 6:00 p.m. on September 17, 2019.

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

(a) Operational Report:

The Board recognized Larry Davenport who presented the Manager's Report dated August 20, 2019 noting that Utility Specialties had responded to 22 grinder calls. Mr. Davenport also presented the Water Pumpage Reports for Well #1 and #2 which again showed the wells as operating, but balanced. Mr. Davenport reported on the repairing of three leaks, responding to two brown water calls and provided four line locates. He also noted that Utility Specialties had fueled and checked generators in preparation of storm season and sent the result of lead and copper reporting where samples were requested. Marty Adams gave further information and noted an additional bi-annual lead and copper test would be conducted in September. It was also noted that Utility Specialties had replaced four new panels, changed five pumps and had one panel and four grinder pumps on hand. The Board noted that due to the upcoming TWDB Grinder Replacement Project, Utility Specialties should not keep a large inventory of grinder pumps.

(b) Repairs due to Harvey: The Board then moved to consideration of repairs to the District water and sewer due to Hurricane Harvey.

(c) TTHM Issues:

The Board was also advised by Marty Adams via information provided that the most recent TTHM results were extremely lower than in prior readings which may be attributed to the recent plan to lower the water level in the District's water storage tanks. The Board was very pleased, and Vice President Beard stated he would notify the Board of further results.

(d) TCEQ Enforcement Action:

The Board then reviewed the June 2019 TCEQ Enforcement Action, and it was noted that responses had been provided to the noted items.

(e) Lead-Copper Testing:

It was then noted that the District had concluded the lead copper testing, and Mr. Turk stated the cost to the District was \$1,200.00 per testing.

**AGENDA ITEM NO. 13: Report on Federal Emergency Management Agency (“FEMA”)**

**Public Assistance/approve actions for FEMA Public Assistance.** The Board recognized Mr. Turk who indicated there was still two PW’s outstanding, one for the District’s direct administrative cost in the amount of \$24,000.00 for which he had provided additional correspondence to the FEMA contract representatives on the PW396 which was previously incurred cost for grinder units. Mr. Turk was initially provided information that approximately \$38,000.00 of the requested PW may be denied and a request for approximately \$16,000.00 in pay back. Mr. Turk contacted FEMA and determined that certain information previously provided was not processed by FEMA, so he resubmitted information as requested and would await further response from FEMA on both PW’s.

**AGENDA ITEM NO. 14: Report from Pine Island Bayou Drainage Committee.**

The Board recognized Jeanie Turk as Chairman of the Pine Island Bayou Drainage Committee who gave an update on meetings with representatives of Hardin County as well as meetings with the Drainage Committee and representatives of Countrywood Estates. Mrs. Turk presented a request that the Board consider a possible collaboration with Countrywood on a cleanout of certain areas of drain ways serving both communities as the anticipated cleanout to be performed by the County would be very minimal and would only occur on an annual basis which would not be sufficient to prevent possible additional drain ways from blockages. Mr. Turk and Peggy Garza also reported on concerns raised through a real estate transaction that FEMA along with the Texas Water Development Board were considering Hurricane Harvey to establish new higher flood elevations for Hardin County. It was noted these would be devastating to the community if approved as might

raise the flood elevation as much as 18 inches higher, and such was based not on any additional mapping or history other than apparently the flood event of 2017. At this point, Mrs. Turk stated that individuals and certain surveyors were being questioned about their use of the 2010 FEMA maps which would be acknowledged maps for establishment of flood elevations, but the inquiries by FEMA and TWDB might lead to a revised map in 2020. The Board and Mrs. Turk presented a letter to be submitted to Congressman Babin and to the County to encourage both federal and local involvement to address this new flood elevation issue. After discussion and upon motion duly made by Director Jones and seconded by Director Aiena, the Board authorized the letter to be submitted.

AGENDA ITEM NO. 9: District billing system/services. Vice President Beard stated that he had lengthy discussions with a vendor proposed for providing new software for billing services to the District. Vice President Beard also noted he had discussed the matter in depth with various representatives of the vendor, and Liz Will would continue to provide the billing services on existing hardware but with the new updated utility billing system. After discussion and upon motion duly made by Vice President Beard and seconded by Director Aiena, the Board authorized proceeding with entering into an appropriate contract for services for updated District billing systems. It was stated Liz Will would provide the Board and legal counsel the contractual requirements for the new services.

AGENDA ITEM NO. 15: Monthly Financial Statements. The Board recognized Mr. Turk who presented the accounting statement from BBVA Bank dated August 20, 2019 which again noted the very minimal amount of operating and general reserves of the District. Mr. Turk noted the District certainly needed to receive as soon as possible reimbursements for its cost incurred which should be reimbursed by FEMA. After discussion and upon motion duly made by Director Jones and seconded by Director Aiena, the financial statements were approved as presented.

AGENDA ITEM NO. 16: Accounts Payable. The Board reviewed the accounts payable in the amount of \$38,505.19, and comments followed from the Board. After discussion and upon motion

duly made by Director Aiena and seconded by Director Jones, the accounts payable were approved for payment as presented.

AGENDA ITEM NO. 17: Correspondence. The Board recognized Mr. Turk who provided a copy of a corrected Texas Municipal Report and correspondence from the Texas Municipal League.

AGENDA ITEM NO. 18: Comments from Board Members. None.

AGENDA ITEM NO. 19: Adjourn. There being no further business, the meeting was adjourned at 8:05 p.m.

ATTEST:

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President of the Board

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Secretary of the Board