

**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 21, 2018, 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

Jody Aiena

Absent: Tim Beard

Also present were Wayne Turk, Larry Davenport and a representative of Utility Innovations, LLC dba Utility Specialties 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 6:31 p.m. by President Maddox.

**AGENDA ITEM NO. 2: Public Comments.** None.

**AGENDA ITEM NO. 3: Minutes.** The Board approved the minutes of July 17, 2018 upon motion duly made by Director Hughes and seconded by Director Aiena.

**AGENDA ITEM NO. 8: Manager's Report.** The Board recognized Larry Davenport who presented the Operator's Report dated August 21, 2018 showing that Utility Specialties had responded to 19 grinder calls and had on hand five panels and three grinder pumps. Additionally, Utility Specialties had addressed two water leaks, one brown water call and installed two electrical panels. President Maddox reported on a meeting with Utility Specialties concerning TCEQ reported permit violations and indicated that the matters had been resolved. President Maddox also reported on a TCEQ inspection of the District utility panels and damage thereto as a result of

Hurricane Harvey. The Board then recognized Wayne Turk who provided the grinder station repair log through July 2018 and the relative date and services provided to each resident. A detailed review followed with the Board. The Board then recognized President Maddox who stated as to the TCEQ Notice of Violation on the permit exceedance limit for the THMML, there were two monitoring sites for the chloramines, and in order to improve the resolution of the THMML issue, an auto flusher would be placed at the end of one line. President Maddox then reported on the upcoming sewer plant rehabilitation bid letting.

**AGENDA ITEM NO. 9: Cost summary/estimates to provide to Federal Emergency Management Agency (“FEMA”) for Public Assistance/approve actions for FEMA Public Assistance.** The Board recognized Wayne Turk who indicated that the District had received \$83,093.26 in FEMA reimbursements.

**AGENDA ITEM NO. 10: Report on TML Intergovernmental Risk Pool insurance coverages and claim status.** Mr. Turk again reported that the TML Intergovernmental Risk Pool had initially provided the District with a \$200,000 payment towards damage claims. Mr. Turk further indicated that he felt that he currently had documentation as to \$147,000 of those claims and \$400,000 of documented claims for Well Site #2 which would be presented for reimbursement by the TML Intergovernmental Risk Pool. Mr. Turk also presented documentation outlining the \$252,843 of Hurricane Harvey related damage cost that had been paid by the District. Mr. Turk also reported that the District was continuing to pursue its Texas Water Development Board Forgivable Loan Grant in the amount of \$500,000. Mr. Turk further reported on the Hazard Communication Program which would be placed on the District’s next agenda for adoption. A discussion followed concerning the information provided in the Model Hazard Communication Program Guidelines presented by the Texas Department of State Health Services.

AGENDA ITEM NO. 11: Monthly Financial Statements. The Board was presented the BBVA monthly accounts statement. Mr. Turk reviewed the service fees and bond payment which had been made in August. The Board noted with interest, the amount of service fees which appeared to indicate higher return of customers to the District. After discussion and upon motion duly made by Director Hughes and seconded by Director Aiena, the BBVA account statement was approved as presented.

AGENDA ITEM NO. 12: Accounts Payable and payment for bond project improvements. Mr. Turk presented, and the Board reviewed the invoices for the month totaling \$26,543.46. Mr. Turk reviewed with the Board the invoices from various vendors, and after discussion and upon motion duly made by Director Hughes and seconded by Director Aiena, the accounts payable were approved for payment as presented.

AGENDA ITEM NO. 13: Hurricane Harvey project payments. The Board acknowledged this item had been addressed in the earlier agenda items.

AGENDA ITEM NO. 4: 2018/2019 budget. A detailed review of the proposed budget was provided. After discussion and upon motion duly made by Director Hughes and seconded by Director Aiena, the 2018/2019 budget was approved as presented.

AGENDA ITEM NO. 5: 2018 Certified Tax Roll. The Board noted this had dropped to \$36,053,011. After discussion and upon motion duly made by Director Hughes and seconded by Director Aiena, the Board approved the certified tax roll as presented.

AGENDA ITEM NO. 6: Set preliminary 2018 debt service and maintenance and operation tax rates for the District. Mr. Turk presented and recommended the Board adopt an interest and sinking fund rate of \$0.990000/\$100 valuation and a maintenance and operation tax rate of \$0.190798/\$100 valuation for a total proposed tax rate of \$1.180798/\$100 valuation. A lengthy

discussion followed and after discussion and upon motion duly made by Director Hughes and seconded by Director Aiena, the tax rate of \$1.180798/\$100 valuation was approved as presented.

AGENDA ITEM NO. 7: **Set date and provide for publication of public hearing on proposed tax rate.** The Board moved to set the hearing on the tax rate for September 18, 2018 to precede the regular meeting.

AGENDA ITEM NO. 14: **Correspondence.** The Board was presented information on the Groundwater District and on reauthorization of the SAM.gov registration by the District.

AGENDA ITEM NO. 15: **Comments from Board Members.** None.

AGENDA ITEM NO. 16: **Adjourn.** There being no further business, the meeting was adjourned at 7:50 p.m.

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President of the Board

ATTEST:

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Secretary of the Board