

**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, September 17, 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

Jack Maddox

Buddy Hughes

Absent: Tim Jones

Absent: Jody Aiena

Also present were Wayne Turk, representatives of Utility Innovations 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 President Maddox.

AGENDA ITEM NO. 2: Public Comments. The District boil water notice was discussed, and following the public comments, President Maddox opened the public hearing on the proposed 2019 tax rate at 6:36 p.m.

AGENDA ITEM NO. 3: Public hearing on proposed 2019 tax rate. The Board recognized Brian Reedy, a resident of the District, who commented that the District's tax rate had dropped substantially, and the Board responded due in part to the substantial increase in the ad valorem tax rate of the District. Mr. Reedy then thanked the Board for their service. There being no other public comments, the public hearing was closed at 6:42 p.m.

AGENDA ITEM NO. 4: **Action to adopt 2019 tax rate.** After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the Board adopted a tax rate of 0.38996/\$100 valuation.

AGENDA ITEM NO. 5: **Minutes.** The Board approved the minutes of August 20, 2019 upon motion duly made by Director Beard and seconded by Director Hughes.

AGENDA ITEM NO. 6: **District billing system/services.** The Board recognized Director Beard who stated he had reviewed the matter with the District billing service and recommended they proceed with the proposed changes to the billing system and services. After discussion and upon motion duly made by President Maddox and seconded by Director Beard, the Board agreed to adopt changes to the billing system and services.

AGENDA ITEM NO. 7: **Manager's Report.**

(a) Operational Report:

President Maddox recognized the representatives of Utility Specialties who presented the Operator's Report dated September 17, 2019 which noted a response to 36 grinder calls, provided documents on the water pumpage at Well Site #1 and Well Site #2, advised of testing with Eastex Environmental regarding TTHM and prepared the TTHM Study Report. Further, debris at Well Site #2 was picked up and roll off return as well as performance of a fence repair. Additionally, the Wastewater Treatment Plant Inspection Report was finalized and submitted to TCEQ and responses to two brown water calls due to a fire in a neighborhood. It was also noted that sampling, per the requirements of TCEQ, was performed on August 22, 2019, a repaired hole in ground storage tank had been performed at Well Site #1, a repair to a sewer leak behind 203 Pinehurst was completed and four pumps were replaced and one panel. It was then noted that in inventory Utility Specialties had four pumps and two panels on hand.

(b) Repairs due to Harvey: President Maddox then asked to return to the Manager's Report to comment that he felt that the pumpage report for Well Site #1 and Well Site #2 was not accurate due to the fact that the one well was not pumping for a period of time during the preceding month, and he felt that the operator should investigate whether the system was experiencing a SCADA issue. The operators noted that they had not provided any repairs to the system due to the tropical storm.

(c) TTHM Issues:

The operators had reported on the TTHM issue in the Manager's Report in a separate report.

(d) TCEQ Enforcement Action:

The Board provided to the TCEQ which was also noted that red copper testing would occur again within the next 30 days, and they were preparing for information to go out to homeowners.

(e) Lead-Copper Testing:

See above.

After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the Manager's Report was approved as presented.

AGENDA ITEM NO. 8: Well Site #1 Rehabilitation Project – project pay request. The Board noted there was not a pay request except for engineering fees from LJA Engineering in the amount of \$3,452.00. After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the Board approved the pay request submitted by LJA Engineering for Well Site #1 Rehabilitation Project.

AGENDA ITEM NO. 9: TWDB CWSRF Urgent Need Project (Residential Sanitary Sewer Grinder Stations). The Board was advised that the plans for the project would shortly be

approved, and once approved by TWDB, the LJA engineers would immediately advertise for bids and so advise the Board.

AGENDA ITEM NO. 10: Report on Federal Emergency Management Agency (“FEMA”) Public Assistance/approve actions for FEMA Public Assistance. The Board recognized Mr. Turk who indicated he had received some information where material cost had been questioned. He had accumulated and provided detailed information on the request and to report to the Board as soon as he received a response to the presented information.

AGENDA ITEM NO. 11: Report from Pine Island Bayou Drainage Committee. No report.

AGENDA ITEM NO. 12: Monthly Financial Statements. The Board recognized Mr. Turk who presented the accounting statement from BBVA Compass Bank dated September 17, 2019 showing service fees in the amount of \$22,160.17. Mr. Turk noted the very low balances as of August 31, 2019 in the District’s operating holding account and general reserve account and noted that while the District was still hoping for some additional reimbursements, it would be working on a very tight budget in the next months. After discussion and upon motion duly made by President Maddox and seconded by Director Beard, the Board approved the monthly financial statements as presented.

AGENDA ITEM NO. 13: Accounts Payable. The Board reviewed the accounts payable in the amount of \$34,843.94 and reviewed various expenditures including the payment of fees to LJA Engineering that would that would be reimbursed through the grant and noted the significant Eastex Environmental Laboratory invoice from July and August for testing of \$3,422.00. Mr. Turk also reported on invoices to Texas Excavation Safety System, Inc. and One Call Concepts, Inc. as to the Lone Star 811 System. Mr. Turk advised that there were a number of returned checks, but he believed that all of those had made the payments good, but he would consult with Liz Will to confirm. After discussion and upon motion duly made by Director Hughes and seconded by

Director Beard, the accounts payable in the amount of \$34,843.94 were approved for payment as presented.

AGENDA ITEM NO. 14: Correspondence. Mr. Turk was recognized and provided information as noted in the Manager's Report on the lead copper testing. Mr. Turk provided correspondence from the TML on access to information on the TML website and provided information from Amegy Bank who was acting as the escrow agent on the District's loan forgiveness with the Texas Water Development Board.

AGENDA ITEM NO. 15: Comments from Board Members. Board President Maddox indicated he was still awaiting to respond to the letters provided to Mr. Lietke and would advise the Board if the costs incurred by the District were not reimbursed.

AGENDA ITEM NO. 16: Adjourn. There being no further business, the meeting was adjourned at 7:40 p.m.

ATTEST:

President of the Board

Secretary of the Board