

**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 18, 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

Tim Beard

Also present were Wayne Turk, Larry Davenport of Utility Innovations, LLC dba Utility Specialties, Tim Jones, a resident in attendance as to the Board vacancy, two residents of the District as to a water usage issue 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 6:30 p.m. by President Maddox.

**AGENDA ITEM NO. 2: Public Comments.** The Board received a presentation from a resident of the District who outlined his ownership and occupancy of his property, and his receipt of a water bill exceeding \$400.00 due to a leak resulting in an approximately 200,000-gallon water loss. The owner advised that at no time was water detected or found in the house or in the yard to equate to such a water loss, and President Maddox noted that due to the operation of water meters, it was entirely unlikely that the water meter had failed and allowed that amount of reading to occur unless the water had actually passed through the meter. A number of questions followed between the

Board and the property owner and after a lengthy discussion, the Board decided to amend its customer policy and waive the April 2018 water bill in the amount of \$400.00 with the property owner's agreement to pay any other outstanding water and sewer service invoices related to the property. The Board then recognized Mrs. Jeanie Turk, a resident of the District who asked that the District consider the reformation of the Pine Island drainage sub-committee to collaborate with the groups in Hardin County working on a watershed wide drainage solution. Mrs. Turk reported on both possible funding of stream/watershed studies by the Texas Water Development Board and the possibility of grant funding through that agency or others to clean or rectify drainage issues within the District. President Maddox reported that the District had taken efforts to locate deed instruments for outlaws in the District along Pine Shadows and had attempted to collaborate with the County in working to have these cleaned to improve drainage, but no action had been taken to date. After discussion, the Board unanimously agreed to request the reformation of the Pine Island Bayou drainage sub-committee and asked that this matter be placed on the Board's agenda for the following month for consideration.

**AGENDA ITEM NO. 3: Public hearing on proposed 2018 tax rate.** The Board convened the public hearing on the tax rate at 7:42 p.m. and received a presentation from Wayne Turk indicating that the maintenance and operation tax levy, as proposed, was \$0.190789/\$100 valuation, and the debt service rate was \$0.990000/\$100 valuation giving rise to a total proposed tax rate of \$1.80798/\$100 valuation. Questions followed from the Board, and there being no members of the public present who wished to make comment, President Maddox closed the meeting at 6:47 p.m.

**AGENDA ITEM NO. 4: Adopt 2018 tax rate.** After consideration of the information provided in the public hearing and upon motion duly made by Director Hughes and seconded by President Maddox, the Board adopted its 2018 tax rate as \$1.80798/\$100 valuation.

AGENDA ITEM NO. 5: Minutes. The Board approved the minutes of August 21, 2018 upon motion duly made by Director Beard and seconded by Director Hughes.

AGENDA ITEM NO. 6: Manager's Report. The Board received the Manager's Report from Utility Specialties dated September 18, 2018 providing that Utility Specialties had responded to nine grinder calls and had one electrical panel and five grinder units on hand. Utility Specialties had repaired one water leak, addressed two low water pressure issues, installed four electrical panels, made two water taps as well as installing an automatic flush valve and replaced two grinder pumps. President Maddox stated that the installation of the automatic flush valve would be discussed later in the report. Director Beard then asked about the float trees and float switches and whether that project had been undertaken. Mr. Davenport responded to the question and indicated that had not been initiated yet. Director Beard then asked about the period of time that the District needed to keep the Notice of the TTHM on the website. Mr. Leavins indicated that while the reports were improving, the notice should remain for an additional period. President Maddox then raised a question concerning the filing of the Discharge Monitoring Reports (DMR's) which was responded to by representatives of Utility Specialties. The Board also made an initial review of the invoices from Utility Specialties.

AGENDA ITEM NO. 8: TWDB Financing Applications and submission of required documentation. The Board recognized Jeff Leavins who indicated the District was presenting an application to the Texas Water Development Board in the amount of \$438,000.00 under the Urgent Need Disaster Forgivable Principal Program to assist with certain projects not covered by insurance or possible FEMA reimbursement. After review of the TWDB financing process presented by legal counsel and engineer and upon motion duly made by Director Beard and seconded by Director

Hughes, the Board authorized the filing with the Texas Water Development Board a Financing Application under the Urgent Need Disaster Program.

**AGENDA ITEM NO. 9: Request for Qualifications for legal, financial and engineer to meet DBE requirements.** Legal counsel noted that as the financing that would be required for the TWDB Urgent Need Disaster Program was through Federal funding, all legal, engineering and financial advisory services would require posting and publication of Request for Qualifications. After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the Board authorized the District's legal counsel and engineering representatives to proceed with the preparation and issuance of RFQ's for the requested services.

**AGENDA ITEM NO. 7: 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 presented his report on the project summary for the insurance and FEMA projects. Mr. Turk provided emails giving the status of the various water well and wastewater treatment plant projects and provided a copy of the FEMA project update dated September 17, 2018. Mr. Turk reviewed each of the six projects and their status including awards received and/or awards proposed. Mr. Turk then noted there was still some work left to be done on the allocation of grinder panel and grinder station costs between FEMA and other insurance. The Board also recognized Mr. Leavins who gave his status report on the well site #2 project and the wastewater plant project which was being advertised for bid on September 20, 2018, and it was noted that the bid packages had been provided to the District's legal counsel for review. Mr. Leavins also reported that on the well #1 project, the scoping of the work was still in progress. The Board thanked Mr. Turk and Mr. Leavins for their report.

**AGENDA ITEM NO. 10: Report on TML Intergovernmental Risk Pool insurance coverages and claim status.** Mr. Turk indicated that the projects were progressing, but that at the current time, he still had to document additional cost for presentation to the TML as to the initial \$200,000.00 funding provided. Mr. Turk stated he was continuing to develop the documented cost to be presented to the TML Inter-Governmental Risk Pool.

**AGENDA ITEM NO. 11: Monthly Financial Statements.** The Board recognized Mr. Turk who presented the BBVA accounting statement for September 18, 2018 showing two tap fees on Pine Glen and utility service fees in the amount of \$15,254.84. Mr. Turk also reported on the bond payment on August 15, 2018 in the amount of \$26,176.89. After review of the financial statements and upon motion duly made by Director Beard and seconded by Director Aiena, the financial statements were approved as presented.

**AGENDA ITEM NO. 12: Accounts Payable and payment for bond project improvements.** Mr. Turk reviewed the invoices for the month which totaled \$34,259.66. After discussion and upon motion duly made by Director Hughes and seconded by Director Beard, accounts payable were approved for payment as presented.

**AGENDA ITEM NO. 13: Hurricane Harvey project payments.** There was no report on this agenda item as this had been covered in previous reports.

**AGENDA ITEM NO. 14: Correspondence.** The Board recognized Mr. Turk who provided correspondence from the TCEQ on the DMR's. Mr. Turk also reported and provided to the Board the TCEQ Wastewater Plant Permit Renewal. Mr. Turk presented to the representatives of Utility Specialties the information on the District's Drought Contingency Plan. Mr. Turk also provided information from the Hardin County Appraisal District.

AGENDA ITEM NO. 15: Board vacancy. President Maddox indicated that Tim Jones, a resident of the District, was present as he had indicated his willingness to consider a position on the Board. After discussion between the Board and Mr. Jones and upon motion duly made by President Maddox and seconded by Director Beard, the Board appointed Mr. Jones for the unexpired term of Paul Gustafson on the Board. Legal counsel was asked to bring his Oath of Office and Statement of Appointed Official for action at the next Board meeting.

AGENDA ITEM NO. 16: Comments from Board Members. Comments followed from Board members.

AGENDA ITEM NO. 17: Adjourn. There being no further business, the meeting was adjourned at 7:52 p.m.

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President of the Board

ATTEST:

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Secretary of the Board