

**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, November 16, 2021, 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 Jones

Allen Davis

Buddy Hughes

Ben Fox

Absent: Jack Maddox

Also present were Wayne Turk, Larry Davenport of Utility Specialties 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 6:30 p.m. by Vice President Hughes.

**AGENDA ITEM NO. 2: Administer Statement of Officer and Oath to new Board member.** The Board recognized District resident, Steven "Ben" Fox. Legal counsel presented Mr. Fox with the Statement of Officer for execution followed by the administration of his Oath of Office. The Board congratulated Mr. Fox and thanked him for his willingness to serve on the Board. Mr. Fox then assumed his position on the Board.

**AGENDA ITEM NO. 3: Appointment of Board Officers.** Vice President Hughes suggested this matter be deferred until President Maddox returned and the office of the Vice President could be filled.

AGENDA ITEM NO. 4: Public Comments. None.

AGENDA ITEM NO. 5: Minutes. The minutes of October 19, 2021 were unanimously approved upon motion duly made by Director Jones and seconded by Director Fox.

AGENDA ITEM NO. 6: Manager's Report.

(a) Operational Report:

The Board recognized Larry Davenport who presented the Operators Report noting in October that Utility Specialties had responded to 22 grinder calls. This was followed by a review of the water pumpage at each well. Mr. Davenport then noted that Utility Specialties had made two line locates, installed one long side water meter, responded to one brown water call, made one leak repair at a meter and had sprayed galvanized spray on a dent on the water tank which was noted following the recent TCEQ inspection. Mr. Davenport closed with noting they had purchased one panel and three pumps and had two panels and two pumps in inventory. The Board then recognized Director Fox who asked about the disparity in the well pumpage between Well #1 and Well #2. The Board recognized Mr. Turk who stated the District was utilizing the wells which had the lower sodium chloride content in order to comply with TCEQ Regulations, but reviewing water wells and what was being undertaken by Utility Specialties in an attempt to resolve the sodium chloride issue and be able to balance water pumpage between the wells. Following a review of the Manager's Report and upon motion duly made by Director Fox and seconded by Director Jones, the Manager's Report was approved as presented.

AGENDA ITEM NO. 7: Monthly Financial Statements. The Board recognized Wayne Turk who indicated that PNC Bank (formerly BBVA Compass Bank) had not been able to provide him with the complete information on the accounting statement, so Mr. Turk stated the system operating

data may need to be revised. Mr. Turk reviewed the Operations Holding Account, Debt Service Account and General Reserve Account. After discussion and upon motion duly made by Director Hughes and seconded by Director Beard, the Board approved the monthly financial statements subject to correction to be made by Mr. Turk once updated data was received from PNC Bank.

AGENDA ITEM NO. 8: Accounts Payable. The Board received a presentation from Mr. Turk noting several check returns followed by a review of other recurring charges and monthly invoices from Utility Innovations, LLC and Will's Administration and Certification. Mr. Turk indicated he would be speaking with Rudy's Lawn Care Service concerning removal of some debris at the Water Plant per the TCEQ inspection. This followed by a review of the invoice from DXI Industries, Inc. whereby 300 lbs. of chlorine had been purchased. Mr. Turk reviewed invoices received from legal counsel, Automatic Pump & Equipment for three pumps, one panel, three float tress and one complete grinder system. Mr. Turk noted there were four unusual expenditures, three of which were refund balances on sales or transfers of service accounts. Mr. Turk closed with a presentation concerning the Texas Division of Emergency Management ("TDEM") refund under DR4332 and PW3354 in the amount of \$22,313.25.

Mr. Turk noted correspondence had been provided from the TDEM dated November 10, 2021, indicating that direct administrative cost had been denied for reimbursement under FEMA-DR-4432, and legal counsel noted there was no appeal right from this, so the District was obligated to repay TDEM the noted amount within 30 days or face additional penalties. Mr. Turk presented a set of emails and correspondence following the flooding event from Hurricane/Tropical Storm Harvey. Legal counsel and Mr. Turk reviewed various items concerning changes made by FEMA after the initiation of a direct administrative cost calculation of 5% of the submitted PWs and returning to a requirement for reimbursement based on payroll records which the District did not

maintain. Legal counsel advised as he had previously stated in Board meetings that to recreate records would be possibly viewed as falsifying a public record, and no attempt had been made to recreate records to satisfy the CohnReznick requirements. After further discussion and upon motion duly made by Director Hughes and seconded by Director Jones, the Board unanimously approved the accounts payable as presented, including the reimbursement to TDEM.

AGENDA ITEM NO. 9: Amendments to Water and Sewer Use Order. Vice President Hughes noted President Maddox wished to present some amendments to the Water & Sewer Use Order including possible rate adjustments. The Board then tabled the matter until President Maddox could attend and provide his comments.

AGENDA ITEM NO. 10: Correspondence. The Board recognized Mr. Turk who indicated there had been correspondence from Munibilling increasing cost of \$99.00 due to new federal reporting requirements. Mr. Turk provided the Texas Municipal League Worker's Compensation Audit Report. Mr. Turk reported that Utility Innovations was continuing the preparation of the District's Emergency Preparedness Plan including the calculation of critical load status information. Mr. Turk then indicated that the annual filing of the Eminent Domain Report would be prepared and filed by him. It was further noted that legal counsel had provided a copy of a posting requirement to be made on the District's website as to the May 7, 2022 Directors' election. Mr. Turk and legal counsel noted the District would need to coordinate with the Hardin Jefferson Independent School District for a Joint Election Agreement if a contested election occurred.

AGENDA ITEM NO. 11: Comments from Board Members. Vice President Hughes asked Director Jones to give a report on the road project, which Vice President Hughes stated the base material had been laid and were waiting on the top material, so the road project was approximately 50% complete.

AGENDA ITEM NO. 12: Adjourn. There being no further business, the meeting was adjourned at 7:14 p.m.

\_\_\_\_\_  
President of the Board

ATTEST:

\_\_\_\_\_  
Secretary of the Board