

**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, December 19, 2017, pursuant to notice duly posted in accordance with law. The meeting was held at 1008 Pinewood Blvd. in Pinewood Estates, Hardin County, Texas. The following members of the Board were present:

Jack Maddox

Tim Beard

Buddy Hughes

Absent: Paul Gustafson

Absent: Jerry Giardina

Also present were Wayne Turk, Josh Armfield 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 6:30 p.m. by President Maddox.

AGENDA ITEM NO. 2: Public Comments. None.

AGENDA ITEM NO. 3: Minutes. Director Beard noted that the minutes of July 25, August 15, September 19, October 17, October 26 and December 7, 2017 were all posted to the District's website. The November 21, 2017 minutes had not been posted to the District's website. After discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the minutes of the meeting of July 25, August 15, September 19, October 17, October 26 and December 7, 2017 were approved as previously presented.

AGENDA ITEM NO. 4: Manager's Report. The Board recognized Josh Armfield who presented his Operations Report dated December 19, 2017, noting that Utility Specialties had responded to 13 grinder calls with two having bad pumps that would have to be replaced. Water Well #1 pumpage was provided at 1.795 MG per day for an average of \$57,903 average gallons per day. Mr. Armfield then noted that there had been one sewer leak and an emergency repair at 238 Pinevail. Mr. Armfield also reported on work on fire hydrants on Pinehurst and Kirby as well as the replacement of 16 electrical panels. A lengthy discussion followed concerning issues with the County contractor damaging District facilities. President Maddox asked that the District determine to whom at the County the cost incurred by Utility Specialties to make utility system repairs needed to be provided for rebilling by the County to its contractor.

The Board again recognized Mr. Armfield who updated the Board on additional matters at the District's water well and sanitary sewer plant dealing with Hurricane Harvey. Mr. Turk noted that a representative of FEMA would be providing a site inspection of District damaged facilities on Wednesday, December 20, 2017, and the Board and Mr. Armfield were encouraged to participate as their schedules would provide. Mr. Turk outlined the damage inventory that he had submitted along with additional information into the FEMA portal. The Board again thanked Mr. Turk for his continuing efforts in trying to provide information from both FEMA and the Texas Municipal League Inter-Governmental Risk Pool in hopes of securing additional funding. Mr. Turk noted that of the funds that had been paid to the District by the TML Inter-Governmental Risk Pool, approximately \$64,000 had been spent on repairs to individual homes in order to make these properties operational and to regenerate a revenue stream to the District.

AGENDA ITEM NO. 5: Auditor for 2017 audit. After discussion and upon motion duly made by Director Hughes and seconded by Director Beard, the Board engaged Mitch Fontenote & Company to perform the 2017 audit for the District.

AGENDA ITEM NO. 6: Cost summary/estimates to provide to Federal Emergency Management Agency (“FEMA”) for Public Assistance/approve actions for FEMA Public Assistance. President Maddox noted that Mr. Turk in the Manager’s Report had covered various matters concerning cost summaries and estimates to FEMA for public assistance programs and possible reimbursement under the FEMA Public Assistance Program. Mr. Turk advised that based upon the cost estimates that were being initially prepared and placed in the FEMA portal, the District could have upwards of \$900,000 in recovery cost payable either through insurance or FEMA Public Assistance in order to place the District facilities back completely in operation including utility operating facilities, grinder stations and emergency generation capacity. Mr. Turk noted that the District’s engineers were also collaborating with him and would be working in the future if procured to assist with possible mitigation projects recommended by FEMA.

AGENDA ITEM NO. 7: Report on TML Intergovernmental Risk Pool insurance coverages and claim status. Mr. Turk again reported that an additional request had been made to the TML Intergovernmental Risk Pool for an advance on insured losses. Mr. Turk indicated that the TML had performed its site inspection and was awaiting the write up of the report so that the District could determine if it would be receiving some additional funds from the Risk Pool.

AGENDA ITEM NO. 8: Monthly Financial Statements. The Board again recognized Mr. Turk who presented the monthly financial statements showing a repayment by Rebel Construction for certain water it had used and also a tap fee at 1013 Pine Glen as well as service fees for the month in the amount of \$15,267.50. After discussion and upon motion duly made by Director

Burk and seconded by President Maddox, the monthly financial statements were approved as presented.

AGENDA ITEM NO. 9: Accounts Payable. The Board recognized Mr. Turk who reviewed the accounts payable for the month totaling \$28,917.34. Mr. Turk noted that included the \$2,000 to initiate the sewer permit renewal and an over payment to Joseph Smith in the District at 122 Woodmanor. Mr. Turk noted that Mr. Smith had apparently been over paying his bill for some time, and the District had to reimburse him \$715.00. Questions followed concerning other invoices, and then the Board recognized Director Beard who presented a website subscription proposal from Immense Impact, LLC of Arlington, Texas to assume the responsibility for the District's website. Director Beard noted this included website setup fee and one-time content transfer fee. Director Beard indicated that he recommended the change to this internet site manager because they handled water utility systems and were more familiar with the content that needed to be quickly accessed than the entity originally setting up the District's website. The Board concurred that the contract with Immense Impact should be approved and after discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the accounts payable in the amount of \$29,748.84 were approved for payment including invoices identified by Mr. Turk and the website proposal from Immense Impact in the amount of \$831.50.

AGENDA ITEM NO. 10: Plans and specifications for water/sewer system repairs and authorize advertisement for bids/proposals for engineering services. The Board then recognized legal counsel who indicated that the Request for Proposal would be provided through a direct mailing to engineering firms who had responded to prior solicitations to local governmental entities as a result of the repairs or mitigation of projects as a result of Hurricane Harvey. The

Board indicated and previously authorized the presentation of the RFP and was directed to proceed.

AGENDA ITEM NO. 11: Correspondence. None.

AGENDA ITEM NO. 12: Comments from Board Members. Mr. Turk noted that the District had repaired 74 electrical panels at a cost of approximately \$125.00 per panel and a duplex panel at a cost of \$1,600.00. President Maddox also noted the District would have an upcoming election on May 5, 2018, and that any Board member up for election would be required to complete their candidate application form.

AGENDA ITEM NO. 13: Adjourn. There being no further business before the Board, the meeting was adjourned at 7:25 p.m.

President of the Board

ATTEST:

Secretary of the Board