

**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, February 15, 2022, 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:

Allen Davis

Buddy Hughes

Ben Fox

Jack Maddox

Tim Jones

Also present were Wayne Turk, representatives 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 by President Maddox at 6:30 p.m.

AGENDA ITEM NO. 2: Public Comments. None.

AGENDA ITEM NO. 3: Minutes. The minutes of January 18, 2022 were unanimously approved upon motion duly made by Director Fox and seconded by President Maddox.

AGENDA ITEM NO. 4: Manager's Report.

(a) Operational Report:

The Board recognized Larry Davenport of Utility Specialties who presented the Operator's Report dated February 15, 2022, noting responses to 25 grinder calls, water pumpage at Well #1 and Well #2, two line locates and preparation for a meeting with TCEQ representatives for the wastewater treatment plant inspection. It was noted the TCEQ

complimented the District on the condition of its wastewater plant during the inspection. Mr. Davenport also reported that Utility Specialties had replaced check valves at the sewer main at both, 246 Pinevale Way and 1110 Pinecrest. Mr. Davenport finally noted the well piping had been winterized, and Automatic Pump had finally received more inventory, therefore, the District now had one panel and seven pumps in inventory. Director Fox asked if due to supply chain issues, this number of panels and pumps was sufficient inventory. Mr. Davenport indicated the panels were still available, and he felt comfortable with the number of pumps in inventory.

The Board then reviewed the invoices from Utility Specialties for February, and questions followed from President Maddox and Director Jones. Upon motion duly made by President Maddox and seconded by Director Jones, the Operational Report and invoices were approved as presented.

AGENDA ITEM NO. 5: Order Calling Directors' Election of May 7, 2022. The Board recognized legal counsel who presented the Election Order which would call for the election of Directors on May 7, 2022, and noted if there were one or more contested races, the District would execute a joint election agreement with the Hardin Jefferson Independent School District through efforts made by Mr. Turk. After discussion and upon motion duly made by President Maddox and seconded by Director Jones, the Board unanimously approved the Order Calling the Directors' Election of May 7, 2022.

AGENDA ITEM NO. 6: Monthly Financial Statements. Mr. Turk presented the accounting statement from PNC Bank (formerly BBVA Compass Bank) showing a deposit of \$131,373.04 from ad valorem tax collections in the prior month. Mr. Turk anticipated \$50,000.00 in tax deposits would be made shortly. Mr. Turk then explained the payment from Don Williams at 530 Piney point who was outside the District, and by Board action, paid water and sewer fees in an

amount to equate to the amount of taxes he would pay on his property. Mr. Turk noted the service deposits for the month and indicated debt service payments due February 15, 2022 had been made through PNC Bank and through Bank of New York Mellon for two bond issues totaling principal and interest payments of \$231,513.75. Mr. Turk noted it took considerable time to complete the transfer of funds as the banks and the paying agent registrar, Bank of New York Mellon, now required multiple verifications of wire transfers which was time consuming but was good accounting practices to have multiple individuals affirming a wire transfer. After discussion and upon motion duly made by Director Hughes and seconded by Director Fox, the monthly financial statements were approved as presented.

AGENDA ITEM NO. 7: Accounts Payable. Mr. Turk presented the accounts payable in the amount of \$32,723.27 noting the significant invoice from Automatic Pump & Equipment for the grinders and other equipment in the amount of \$13,136.30. Mr. Turk also noted the purchase of chlorine from DXI Industries, Inc. After discussion and upon motion duly made by Director Hughes and seconded by Director Jones, the accounts payable in the amount of \$32,723.27 were approved for payment as presented.

AGENDA ITEM NO. 8: Amendments to Water and Sewer Use Order. President Maddox provided a video presentation of the Water and Sewer Use Order containing the various amendments discussed by the Board and additional administrative corrections made for the Order to comply with current Board practices on water and sewer services. The Board made a detailed review of the proposed amendments and after discussion and upon motion duly made by Director Fox and seconded by Director Jones, the Board unanimously approved the amended Water and Sewer Use Order to be effective on or about March 15, 2022 understanding that a Notice of the amendment to the Order would have to be published in *The Examiner* once a week for two consecutive weeks, and the Order could not take effect until a period after the second publication.

The Board further directed President Maddox, legal counsel and Mr. Turk to conclude all matters necessary for the posting and publication of the Order, as amended.

AGENDA ITEM NO. 9: Authorize request for proposal for engineering services. President Maddox noted that while the District currently had no engineering projects requiring an engineer of record, they needed to secure engineering services for general services and capital projects. The Board recognized legal counsel who further suggested the Request for Proposal would be appropriate if the District needed engineering services for any future disasters or related projects for which federal funding including through the Federal Emergency Management Agency was provided that procurement of all consultants, including professional engineers had to comply with the procurement procedures in 2 CFR Part 300. Legal counsel recommended consideration of the RFP for publication to solicit request for proposals as well as direct mailing of the engineering service RFP. Mr. Turk stated he had reviewed the proposal and concurred that such minor edits would be ready for publication and posting. After discussion and upon motion duly made by Director Fox and seconded by Director Hughes, the Board authorized the Mr. Turk together with legal counsel to take steps necessary for the finalizing the request for proposal for engineering services and its publication and submission for a direct solicitation to local qualified professional engineers.

AGENDA ITEM NO. 10: Correspondence. The Board recognized Mr. Turk who provided the document advising the Board request to withhold public information from under the Public Information Act. Mr. Turk noted he had received and provided to the Board Secretary, candidate applications for the seats becoming available as to the election on May 7, 2022. Mr. Turk also reminded the Board that the Notice of Violations presented by the TCEQ had a response date of February 21, 2022, and President Maddox stated this matter was being addressed. Mr. Turk noted the Texas Water Development Board had submitted a request for a response to a water loss audit

and a water use survey, and he would respond as necessary to those as applicable. Mr. Turk closed with noting the Emergency Response Plan required for presentation was due on March 1, 2022. President Maddox indicated that representatives of Utility Specialties were continuing the preparation of that ERR.

AGENDA ITEM NO. 11: Comments from Board Members. President Maddox indicated he had discussed with local developer, Bill Wilson, the transfer of certain lots adjacent to the District's plant, and Mr. Wilson indicated he and his partner were preparing documentation to provide for the donation of property to the District. Comments then followed from the Board.

AGENDA ITEM NO. 12: Adjourn. There being no further business, the meeting was adjourned at 8:02 p.m.

ATTEST:

President of the Board

Secretary of the Board