

**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, April 19, 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:

Buddy Hughes

Ben Fox

Jack Maddox

Tim Jones

Allen Davis

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 by President Maddox at 6:30 p.m.

AGENDA ITEM NO. 2: Public Comments. None.

AGENDA ITEM NO. 3: Minutes. The minutes of March 15, 2022 were unanimously approved upon motion duly made by President Maddox and seconded by Director Jones.

AGENDA ITEM NO. 4: Presentation and possible approval of 2021 audit. This agenda item was tabled for the May Board meeting.

AGENDA ITEM NO. 5: Manager's Report.

(a) Operational Report:

The Board recognized Larry Davenport who presented the Operators Report dated April 19, 2022. Mr. Davenport noted Utility Specialties had responded to sixteen calls and eight line

locates. Mr. Davenport also noted several repairs including a line cut by the County on Woodmanor, a second line hit by the County at the intersection of Woodmanor/Woodcrest which resulted in the issuance of a boil water notice on those affected streets, repairs to a leak at 1022 Pinewood Blvd. and repair to another line hit by the County at 179 Woodmanor. Mr. Davenport finally noted that in accordance with the instructions provided at the March Board meeting, Utility Specialties had purchased two panels and four pumps and had four panels and six pumps in inventory. President Maddox raised questions concerning multiple calls to an address on Pinevale and noting the District's Policy was customers were charged for callouts after two events. This property had two events in the prior month, therefore, any additional callouts to this address for issues with clogging in the grinder would be at the cost of the resident. President Maddox also noted the District had been charged for a customer requested turnoff and then turn-on which should have been the cost of the resident at a \$50.00 for each service call. Utility Specialties stated they would take note of this, and legal counsel noted the Water and Sewer Use Order was also posted on the District's website, therefore, Utility Specialties might review and could direct customers if questions arose on billing. After discussion and upon motion duly made by Director Hughes and seconded by Director Fox, the Operators Report was approved as presented.

AGENDA ITEM NO. 6: Report on TCEQ Notice of Violation for Wastewater Comprehensive Compliance Investigation. President Maddox and Mr. Turk presented a Notice of Violation for Wastewater Comprehensive Compliance Investigation. It was noted there was a violation of 75% of capacity in the Wastewater Treatment Plant, and President Maddox advised the system at the plant was running false readings, and the District was undertaking a relocation of the meter so the records would correctly reflect the usage at the plant.

AGENDA ITEM NO. 7: Receive Requests for Proposal on engineering services and set date for evaluation of proposals. President Maddox noted the District had received responses to the Request for Qualifications for Engineering Services, and Mr. Turk was asked to open each of the responses provided. Responses were received from Arceneaux Wilson & Cole, LJA Engineering and Whiteley Oliver, LLC. Following the opening of the RFQ responses, it was agreed the Board would review each of the submitted RFQ responses and set a special Board meeting on May 10th at 6:30 p.m. to set interviews for the engineering firms providing responses. Legal counsel was directed to provide notification through Mr. Turk to each of the companies and advise of their setting of the special Board meeting for evaluation and interview of engineering firms. After discussion and upon motion duly made by President Maddox and seconded by Director Hughes, the Board called the special Board meeting on May 10, 2022 at 6:30 p.m. for the purpose of evaluating and interviewing engineering service providers.

AGENDA ITEM NO. 8: Monthly Financial Statements. The Board recognized Mr. Turk who presented the BBVA accounting statement dated April 19, 2022, and noted the District was continuing to receive ad valorem tax payments for the month with deposits in the amount of \$28,399.95 together with the revenues of \$23,636.92 in service fees and \$9,426.77 in maintenance taxes. Mr. Turk noted unusual expenses for the month included a payment to Texas Department of Emergency Management in the amount of \$22,313.25 for the Direct Administrative Cost reimbursement. Questions followed from the Board, and 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. 9: Accounts Payable. Mr. Turk presented the accounts payable and noted several unusual expenses for the month including two invoices to *The Examiner* for publication of the Notice of Change in the Water and Sewer Use Order and the Notice of the Request for

Qualifications for Engineering Services. Mr. Turk also reviewed the invoice from DXI Industries, Inc. for 300 lbs. of chlorine and the monthly rental on eight coin cylinders, the invoice to Automatic Pump & Equipment reflecting the information provided in the Operator's Report showing the purchase of six float switches and four grinder pumps along with two panels. Mr. Turk reviewed the invoice from Simply Aquatics, Inc. for 50 gal. of SA-38 and Caustic Pump replacement and an invoice from Core & Main, LP for tubing and pipe fittings. Mr. Turk also noted the District had received its Muni billing invoice for the second quarter subscription fee and the Heartland Merchant fee. Mr. Turk finally reviewed the payment to Mission Communications, LLC for the two system service packages and the invoice from Charles E. Reed & Associates, P.C. for preparation of the 2021 journal entry adjustments prior to submission of the financial records to Fontenote & Associates for the annual audit, both invoices totaling \$40,770.07. After discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the Board unanimously approved the accounts payable in the amount of \$40,770.07.

AGENDA ITEM NO. 10: Correspondence. The Board recognized Mr. Turk who indicated he was in communication with the District's environmental representative to claim clarification on recent correspondence regarding lead contamination and possible obligations of the District. Mr. Turk provided a copy of correspondence from the TCEQ on an upcoming May 2nd program as well as correspondence from Energy Transfer Company on maintenance to its pipeline through the District. Mr. Turk noted the Donation Deed of lots from Pinewood Joint Venture had been executed and returned for filing/recording to legal counsel. Legal counsel noted the Deed along with the legal description and maps would be filed for record and returned to Pinewood Joint Venture upon filing.

AGENDA ITEM NO. 11: Comments from Board Members. The Board recognized Director Hughes who stated while the financials appear to be in good order, the District contemplated budget

issues due to the recent escalating inflation coupled with continuing supply chain issues. Mr. Turk acknowledged comments from Director Hughes and stated the District had been experiencing price escalations for its materials as reflected in recent accounts payable, and it was a matter that would need to consider moving forward.

AGENDA ITEM NO. 12: Adjourn. There being no further business, the meeting was adjourned at 7:48 p.m.

President of the Board

ATTEST:

Secretary of the Board