

**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, May 16, 2023, 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:

Ben Fox

Tim Jones

Buddy Hughes

Jack Maddox

Absent: Allen Davis

Also present were Wayne Turk, Mary Adams, Karen Warren and 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 April 18, 2023 were unanimously approved upon motion duly made by Director Jones and seconded by President Maddox.

AGENDA ITEM NO. 4: Manager's Report.

(a) Operational Report:

The Board recognized Larry Davenport who presented the Utility Specialties Operators Report dated May 16, 2023 noting they had responded to 20 grinder calls, performed four line locates, installed one grinder system and repaired a service line on Woodway along with changing the check valve on the main at Pineglen. Mr. Davenport also reported a waterline

repair on Pinemont had been performed after being hit by the County. It was noted Utility Specialties had reprogrammed the digester at the Wastewater Treatment Plant, prepared and submitted the water loss audit to the Texas Water Development Board and had purchased no pumps or panels and had one pump and four panels in inventory. President Maddox indicated he made a brief review of the inventory components and found there were four units in the conex. President Maddox and Mr. Davenport agreed to meet and review the inventory and provide for a more complete inventory control system with Utility Specialties providing a daily or weekly report.

The Board then discussed operational issues including a home on Pinemont that had flooded. President Maddox and Mr. Turk noted the incident had been reported to the District's insurer, the TML Inter-Governmental Risk Pool, as a possible sewage backup claim. President Maddox provided details as reported to TML with the sewage backup beginning with an incident on April 1, 2023, and repairs made, but a subsequent incident occurred on May 8, 2023, resulting in a second flooding. President Maddox noted on May 14, 2023, the homeowner acquired a vent check valve which was installed with a 4-inch line by the property owner, and the valve released providing a third sewer overflow this time into the property owners yard, rather than their house. President Maddox indicated to Mr. Davenport the overflow had not been properly treated with chlorine related chemicals, and Mr. Davenport stated he would address the matter. President Maddox further indicated he was concerned because both the District and Utility Specialties had reviewed the check valve, and it was not malfunctioning, so it was determined the issue could possibly be a panel issue. President Maddox suggested the Board authorize changing the panels and controls. The Board concurred and directed the changeout be made. After further discussion and upon motion

duly made by President Maddox and seconded by Director Hughes, the Operational Report was approved as presented.

AGENDA ITEM NO. 8: Presentation on lead lines survey and action as required. The Board recognized Karen Warren who presented her service line inventory report dated May 15, 2023, providing an overview of the EPA Lead and Copper Rule Revisions and the parameters required by Community Water Systems and noting an inventory was to be performed by October 16, 2024. Ms. Warren reviewed the inventory form for public water systems and the methodologies that had to be used along with lead and copper sampling that had been undertaken and results from lead and copper sampling in 2019 at various locations within the District. Ms. Warren provided a detailed diagram from the EPA on their determination of what service lines need to be inspected and identified whether service lines were owned by the District, the customer or split. It was noted the EPA definition showed that any portion of the waterline within a public utility easement was considered a line of the District, not the property owner. Ms. Warren concluded with a review of the lead service line inventory procedures and the guidance on what additional flexibility may be provided to small systems in addressing the lead lines within their system and the public education to property owners about the possibility of replacing lead and other lines under future EPA rulemaking. The Board thanked Ms. Warren for her report.

AGENDA ITEM NO. 5: Report and action on tree removal at wastewater treatment plant. President Maddox asked this matter be tabled as there was tree removal at the District's water plant as well tree removal near the District's wastewater plant. It was noted he wanted to take a further review and then ask the Board for action.

AGENDA ITEM NO. 6: Report and action on customer service issues. This agenda item had been covered in the Manager's Report.

AGENDA ITEM NO. 7: Inventory control for grinder system components. President Maddox stated that until he concluded his meetings, a review of reports of District purchases, grinder system components and an inventory with Utility Specialties, this agenda item should be tabled for future consideration.

AGENDA ITEM NO. 9: Monthly Financial Statements. The Board recognized Mr. Turk who presented the accounting statement from PNC Bank dated May 16, 2023, showing service fees of \$20,122.08, additional ad valorem tax collections of \$4,000.91 and the inter-fund transfer of \$7,000.00 to pay bills for the preceding month. After review and upon motion duly made by Director Hughes and seconded by Director Jones, the monthly financial statements were approved as presented.

AGENDA ITEM NO. 10: Presentation and discussion on budget spreadsheet. Mr. Turk then presented for the Board's preliminary review the status of the budget spreadsheet. Mr. Turk reviewed several matters relative to revenues and expenses including capital costs for the District's water wells and water and sewer system, noting a significant overage in the sewer system due to additional purchase of capital components. Mr. Turk stated he would continue to review this matter and keep the Board apprised of any additional changes of actual expenditures in the budget.

AGENDA ITEM NO. 11: Accounts Payable. Mr. Turk reviewed the accounts payable including the invoice from Automatic Pump & Equipment showing an additional purchase of four grinder pumps and cable weight for \$9,842.50, the cost of laboratory work, postage and renewal of the District's participation in the Texas Excavation Safety Systems, Inc. – Texas 811 providing a total accounts payable of \$30,181.99. After discussion and upon motion duly made by Director Hughes and seconded by Director Jones, the Board unanimously approved the accounts payable as presented in the amount of \$30,181.99.

AGENDA ITEM NO. 12: Correspondence. The Board recognized Mr. Turk who provided the TML-IRP notice letter of a 4.8% increase due to inflationary issues. Mr. Turk reported on issues on Pineglen and further noted the audit had been filed on the EMMA system of the Municipal Securities Rule-Making Board and was in the process of being filed with the TCEQ.

AGENDA ITEM NO. 13: Comments from Board Members. President Maddox noted issues concerning a tenant and non-payment on Wood Manor due to an administrative error of the service not being properly coded into the system after service was initiated. Legal counsel stated after the notice letter went to the property owner of not only the requirement to execute a service agreement and place a renter deposit, to offer a payment plan for the prior service used but unbilled. President Maddox indicated he had asked for an additional maintenance review by Utility Specialties as during the recent storm, the generator was not working and, thereafter, personnel from Utility Specialties had addressed the issue where the generator appeared to continue to work even after electricity was installed, so a more thorough generator maintenance schedule needed to be developed.

AGENDA ITEM NO. 14: Adjourn. There being no further business, the meeting was adjourned at 8:08 p.m.

President of the Board

ATTEST:

Secretary of the Board