

**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, August 16, 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

Tim Jones

Allen Davis

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 by Board President Maddox at 6:30 p.m.

AGENDA ITEM NO. 2: Board reorganization. No action as the Board had previously taken action on this item.

AGENDA ITEM NO. 3: Public Comments. None.

AGENDA ITEM NO. 4: Minutes. The minutes of July 19, 2022 were unanimously approved upon motion duly made by President Maddox and seconded by Director Jones.

AGENDA ITEM NO. 10: Manager's Report.

(a) Operational Report:

The Board recognized Larry Davenport who provided the Operators Report dated August 16, 2022, noting responses to 18 grinder calls, providing the water pumpage at Well #1 and Well #2, noting Utility Specialties had made seven line locates, made an emergency repair

on the water line on Pinemont and had also repaired a sewer leak on Pinemont. Further, Utility Specialties had repaired hydrants on Woodway, a leak in the ditch on Pinewood Blvd. and repaired water leaks on the Main on Pinehurst. Mr. Davenport closed by noting they had purchased two panels and five pumps and had four panels and five pumps in inventory, and the Board then reviewed invoices submitted. After discussion and upon motion duly made by President Maddox and seconded by Director Hughes, the Operators Report was approved as presented.

AGENDA ITEM NO. 5: 2022/2023 Budget. The Board recognized Wayne Turk who made a detailed presentation on the 2022/2023 proposed budget. Questions followed from the Board and after review and upon motion duly made by Director Hughes and seconded by President Maddox, the Board approved the proposed 2022/2023 budget as presented.

AGENDA ITEM NO. 6: 2022 Certified Tax Roll. Mr. Turk noted the Appraisal District showed the 2022 Certified Appraisal Roll taxable value as \$105,596,812 and the 2022 Uncertified Appraisal Roll as \$4,160,496. After review and upon motion duly made by Director Hughes and seconded by Director Jones, the Board approved the Certification of 2022 Appraisal Roll for the District showing total taxable value of \$105,596,812.

AGENDA ITEM NO. 7: Set preliminary 2022 debt service and maintenance and operation tax rates for the District. The Board again recognized Mr. Turk who provided the Form 50-858 prepared by Hardin County Tax Assessor's Office showing a 2022 calculated maintenance and operation tax rate of \$0.091969/\$100 valuation and a calculated debt rate of \$0.232097/\$100 valuation for a 2022 voter approved tax rate of \$0.324066/\$100 valuation. A discussion followed on the method of calculation of the maintenance and operation and debt rates, and after discussion and upon motion duly made by Director Hughes and seconded by Director Jones, the Board approved the 2022 proposed tax rate at the voter approved rate of \$0.324066/\$100 valuation

comprised of the 2022 proposed maintenance and operation tax rate of \$0.091969/\$100 valuation and the 2022 debt tax rate of \$0.232097/\$100 valuation.

AGENDA ITEM NO. 8: Set date and provide for publication of public hearing on proposed tax rate. It was noted the District had historically set its public hearing on the tax rate at its September meeting. Upon motion duly made by Director Hughes and seconded by Director Fox, the Board unanimously approved and authorized publication of the public hearing on the tax rate for 6:30 p.m. on September 20, 2022.

AGENDA ITEM NO. 9: Submit tax rate reports to Hardin County. Upon motion duly made by Director Hughes and seconded by President Maddox, the Board authorized the submission by the County Tax Assessor Collector of tax reports.

AGENDA ITEM NO. 11: Approve proposal to prepare wastewater permit renewal application. The Board recognized Wayne Turk who provided the proposal from Landsman Environmental LLC for preparation of the renewal of the District's wastewater permit. A review followed of the proposal, and Mr. Turk responded to questions from the Board. After discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the Board unanimously approved the proposal from Landsman Environmental LLC to prepare the District's wastewater permit renewal application.

AGENDA ITEM NO. 12: Monthly Financial Statements. The Board recognized Mr. Turk who presented the accounting statement from PNC Bank dated August 16, 2022. Mr. Turk noted the receipt of service fees in the amount of \$27,606.68 and the bond payments to PNC Bank had been made to the Paying Agent/Registrar in the total amount of \$14,300.28. After review of the financial statements and upon motion duly made by Director Hughes and seconded by Director Jones, the Board approved the monthly financial statements as presented.

AGENDA ITEM NO. 13: Accounts Payable. The Board recognized Mr. Turk who advised there were several returned checks and several refunds of deposits. The Board then reviewed the

remaining checks, and President Maddox did advise he would, as mentioned previously in the meeting, contact Utility Specialties concerning the artwork done under the \$9,200 invoice. The Board reviewed other invoices and upon motion duly made by Director Jones and seconded by Director Davis, the Board unanimously approved the accounts payable in the amount of \$33,346.49.

AGENDA ITEM NO. 14: Correspondence. The Board recognized Mr. Turk who provided correspondence from the TCEQ dated July 11 on contaminant issues, correspondence on lead and copper sampling, and updated information on requirements for cyber security training. Mr. Turk also noted the filing with the District of the transfer of the Certificate of Convenience & Necessity for Country Wood Estates.

AGENDA ITEM NO. 15: Comments from Board Members. A discussion followed on capital projects in collaboration with the engineer in developing cost and contacts for capital projects in consideration of a possible 2023 request for financing approval. President Maddox also noted there was an issue with a contractor not paying for cost incurred by Utility Specialties due to damage to the District's facility. President Maddox noted the contractor had not called for a line locate prior to bidding.

AGENDA ITEM NO. 16: Adjourn. There being no further business, the meeting was adjourned at 7:35 p.m.

President of the Board

ATTEST:

Secretary of the Board