

**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, January 21, 2020, 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:

Jack Maddox

Buddy Hughes

Tim Beard

Tim Jones

Absent: Jody Aiena

Also present were Wayne Turk, Marty Adams and Larry Davenport of Utility Innovations, Liz Will of Will's Administration and Certification, a resident of the District and Guy N. Goodson as legal counsel to 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. Mr. Turk noted that due to the withholding of a payment, the correct amount of bills for payment was \$28,432.06. After discussion and upon motion duly made by President Maddox and seconded by Director Hughes, the minutes of December 17, 2019 were approved as corrected.

AGENDA ITEM NO. 4: Manager's Report.

(a) Operational Report:

The Board recognized Marty Adams and Larry Davenport who reviewed the Operator's Report dated January 21, 2020. Mr. Davenport noted that Utility Specialties had responded to 18 grinder calls, and questions followed from the Board on the nature of the callouts. Mr. Davenport reviewed the water pumpage of Water Well #1 and Water Well #2, and Director Beard asked if the pumpage numbers were to be more level in the future, and a discussion followed on the pumping requirements and the additional pumpage for line flushing that may account for the significant disparity in average daily pumping at the wells. Mr. Davenport reported on four line locates, and questions followed from President Maddox as to whether these should be the responsibility of the District or the property owner. Legal counsel was asked and stated that if the line locates were in easements dedicated to the District, it would be the responsibility of the District. The Board discussed a repair on Pinecone, and Mr. Davenport noted the installation of a spiket for testing at 339 Pine Shadows and the installation of an air relief valve on the booster pump at Well #2. Mr. Turk stated that cost shown on Utility Specialties invoice probably was a capital project item to be accounted for in the TWDB loan. Mr. Davenport went on to note that representatives of Utility Specialties had met the representatives of Third Coast on December 17, 2019 for water sampling. He further noted that Utility Specialties has purchased four panels and six pumps and currently had two panels and three pumps in inventory. The Board then had a number of questions beginning with an issue on an after hours call on Pinemont and the issues that had arisen and why there were multiple callouts on the panel. The discussion closed with an inquiry on what the warranty period was for that particular panel. There was also a discussion of brown water calls on Pinehurst, and Director Beard noted that calls had been made to the answering service for Utility Specialties on two occasions with no return

call. Mrs. Adams stated she would check the log and make the necessary inquiries to correct any problem with the answering service properly doing a callout for service. President Maddox also reviewed the invoice from Utility Specialties, and there was a lengthy review of locations at which multiple calls were made. It was also asked and Mrs. Adams stated, she would provide legal counsel additional information on the property for which a letter had gone out on multiple grinder unit violations and for which an additional fee was now required with regard to the District's Water and Sewer Use Order. After review and upon motion duly made by President Maddox and seconded by Director Beard, the Board approved the Manager's Report.

(b) TTHM Issues:

President Maddox noted there was a report in the Board packet noting that in December the District after additional flushings had dropped at both sampling locations well below the threshold for issues with TTHM, but due to the 1-year running average, the District would have to continue to provide notification to the customers. President Maddox stated he had visited with representatives of the state and noted that due to the issue with the TTHM being derived from bromides, the District would continue to work with its consultants to achieve the best level managing the District's chlorine levels and ensuring the proper chlorination of the water and attempt to avoid with flushing the future TTHM issues. The Board then reviewed the report provided by T. Johnson Industries.

AGENDA ITEM NO. 5: Order Calling Directors' Election of May 2, 2020. The Board recognized legal counsel who stated that two Director positions currently occupied by President Maddox and Director Hughes would call for election on May 2, 2020. Mr. Turk noted he would contact the ISD to determine if at the next Board meeting it would be appropriate to execute a Joint

Election Agreement, and legal counsel stated he would contact the County to ensure that if it was not a joint election, the voting equipment would be available from Hardin County. After discussion and upon motion duly made by Director Hughes and seconded by Director Beard, the Board approved the Order Calling the Directors' Election for May 2, 2020.

AGENDA ITEM NO. 6: TWDB CWSRF Urgent Need Project (Residential Sanitary Sewer Grinder Stations) – Presentation of bid tabulation and recommendation of bid award. The Board noted this action was simply to advise there was a pre-construction meeting, and the engineers were working with the insurance and bonds prior to proceeding with the project. Legal counsel noted that Kate Leverett of his office had provided comments on the contract documents to LJA engineering to which they had agreed and incorporated in the final contract documents for the project.

AGENDA ITEM NO. 7: Report from Pine Island Bayou Drainage Committee. No report.

AGENDA ITEM NO. 8: Monthly Financial Statements. The Board received the accounting statement of Compass Bank dated January 21, 2020. Mr. Turk noted the District had received approximately \$22,000 in service fees and had received a significant payment through the County for ad valorem tax payments, and Mr. Turk advised that the County stated they would have another significant payment for him during the month of February. Mr. Turk noted that the District had a bond payment due in 3 weeks of \$221,855.00 and already had over \$207,000.00 accumulated in this account prior to the receipt of the additional bond funds anticipated in the next 2 weeks. Mr. Turk reviewed the General Reserve Fund and the Texas Water Development Board Clean Water State Revolving Fund proceeds account. After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the accounts of the financial statements were approved as presented.

AGENDA ITEM NO. 9: Accounts Payable. The Board recognized Mr. Turk who reviewed the accounts payable in the amount of \$22,149.19, and a detailed review followed of the accounts payable. President Maddox asked that an additional \$25.00 check be written to the Hardin County Emergency Service District for use of certain facilities. After discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the accounts payable were approved for payment as presented in the amended amount of \$22,149.19. The Board then recognized Mrs. Will who provided an updated report on the new program and the new billing format and further noted that some individuals had issues with the bill format because the size of the new bill had shrunk extensively. Comments followed from the Board, but due to the required information they were not available to provide any further information to customers. It was noted by the Board that other entities were being questioned about postcard billings because it provided access of viewing personal information that might be determined to be privileged, and the District might at some point in the future be looking for an obligation to convert from postcard billing to invoice and sealed envelope billing. Mrs. Will then moved to a discussion of an issue concerning property at Pinemont. The Board noted there was a non-payment on an account due to a water disconnect, and customer cut the lock but did pay his invoice. After discussion, the Board stated that the action taken by the customer in cutting the lock and reestablishing unlawfully the water connection violated the District's Water and Sewer Use Order, and he would be required to pay the approved amount for such action. Mrs. Will was told to bill the customer, and he could direct further inquiries to the Board. Mrs. Will then answered questions from Director Beard on the status of online bill pay and e-mail account payments. The Board thanked Mrs. Will for her attendance at the meeting.

AGENDA ITEM NO. 10: Correspondence. Mr. Turk provided letters from the Texas Department of Emergency Management noting that PO318 had been closed. Mr. Turk also provided information concerning the recently considered Administrative Order of the Texas Commission on Environmental Quality, and legal counsel noted it would probably be several months before the fully executed order was received by the District then requiring the District to take certain actions over the following year. Mr. Turk also noted several reports from governmental entities which required response or reporting by the District.

AGENDA ITEM NO. 11: Comments from Board Members. President Maddox made certain inquiries to the utility operators. Mr. Turk asked that while it was not correspondence to the District, he wished to advise the Board and legal counsel to place on the next agenda the engagement of Mitchell Fontenote to perform the annual audit for the District. A discussion followed concerning legislation change requiring enhanced training and reporting as to cyber security issues. Legal counsel stated he would coordinate updating the Board on that matter.

AGENDA ITEM NO. 12: Adjourn. There being no further business, the meeting was adjourned at 7:45 p.m.

President of the Board

ATTEST:

Secretary of the Board