

**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, November 20, 2018, 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

Tim Beard

Buddy Hughes

Jody Aiena

Tim Jones

Also present were Jeff Leavins of LJA Engineering, Charlie and Marty Adams of Utility Innovations, LLC dba Utility Specialties, and Wayne Turk, Office Manager for 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.

The Board approved the minutes of October 16, 2018 upon motion duly made by Director Beard and seconded by Director Hughes.

AGENDA ITEM NO. 4: Manager's Report.

Charlie Adams presented the manager's report on maintenance activities:

- There were 36 grinder calls, and 2.851MG of water was pumped from Well #1.
- Cleaned out the chlorine contact chamber in the Sewer Treatment Plant. This was done without stopping inflow to the Plant. The solids build up in the chamber has to be kept below a given depth to properly treat the sewer water. TCEQ inspectors check that when they carry out their reviews.

- A water leak was repaired at 171 Wood manor.
- Had to meet with “Third Coast” that does sampling for TCEQ.
- A total of 6 locates were done. The Board noted that they need to make sure and not do any locates South of the store, which is out of the District.
- A total of 4 calls were for water leaks with 1 on customer side and no leaks found at 3 others.
- Installed 3 grinder panels and replaced 3 grinder pumps.
- There are 4 grinder pumps and 6 panels in stock.

A second notice for TTHM issues has to be issued in December. President Maddox and Guy Goodson are working with Karen to finalize that document that has to be mailed to all customers.

AGENDA ITEM NO. 5: Review estimate of costs for FEMA Public Assistance.

Office Manager, Wayne Turk reported that a “Recovery Transition Meeting” with FEMA representatives was held on October 31, 2018. All the projects are defined and turned over to the Texas Department of Emergency Management (TDEM) to handle any additional project funding and overseeing project reconciliation and closeout. The two projects that still have funds available are: “Residential Grinder Pump Station” (\$105,086) and the funds for “Direct Administrative Costs” (\$24,447.55). Invoices will need to be submitted as the work is done to get these additional funds.

AGENDA ITEM NO. 6: TML Intergovernmental Risk Pool Insurance Claim Status.

Wayne Turk noted that TML has provided funds for the initial emergency work (\$200,000) and Well#2 Contract (\$400,000). Currently have more than \$200,000 of the funds for Well#2 and will need to work with TML to verify the expenses covered for the emergency work (estimated to be \$168,000).

TML is prepared to issue another check as soon as the contract is set for the Sewer Treatment Plant work.

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

This was briefly discussed and noted that Jeanie Turk is working to get the data previously used to justify the last project (she lost data in the flood). Also, she has talked with committee members and will start meeting with them when she gets data. Noted that Tom Jones is the Board member that is on that committee.

AGENDA ITEM NO. 8: Monthly Financial Statements. Mr. Turk presented the financial statement showing a second payment from FEMA for the Grinder Station work, and another tap fee. It was also noted that the District's financial condition is much better now, with the FEMA and insurance funds covering the Harvey costs that had to be paid from the general reserves.

The Board reviewed other items from the accounting statement and after discussion and upon motion duly made by Director Beard and seconded by Director Hughes, the monthly financial statement was approved as presented.

AGENDA ITEM NO. 9: Accounts Payable Review. Mr. Turk presented the Bills for Payment and noted the payment to Automatic Pump for seven grinder panels and four grinder pumps. Also, annual fees to TCEQ were noted for the Water System Fee, and Sewer Permit Water Quality Fee. After discussion and upon motion duly made by Director Hughes and seconded by Director Beard, the accounts payable in the amount of \$41,099.47 were approved for payment as presented.

AGENDA ITEM NO. 10: Consideration and Possible action on Hurricane Harvey Project Status and Payments. Jeff D. Leavins, P.E., of LJA Engineering reported on the project status. At Well#2 all high pressure pumps are on site along with all other electrical components. The electrical work is proceeding and the pump is expected to go in the well head within a week. The award of the contract to T Johnson for the Sewer Plant work is pending receipt of their security bonds. Expect to have that before the end of this week.

The following invoices were presented for approval to pay:

Payment #2 from T Johnson for Well#2, 60.75% completed work ending 11/15/18, \$66,675.00 less 10% retainage, check #1271 for \$60,007.50.

LJA Engineering, October work on Well#2 and Sewer Treatment Plant, invoices 201817332 & 201817333 paid on check#1270 for \$6,110.00.

After discussion and upon motion duly made by Director Beard and seconded by Director Aiena, they were approved for payment as presented.

AGENDA ITEM NO. 11: Consideration and Possible Action on Legal Services Engagement for TWDB CWSRF Urgent Need Project. This was approved at the last Board meeting and no action was necessary.

AGENDA ITEM NO. 12: Correspondence. Mr. Turk stated the following had been received:

- Compass Bank Sr. Vice President, John Morrell sent letter about deposit account pricing changes. Noted that the Bank had waived 100% of the fees for the last five years (\$150,000 had to be held in a non-interest bearing account). A complete waiver of the fees was no longer possible, but they would still continue a discount of approximately 50% on the account services. This is estimated to be \$172.90 per month and effective January 1, 2019.
- TCEQ reminder notice that an Operational Evaluation Report needed to be filed due to the TTHM exceedance.
- 2019 Homeland Security Contact Update form—(given to Marty)

AGENDA ITEM NO. 13: Comments from Board Members.

Director Beard noted that he has been working with Liz Will issues with the Bill System program. It is not being well supported with a change in ownership. They have started looking for a new service and one that can be set up to accept credit card payments (some issues with the CCI Laws to

do this). The annual support fees for a new program will likely double what the District has been paying.

President Maddox noted that the tax statements have been issued. He had one call from a person asking how the tax rate was set. He explained the procedure and that is all they wanted to know (reinforced what they had been told).

AGENDA ITEM NO. 14: **Adjourn.** There being no further business, the meeting was adjourned at 7:36 p.m. upon motion duly made by President Maddox and seconded by Director Beard.

President of the Board

ATTEST:

Secretary of the Board