

**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 21, 2017, pursuant to notice duly posted in accordance with law. The meeting was held at 1008 Pinewood Blvd. in Pinewood Estates, Hardin County, Texas. The following members of the Board were present:

Jack Maddox

Tim Beard

Paul Gustafson

Buddy Hughes

Absent: Jerry Giardina

Also present were Wayne Turk, Liz Will of Will's Administration and Certification, a representative of Utility Innovations, LLC dba Utility Specialties, Jeff Leavins of LJA Engineering and Guy N. Goodson of Germer PLLC as legal counsel for 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. President Maddox noted there were no members of the public but that he had asked Liz Will to attend the meeting to give an update on utility system disconnects and to review active status of District services and actions. President Maddox stated he was to request the Board provide Liz Will directions as to estimating bills, assessing late fees and disconnect charges. The Board recognized Mrs. Will who advised there had been 10 disconnects made for non-payment and other disconnects were being requested by property owners. Mrs. Will noted that the bills had been estimated for the 459 active service accounts pre-storm, and after

disconnects, there was currently 446 active connections. The Board indicated that Mrs. Will should continue to provide estimates to each property, and the District would waive late penalties through December 31, 2017 and reconsider after January 1 whether continuation of waiver of late payments was appropriate. The Board agreed unanimously to direct Mrs. Will to undertake the actions as noted.

AGENDA ITEM NO. 3: Minutes. The minutes of July 25, August 15, September 19, October 17 and October 26, 2017 were tabled as Director Beard stated he did not recall having received all of the minutes and wanted to review before acting.

AGENDA ITEM NO. 4: Phosphate project through Simply Aquatics. Questions arose as to the phosphate project proposed through Simply Aquatics, and President Maddox contacted the Simply Aquatics representatives during the meeting and received an update which included verification that the permit for the project had been received. After discussion and upon motion duly made by Director Gustafson and seconded by Director Beard, the Board authorized the President and Mr. Turk to execute the documents necessary to proceed with the phosphate project.

AGENDA ITEM NO. 5: Manager's Report. The Board recognized Utility Specialties who presented its Operator's Report dated November 21, 2017. The Board noted that 69 grinder station panels had been changed out and two grinder calls had been answered. The water pumpage was noted as all coming from Well #1 as, again, Well #2 was not in operation. Utility Specialties also noted that one water meter was installed, and leaks due to line breaks caused by FEMA contractors were reviewed. The Board requested that Utility Specialties rebill any charges to the District for contractor charges to the contractor and/or property owner. It was also noted that the sewer plant had been placed back on line.

The Board reviewed the invoices from Utility Specialties, and it was noted that there were four separate bills as requested by the Board which included separate Hurricane Harvey billing. The Board requested that the float tree installations and related costs be moved to the Hurricane Harvey invoice. Discussions followed on continued repair to the District's system and individual grinder stations and homes that were attempting to reestablish the service.

The Board also reviewed with Mr. Turk the continued development of cost summary and estimates to be provided to the Federal Emergency Management Agency ("FEMA") for repairs under the Public Assistance Program. After discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the Manager's Report was approved as presented.

AGENDA ITEM NO. 6: Report on TML Intergovernmental Risk Pool insurance coverages and claim status. The Board recognized Mr. Turk who reviewed the amount of funds that had been committed by the TML Intergovernmental Risk Pool under its insurance coverage. Mr. Turk updated the Board on the status of claims that it was filing. Mr. Turk indicated that approximately \$151,000 had been paid out for various repair projects. The Board also received a report from Jeff Leavins on various repair and rehabilitation projects.

AGENDA ITEM NO. 7: Monthly Financial Statements. The Board recognized Mr. Turk who presented his accounting statement dated November 21, 2017 showing services of \$23,510.45 and a grinder installation at 218 Pinehurst in the amount of \$4,500.00. Mr. Turk also reviewed funds in the bond proceeds and General Reserve Fund . After discussion and upon motion duly made by Director Beard and seconded by President Maddox, the monthly financial statements were approved as presented.

AGENDA ITEM NO. 8: Accounts Payable and payment for Bond improvements. Mr. Turk presented invoices totaling \$91,041.14. Mr. Turk reviewed the invoices including a \$30,977

invoice from Automatic Pump & Equipment for numerous grinder panels for grinder pumps and duplex panels. The Board reviewed the invoices presented by Electrical Specialties, Inc. for installation of a new breaker and other work at the sewer treatment plant in the amount of \$7,280.59. The Board also noted the invoice from Simply Aquatics in the amount of \$15,252 for the phosphate project which included the engineering services provided by Simply Aquatics. Mr. Turk presented an additional invoice and after discussion and upon motion duly made by Director Hughes and seconded by Director Beard, the accounts payable in the amount of \$91,178.97 were approved for payment as presented.

AGENDA ITEM NO. 9: Plans and specifications for water/sewer system repairs and authorize advertisement for bids/proposals for engineering services. The Board received a presentation from Jeff Leavins on the actions working with Mr. Turk and the TML Intergovernmental Risk Pool to develop projects for the water/sewer system repairs. The District then recognized legal counsel who indicated he was continuing to seek responses from attorneys from FEMA on plans and specifications and procedures for advertising for bid proposals for both contract and grant management and engineering services. Legal counsel noted that Simmons Recovery Group had discontinued its work on the project, and he was uncertain that Simmons would continue based upon conversations as to their lack of support following Hurricane Harvey with FEMA and the Texas Department of Emergency Management. President Maddox stated that it was not a FEMA project, but the Board needed to consider the current water line installation project which was not able to proceed due to debris and other matters in the areas where the waterline project was to proceed. The Board agreed the project could be temporarily suspended without penalty until December 1 and agreed that the contractor and the District's engineer proceed with the stoppage of time and to present a revised project timetable for completion. President Maddox and Mr. Turk

provided an update on the TML claim status and noted projects were still being developed for entry in the FEMA portal. Mr. Turk further advised the grinders were not covered by TML insurance but would be included in FEMA portal, and FEMA was requiring actual and visual evidence and proof of flooding damage to grinders at each property address. After further discussion and upon motion duly made by President Maddox and seconded by Director Beard, the District's engineers were directed to proceed to work with the TML Intergovernmental Risk Pool on pending repair projects and updating claim status along with assisting Mr. Turk.

AGENDA ITEM NO. 10: Correspondence. Mr. Turk presented the Texas Water Development Board well monitoring and testing report from a random unscheduled test undertaken by the TWDB.

AGENDA ITEM NO. 11: Comments from Board Members. Comments followed from Board members.

AGENDA ITEM NO. 12: Adjourn. There being no further business before the Board, the meeting was adjourned at 7:50 p.m.

President of the Board

ATTEST:

Secretary of the Board