

**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, March 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

Paul Gustafson

Jody Aiena

Also present were Wayne Turk, Larry Davenport 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 6:32 p.m. by President Maddox.

AGENDA ITEM NO. 2: Public Comments. None.

AGENDA ITEM NO. 3: Minutes. The Board approved the minutes of February 20, 2018 upon motion duly made by Director Beard and seconded by Director Gustafson.

AGENDA ITEM NO. 4: Manager's Report. The Board recognized Larry Davenport who presented the monthly Operator's Report showing that Utility Specialties had responded to 17 grinder calls, replaced six grinder panels and additionally has located lines from CenterPoint Energy. Questions followed as to where the line locates were made, and Mr. Davenport stated he

would provide information in response to the inquiry. Mr. Davenport also indicated there had been a new grinder installed at 235 Pinehurst. A copy of the invoice of Utility Innovations, LLC d/b/a Utility Specialties was presented showing payments due for various services. It was also noted by Mr. Turk that there were general services for the initial invoice, the separate invoices were presented for panel installations and for locates for CenterPoint Energy. The Board reviewed the invoices, and questions followed to Mr. Davenport who stated he would provide reports to the Board. The Board also received a presentation from Jeff Leavins on the status of outstanding general engineering projects in the District.

AGENDA ITEM NO. 5: Presentation of waterline installation project status report and any requested change order. The Board again recognized Jeff Leavins who presented his report as of March 6 stating that the project was 51% complete, but most of the main line had been installed. He also stated the contractor had experienced a significant number of rain days again, and that although 59% of the time had been used with only 51% complete, a great deal of additional work would be approved, and the project would be completed as scheduled. The Board then reviewed Pay Request No. 4 in the amount of \$38,567, less retainage the amount due for payment was \$34,710.30. After discussion and upon motion duly made by Director Gustafson and seconded by Director Hughes, Pay Request No. 4 for the waterline installation project was approved as presented.

AGENDA ITEM NO. 6: Ratification of CenterPoint Energy Easement and Purchase Agreement. President Maddox indicated that in working with CenterPoint Energy and legal counsel, the Easement and Purchase Agreement had been finalized and had been presented to CenterPoint for filing. President Maddox indicated that he had not received the \$9,500 easement purchase price but anticipated receiving shortly. Questions followed from the Board on house line locates, and President Maddox noted a particular incident where the District's house line had been

crossed by CenterPoint placing a proposed service in place for a new residence within the District. Questions followed as to whether CenterPoint was required to secure a locate and whether the 811 System applied to locates on private property as to service lines. President Maddox and members of the Board indicated they would determine if these locates were required but requested that Mr. Davenport and representatives of the District notify CenterPoint that the District did have lines between residences and grinder stations that were not within a platted easement but house lines are in centerline easements.

AGENDA ITEM NO. 7: Cost summary/estimates to provide to Federal Emergency Management Agency (“FEMA”) for Public Assistance/approve actions for FEMA Public Assistance. The Board recognized Mr. Turk who stated he was continuing to work with the representatives from FEMA on cost estimates and mitigation projects, but that it was a very slow process.

AGENDA ITEM NO. 8: Report on TML Intergovernmental Risk Pool insurance coverages and claim status. The Board again recognized Mr. Turk who stated he was waiting for final plans and specifications for repair projects to present to the Intergovernmental Risk Pool, and until these were received, the District would not likely receive additional insurance proceeds but would once approved by the Risk Pool.

AGENDA ITEM NO. 9: Presentation of responses to engineering procurement for repair and mitigation projects to be submitted to a Federal Emergency Management Agency (“FEMA”) and set Board committee to evaluate responses. The Board recognized Mr. Turk who indicated that responses to engineering procurement for repair and mitigation projects to be submitted to FEMA had been presented by LJA Engineering, Inc., Schaumburg & Polk, Inc., Science Engineering, Soutex Surveyors & Engineers, Action Civil Engineers, PLLC and Arceneaux Wilson

& Cole. The Board indicated that the engineering procurements would be referred to a committee to evaluate the responses consisting of President Maddox and Director Aiena.

AGENDA ITEM NO. 10: Monthly Financial Statements. The Board recognized Wayne Turk who presented the accounting statement from Compass Bank for March 20, 2018. Mr. Turk noted service fees in the amount of \$12,126.33 and the Cable One fee in the amount of \$1,491.76 for a total revenue of \$13,618.09 as well as the payment of District bond on February 15, 2018, totaling \$329,490. Mr. Turk also presented the bond proceeds account showing payment to LJA Engineering that had been made in January leaving a balance of \$131,125.82. After discussion and upon motion duly made by Director Beard and seconded by Director Aiena, the monthly financial statements were approved as presented.

AGENDA ITEM NO. 11: Accounts Payable and payment for bond project improvements. The accounts payable totaled \$28,225.64. After review and upon motion duly made by Director Hughes and seconded by Director Aiena, the accounts payable and the payment for bond improvement projects was approved as presented. Mr. Turk noted this included the approval of the Pay Request No. 4 to T. Johnson Industries.

AGENDA ITEM NO. 12: Approve *The Examiner* as a District newspaper for general circulation. The Board received a presentation from President Maddox, and after discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the Board approved *The Examiner* as a District newspaper for general circulation.

AGENDA ITEM NO. 13: Certification and Order as to Unopposed Status of Director Candidates for the May 5, 2018 Election. Legal counsel and Mr. Turk noted that the Board Secretary had presented its certification of no opposed candidates for the May 5, 2018 election. The Board was then presented with the Order as to Unopposed Status of Director Candidates for the

May 5, 2018 election. After discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the Order as to Unopposed Status of Director Candidates was approved as presented.

AGENDA ITEM NO. 14: Correspondence. Mr. Turk presented correspondence from Texas Department of Health Services to Mr. Davenport to provide to Utility Specialties, correspondence from Kinder Morgan noting repair work on its gas line and the TCEQ Homeland Security Questionnaire were presented along with notification that the sewer plant permit renewal was still underway. Mr. Turk also noted that the Board had received its Standard & Poor's global confirmation of BBB+ rating with a negative outlook. Legal counsel noted that most entities in Southeast Texas were receiving a review by the rating agencies, but he was very pleased that the rating of the District was retained as most entities were receiving a negative outlook pending the completion of work for Hurricane Harvey.

AGENDA ITEM NO. 15: Comments from Board Members. President Maddox stated that there were questions concerning drainage easements along with access to these and cleaning that had been requested by the County from the District. Legal counsel suggested that an interlocal agreement be executed by and between the District and Hardin County to address access, repairs and improvements to these drainage easements. President Maddox indicated that he would try to locate information concerning the drainage easements and provide it to legal counsel for drafting an interlocal agreement.

AGENDA ITEM NO. 16: Adjourn. There being no further business, the meeting was adjourned at 8:15 p.m.

President of the Board

ATTEST:

Secretary of the Board