

**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 Monday, August 11, 2025, 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

Ben Fox

Buddy Hughes

Allen Davis

Tim Jones

Also present were Wayne Turk, Joey Keel of Keel Enterprises, Jeff Leavins of Leavins Engineering & Design, LLC, Guy N. Goodson of Germer PLLC as legal counsel to the District as well as Kerri Reynolds, Ashley Mazara, Sarah Davis, Beth and Dave Willis, residents of the District.

AGENDA ITEM NO. 1: Call to Order. A quorum being present, the meeting was called to order by President Maddox at 6:32 p.m.

AGENDA ITEM NO. 2: Public Comments. President Maddox advised the Board that residents in attendance may be on the agenda under items 3 or 4, but if residents had other comments concerning the remaining agenda items, this would be the appropriate time to make their comments. He also reminded the residents that the public comment section was a non-responsive session.

AGENDA ITEM NO. 3: Civic Association Presentation on Water & Sewer Use Order. The Board recognized members of the Pinewood Civic Association who advised of certain issues arising

recently with individuals not compliant with the deed restrictions or building requirements of the Pinewood Additions and requesting collaboration with the District to ensure the Civic Association was aware of persons making requests for water service to ensure their plans and specification for improvements to properties within Pinewood met the covenants. President Maddox made a presentation concerning the past working between the District, the Civic Association and Hardin County regarding to be constructed homes in Pinewood and advised that he was presently the point person when request for service were presented to the District. President Maddox stated he would be happy to collaborate with the Civic Association advising of request for service, and the District was not or would be involved in construction approval or review of surveys and building plans. A brief discussion followed noting that the County was currently involved by requiring the flood plain elevations before construction could be underway. Further discussions related to the Pinewood plat and location of boundaries of areas inside and outside of the District and how the District placed waterlines exclusively within the platted utility easements and secured house and wastewater discharge lines from private property owners in order to operate the onside grinder systems. The Board thanked the members of the Civic Association for their interest in the District.

AGENDA ITEM NO. 4: **Presentation by Paul Preston on possible utility service.** The Board recognized Paul Preston who advised that he currently owned property within the District and was interested in the possibility of water and sewer service. The Board again advised that any requests for service by areas within the District would be subject to the development of a capacity study analyzing the District's water production and distribution as well as sewer collection and treatment facilities. Legal counsel and engineers noted districts within the immediate area conduct such capacity study at the sole cost of the individual or developer requesting possible utility service. Mr. Preston indicated that he would be happy to collaborate and pay for the requested capacity study.

The Board discussed with its engineers the various systems that would need to be evaluated in a capacity study. Mr. Leavins indicated he felt he could prepare the study requested upon determination of the exact area Mr. Preston requested for service. Legal counsel also noted that Mr. Preston indicated he had additional possibly developable area beyond that which might be an initial phased development, and as such, the District was advising that no grant of capacity to an initial phase of a development would be considered as a capacity guarantee or approval for any additional adjacent or related areas that might be developed. The Board thanked Mr. Preston for his presentation.

AGENDA ITEM NO. 5: Minutes. The minutes of July 14, 2025, were unanimously approved upon motion duly made by President Maddox and seconded by Director Fox.

AGENDA ITEM NO. 6: Contract Operator/Maintenance Supervisor's Report, including review of the following:

- (a) **Operational Report.** The Board recognized Mr. Keel who presented his Operations Report dated August 6, 2025, noting that Keel Enterprises had responded to 28 grinder calls and 2 water leaks. Mr. Keel stated the District had one control panel and two grinder pumps in inventory, all sampling and reporting requirements had been made and sent to the lab along with effluent samples as to the wastewater treatment plant, and all DMRs had been submitted to the TCEQ. In addition to reading meters and making meter box repairs, Keel Enterprises had completed the fire hydrant repair on Woodway where they had previously been waiting on parts, replaced a check valve at 330 West Pine Shadows, conducted pressure washing at the wastewater treatment plant to abate algae growth and made a temporary repair at 103 Pinehurst due to the failure of an underground line that was presently inaccessible for repair due to the location of

property owner improvements over the underground service line. Mr. Keel reviewed the property in question the location of the line, and the Board discussed a possible solution for reinstallation permanently of the damaged line. Mr. Keel was asked to evaluate both a replacement of the line where presently located or alternatively the cost of routing the service line through the property owner's attic with their consent. It was noted that the work would have to be performed by a master electrician. After discussion and upon motion duly made by President Maddox and seconded by Director Jones, the Operational Report was approved as presented.

AGENDA ITEM NO. 7: Monthly Financial Statements. The Board recognized Mr. Turk who presented the accounting statement dated August 11, 2025, noting a transfer from the operating holding account of \$17,000 to cover the accounts payable from the preceding month. Mr. Turk also reviewed the service fees in the amount of \$35,238.20 and the recent bond payment to The Bank of New York Mellon in the amount of \$4,543.75. Mr. Turk provided information on the taxpayer impact statement for the consolidated tax statement for the upcoming and previous fiscal year noting the decline in anticipated tax due to the payment of District debt to PNC Bank. Mr. Turk then discussed the fees charged to the District's bank account for services and related interest on its accounts which offset to some degree the finance charges. After discussion and upon motion duly made by Director Hughes and seconded by Director Fox, the financial statements were approved as presented.

AGENDA ITEM NO. 8: Accounts Payable. Mr. Turk was recognized and provided comments concerning a recent overpayment by a resident who had moved and the invoices from Keel Enterprises, Flagship Mailroom, Hawkins, Inc., Automatic Pump, PVS, DX, Inc. and Real Pipe & Supply. Mr. Turk then discussed the invoices paid to Crestline Software, LLC (MuniBilling) and to

Networthy Systems for a 5-year renewal of the two District domain registrations. Mr. Turk stated the accounts payable totaled \$29,577.21. After discussion and upon motion duly made by Director Jones and seconded by Director Davis, the Board unanimously approved the accounts payable as presented.

AGENDA ITEM NO. 9: 2025-2026 Budget. The Board recognized Wayne Turk who provided a detailed review of the budget for the period of 9/1/24 through 8/31/25 and the operating budget through the current fiscal year as well as the anticipated revenues and expenses proposed for 2025-2026. Mr. Turk noted that the District was in very good financial condition. After discussion and upon motion duly made by President Maddox and seconded by Director Hughes, the Board unanimously approved the 2025-2026 budget as presented.

AGENDA ITEM NO. 10: 2025 Certified Tax Roll. The Board reviewed the tax roll, and Mr. Turk noted information provided by Karl Keller, Hardin County Appraisal District Chief Appraiser, showing the total taxable value as \$125,803,908. After discussion and upon motion duly made by Director Hughes and seconded by President Maddox, the Board approved 2025 Certified Tax Roll as presented.

AGENDA ITEM NO. 11: Preliminary 2025 Debt Service and Maintenance & Operation Tax Rates. Mr. Turk provided the 2025 Developed Water District Voter-Approval Tax Rate Worksheet presented on behalf of Hardin County and reviewed the tax rate from the previous tax year noting that based on the calculations in the Worksheet, the District's maximum maintenance and operation tax rate for the current year would be \$0.106480 and the maximum current year debt service rate would be \$0.073900. After discussion and upon motion duly made by Director Hughes and seconded by Director Fox, the Board set the preliminary debt service tax rate at \$0.073900 and the

preliminary maintenance and operation tax rate as \$0.106480 for a preliminary tax rate of \$0.180380.

AGENDA ITEM NO. 12: **Set date and approve publication of public hearing on proposed tax rate.** Mr. Turk recommended that the District provide notification and set the public hearing on the proposed tax rate for the next regular meeting on September 8, 2025. After discussion and upon motion duly made by Director Fox and seconded by Director Hughes, the Board unanimously approved publication and set the public hearing for the proposed tax rate to be considered at its regular meeting on September 8, 2025.

AGENDA ITEM NO. 13: **Correspondence.** None.

AGENDA ITEM NO. 14: **Comments from Board Members.** None.

AGENDA ITEM NO. 15: **Adjourn.** There being no further business, the meeting was adjourned at 8:10 p.m.

ATTEST:

President of the Board

Secretary of the Board