

**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, December 8, 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

Allen Davis

Absent: Tim Jones

Absent: Buddy Hughes

Also present were Wayne Turk, Joey Keel of Keel Enterprises, Guy N. Goodson & Kate Leverett of Germer PLLC as legal counsel to the District.

AGENDA ITEM NO. 1: **Call to Order.** A quorum being present, the meeting was called to order by President Maddox at 6:30 p.m.

AGENDA ITEM NO. 2: **Public Comments.** None.

AGENDA ITEM NO. 3: **Minutes.** The minutes of November 10, 2025, were unanimously approved upon motion duly made by Director Fox and seconded by Director Davis.

AGENDA ITEM NO. 4: **Presentation on impact fees authorized by Chapter 395, Texas Local Government Code.** The Board recognized Kate Leverett who gave a presentation concerning the procedures for adopting impact fees under Chapter 395, Texas Local Government Code. Mrs. Leverett reviewed prior impact fee adoptions by Meeker Municipal Water District and the Bolivar Peninsula Special Utility District outlining the steps to be undertaken including the preparation of a land use agreement and a capital improvement plan by the selected consulting engineers; it was noted that the preparation of these reports was a precursor to the Board undertaking the procedures and the conduct of

public hearings that would be required to impose an impact fee. Mrs. Leverett also reviewed the timetable and preliminary legal costs that might be incurred if the Board chose to proceed with engaging its engineers to prepare the required studies. Mrs. Leverett noted the impact fee charges made by both Meeker Municipal Water District and the Bolivar Peninsula Special Utility District and how the funds had to be segregated into a separate account as such funds could not be used for operations and maintenance as would be general funds. After discussion, Mr. Goodson suggested that the Board discuss with its consulting engineers the development of the land use and capital improvement studies, and recommended regardless of whether the Board chose to proceed, the studies would be a valuable tool to the District as it moves forward in 2026 the possible calling of a tax bond election to address capital needs. The Board thanked Mrs. Leverett for her presentation.

AGENDA ITEM NO. 5: Contract Operator/Maintenance Supervisor’s Report, including review of the following:

- (a) **Operational Report.** The Board recognized Mr. Keel who presented the Operational Report for the month noting that Keel Enterprises had responded to 15 grinder calls and 1 sewer leaks. It was also noted the District currently had two control panels and two grinder pumps in inventory. Mr. Keel further stated that all required sampling and reporting had been completed, and 10 meter lids had been replaced. The Board then discussed a callout on November 11 to the wastewater treatment plant and found the ground storage tank was over full, and Mr. Keel noted it was determined that the level transducer was bad and was repaired. Mr. Keel further noted that the wastewater treatment plant had been pressure washed and deep cleaned, and two meters had been replaced in the system during the month. After discussion and upon motion duly made by Director Fox and seconded by President Maddox, the Operations Report was approved as presented.

AGENDA ITEM NO. 6: Amending Water and Sewer Use Order. A discussion was initiated on the revisions provided by legal counsel as to the noted items for adopting procedures for capacity requests

from developers, revising service fees, connection costs and tap fees as well as restricting out-of-District water/sewer service. The Board then discussed the proposed changes made by legal counsel and President Maddox to provide that the ¾" meter would have a cost of \$1,400, the remainder of the water meter size charges were to amended as shown in the revised Order, and as to sewer tap fees, in lieu of the present charge of \$4,200, the amount be increased to \$5,600, providing a new service connection of \$7,000. President Maddox then discussed adoption procedures for capacity requests. After discussion and upon motion duly made by President Maddox and seconded by Director Fox, procedures for adoption of capacity requests as set forth in the amended Water and Sewer Use Order were unanimously approved to be effective January 1, 2026. After further discussion and upon motion duly made by President Maddox and seconded by Director Fox, the Board unanimously approved the revised Water and Sewer Use Order, Section 4 including service fees, service connections and tap fee costs to be effective January 1, 2026. President Maddox then reviewed the restrictions on the District's water and sewer service noting an addition to Section 12 of the Water and Sewer Use Order. After discussion and upon motion duly made by Director Fox and seconded by Director Davis, the revision to restrict out-of-District service was unanimously approved to be effective January 1, 2026.

AGENDA ITEM NO. 7: Paul Preston Capacity Request. It was noted that Mr. Preston still had not provided the District the exact number of residential users he wished for a capacity guarantee, so item was tabled.

AGENDA ITEM NO. 8: John Arcana, Janco Investments Capacity Request. The Board again noted that while the capacity study had been completed by Leavins Engineering & Design, LLC, Mr. Arcana approval of the replat had not been provided to the District; this item was tabled.

AGENDA ITEM NO. 9: Monthly Financial Statements. The Board recognized Mr. Turk who presented the PNC Bank statement showing service fees for the prior month of \$36,071.19, a small receipt of maintenance taxes and ad valorem taxes and the third quarter Cable One fee of \$1,079.13. Mr. Turk noted the District was still in good financial position. After discussion and upon motion duly made

by President Maddox and seconded by Director Fox, the financial statements were approved as presented.

AGENDA ITEM NO. 10: Accounts Payable. Mr. Turk reviewed the accounts payable noting he had received seven (7) returned checks that Heather was working to have resolved. Mr. Turk reviewed the invoice from PVDX noting the purchase of 450 pounds of chlorine, the requirement to pay the water system fee to the Texas Commission on Environmental Quality (the "TCEQ") in the amount of \$1,144.15 as well as the invoice for purchase of a grinder pump and panel from Automatic Pump. Finally, Mr. Turk reviewed the Old Republic Surety Bond for his fidelity bond on handing funds on behalf of the District as well as Mission Communication for the services at the wastewater treatment plant.

AGENDA ITEM NO. 11: Correspondence. Mr. Turk reviewed correspondence from the Hardin County Appraisal District and stated the required notification regarding the upcoming election had been posted on the District's website.

AGENDA ITEM NO. 12: Comments from Board Members. None.

AGENDA ITEM NO. 13: Adjourn. There being no further business, the meeting was adjourned at 7:32 p.m. upon motion duly made by President Maddox and seconded by Director Fox.

ATTEST:

President of the Board

Secretary of the Board