

**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, September 21, 2023, 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:

Ben Fox

Tim Jones

Buddy Hughes

Jack Maddox

Allen Davis

Also present were Wayne Turk, Marty Adams and Larry Davenport of Utility Specialties and Guy N. Goodson 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. President Maddox asked to consider public comments before convening the public hearing.

AGENDA ITEM NO. 3: Public Comments. Dan Jones who resided at 413 Woodway Blvd. was recognized and advised he was selling his present home but retaining the approximate 18 acres next door where he planned to build a home. Mr. Jones discussed the provision of water service, and he was advised his home was not outside but within the boundaries of the District. A lengthy discussion followed on the location of existing or needed utility easements that may be necessary to provide water and wastewater service to his 18-acre tract. Legal counsel and representatives of

Utility Specialties provided contact information so Mr. Jones could advise further of possible easements that existed for the provision of utility service to his property.

AGENDA ITEM NO. 2: Public Hearing on proposed 2023 Tax Rate. The public hearing was convened at 7:07 p.m.

- a. Comments from Board members. No comments were made.
- b. Comments from citizens. There were no citizens present.
- c. Close public hearing. The Board moved to close the public hearing at 7:12 p.m.

AGENDA ITEM NO. 4: 2023 Tax Rate (debt rate and maintenance tax rate). The Board received a presentation from Wayne Turk and Director Hughes restating the proposed maintenance tax rate of 0.07289/\$100 valuation and a debt service tax rate of 0.214066/\$100 valuation for an aggregate tax rate for 2023 of \$0.28696. After discussion and upon motion duly made by Director Hughes and seconded by Director Fox, the Board unanimously approved the 2023 combined debt and maintenance tax rate as \$0.28696/\$100 valuation.

AGENDA ITEM NO. 5: Minutes. The minutes of August 15, 2023 and September 5, 2023 were unanimously approved upon motion duly made by Director Hughes and seconded by Director Jones.

AGENDA ITEM NO. 6: Manager's Report.

(a) Operational Report:

The Board recognized Larry Davenport and Marty Adams who advised that in August, Utility Specialties had responded to 24 grinder calls, made eight (8) line locates, repaired a sewer leak at 1022 Pine Timbers, 1035 Pine Needles and 1055 Pine Needles and repaired a water leak on the 6-inch main line outside the gate of Water Well #2. Mr. Davenport noted there were several callouts on alarms at the water plant due to the drought conditions. Mr. Davenport

reported on the well pumpage at Well #1 and Well #2 and finally noted Utility Specialties had purchased one panel and four pumps, and five pumps and two panels in inventory. President Maddox questioned Larry Davenport on a recent issue concerning pump maintenance. Mr. Davenport noted the employee of Utility Specialties who was responsible for the maintenance had failed to meet the maintenance obligations, and corrective measures were being put in place to avoid future issues. President Maddox asked Utility Specialties to provide further details on the missing pump that had been located in the Conex at the District's plant site. A lengthy discussion followed and upon motion duly made by President Maddox and seconded by Director Fox, the Manager's Report was approved as presented.

AGENDA ITEM NO. 7: **Monthly Financial Statements.** The Board recognized Mr. Turk who reviewed the accounting statement for PNC Bank dated September 21, 2023 showing service fees of \$31,696 and a quarterly Cable One fee of \$836.52. A fund transfer for payment of bills and further information on the financial affairs of the District was noted. After discussion and upon motion duly made by President Maddox and seconded by Director Hughes, the monthly financial statements were approved as presented.

AGENDA ITEM NO. 8: **Accounts Payable.** The Board recognized Mr. Turk who discussed the service fees to Entergy, the invoices for Utility Innovations, the acquisition of grinder pumps and sensor floats from Automatic Pump, payment for legal fees and the quarterly payment to the Hardin County Appraisal District as well as the invoice from TRES Machine, Inc. for overhaul at the wastewater treatment plant. Mr. Turk noted the accounts payable for the month totaled \$39,339.94. After review and upon motion duly made by Director Hughes and seconded by Director Jones, the accounts payable were approved for payment as presented.

AGENDA ITEM NO. 9: Correspondence. The Board recognized Mr. Turk who presented correspondence from the TCEQ and TML Inter-Governmental Risk Pool noting a 10% rate increase on certain coverages. Mr. Turk noted his completion of the required Cyber Security Training and advised of TCEQ correspondence dated August 31 concerning a Notice of Violation, non-correction. President Maddox stated he was aware of the matter and spoke to Mr. Davenport who stated the gate issues would be addressed if not satisfactory to the TCEQ. Mr. Turk finally noted LJA Engineering indicated they would provide the project files of the District going back to 2013 but intended to charge for the records. Legal counsel was directed to check the Engineering Services Agreement with LJA Engineering on ownership and required payment for production of records. Legal counsel noted the District was required to update its Notice to Purchasers now that the 2023 tax rate had been established and incorporate changes made to the notice to purchasers form by the Texas Legislature. The Board agreed and directed legal counsel to coordinate filing of the Notice to Purchasers and once filed, could be posted on the District's website.

AGENDA ITEM NO. 10: Comments from Board Members. President Maddox outlined certain changes he would request to continue as the Board President. The Board acknowledged and appreciated his comments.

AGENDA ITEM NO. 11: Adjourn. There being no further business, the meeting was adjourned at 7:52 p.m.

President of the Board

ATTEST:

Secretary of the Board