

June 24, 2020

The Board of Directors of Bell County Water Control and Improvement District No. 1 of Bell County, Texas met in Regular Session, open to the public, at the office of the district located at 201 S. 38th Street, Killeen, TX 76543, at 09:00 a.m., on the 24th day of June 2020, and the roll was called of the duly constituted officers and members of the Board.

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| Robert M. Jacobs | President |
| Don Farek | Vice President |
| Richard Young | Secretary |
| Allen Cloud | Director |
| Robert Robinson | Director |
| Richard Garrett | General Manager |

With all said members present except the following absentee(s): Robert Jacobs, thus constituting a quorum. Vice President Farek called the meeting to order at 9:00 am.

Due to the COVID 19, the meeting was held remotely via the internet.

There being no public comments, Vice President Farek went on to the consent items.

The first item of business was the consent items, which included minutes of the regular Board Meeting, held on May 27, 2020, Special called Meeting of June 10, 2020 and May Financial Statements. Natasha Keeney went over the May financial reports. There were no major expenses on either fund. Water plant treated over 1 billion gallons for the month of May. Sewer treated 425.7 million gallons. Vice President Farek inquired as to why the salaries were approximately 50K more last year versus this year. May 2019 there were 3 pay periods, May 2020 had only 2. A motion was made to approve the consent items by Secretary Young and seconded by Director Cloud. All members present voted in favor of the motion. Vice President Farek requested that the gallons processed be added to the financial information provided.

New Business Items: The first new item was to discuss and consider awarding a bid to Lonestar Truck Group for a new Roll off Truck, in the amount of \$91,836.59 and take the appropriate action. Mr. Garrett, General Manager, stated that an existing truck will be traded with the purchase of the new truck. A motion was made by Director Cloud to award the bid to Lonestar Truck Group, in the amount of \$91,836.59 for the new roll off truck and seconded by Director Robinson. All members present voted in favor of the motion.

The next item of business was to discuss and consider awarding a bid to Ring-O-Matic for a new vacuum trailer, in the amount of \$97,481.00 and take the appropriate action. Secretary inquired as to what the cost of a vacuum truck would be in comparison to the trailer. Mr. Garrett, General Manager, stated that it would be 3 times more. The trailer can carry 5,000 gallons and holds a 500 gallon water tank. District has a dually truck that can pull the trailer. A motion was made by Secretary Young to award the bid to Ring-O-Matic in the amount of \$97,481.00 and seconded by Director Robinson. All members present voted in favor of the motion.

The next item of business was to discuss and consider update to the Investment Policy and take the appropriate action. Mr. Garrett, General Manager, stated that our Auditors have made some change recommendations to the existing policy and it was time to perform the annual review of the policy as well. The policy was reviewed page-by-page via power point to show changes, updates to be made. Once review was completed, a motion was made by Director Cloud to approve the Resolution confirming

continuance of the district's Investment Policy and seconded by Director Robinson. All members present voted in favor of the motion.

Next item was to discuss and consider retail water customer rate increase and take the appropriate action. Ricky Garrett, General Manager, stated that district took current rates from 6 wholesale customers and averaged each fee for new cost structure. The intent is to review rates annually. Staff recommends to lower base rate initial gallons to 1000 and raises th base rate from \$12.00 to \$19.00. A motion was made by director Cloud to approve the new retail rate increase and seconded by Director Robinson. Secretary Young abstained from voting. Vice President voted in favor of the rate increase.

Final item was to receive a report from Ricky Garrett, General Manager, on status of cash reserve funds. He stated that "excess reserve funds" "would be changed to working capital", for funds left over budget amounts required for both water and sewer funds. Even after using excess funds to finish paying for the Stillhouse Water Plant, there is 10 months of working capital left on the water side. Sewer has 18 months of working capital.

Staff Reports: Ricky Garrett, General Manager, informed the board that he was able to talk to T.C.E.Q. and received a time line of September/October 2020 for the South wastewater plant discharge into Trimmier Creek to go into Stillhouse Lake.

The new skid steer purchased for the water plant has been used for a number of things already.

August/September is still the substantial completion timeline for Stillhouse Water Plant.

One bore left. It is at intersection of FM2484 and FM3481.

Both lakes are at full level.

June flows are down due to the recent rains.

Upcoming elections work has already started; information being put on website.

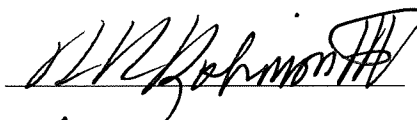
Items from the Board: Secretary Young inquired as to how are gallons treated projected.

Mr. Garrett stated that gallons to be treated are projected on an annual basis. May 2020, we treated 1 billion gallons; June projected to be over 1 billion again.

Mr. Young also inquired about bid process for hauling and grinding. Mr. Garrett stated that staff does their own hauling; grinding is done on occurrence.

09:38a.m. Vice President moved for adjournment. Secretary Young seconded.




Richard Young, Secretary
Board of Directors