

March 27, 2024

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, in the Conference Room, 201 South 38th Street, Killeen, Texas 76543, at 09:00 a.m., on the 27th day of March 2024, and the roll was called of the duly constituted officers and members of the Board.

Robert R Robinson	President	Richard Grandy	Director
Kenny Wells	Vice President	Dale Treadway	Director
Sandra Blankenship	Secretary	Brian Dosa	Fort Cavazos Representative
Ricky Wilson	Director	Ricky Garrett	General Manager
Dr. Joyce Bateman Jones	Director		

Public attendees were Glenn Opel, Bracewell; Garry Kimball, Specialized Public Finance; Dane Legg, Lott Vernon & Co.; Thaddeus Imerman, KDH; Ana Karamalegos, CDM Smith; Sarah Stewart, CDM Smith; Steve Kana City of Killeen; John Del Rio, citizen of Salado; Brady Lantz, citizen of Salado.

With all said members present except the following absentee(s): Richard Grandy, thus constituting a quorum.

President Robinson called the meeting to order at 09:00 am. Public comment from Mr. John Del Rio and Mr. Brady Lantz raising concerns about flooding issues related to their properties. Mr. Del Rio has addressed the board about his property specifically, while Mr. Lantz, who lives next to Mr. Del Rio, also spoke up about similar problems experienced in his backyard since moving in August. President Robinson stated that the board would look into this matter.

The first item of business was the consent items, which included the minutes of the regular Board Meeting, held on February 28, 2024, minutes of the Special Called Board Meeting held on March 14, 2024, and approval of February Financial Statements. A motion was made by Director Wilson to approve the minutes of the February 28, 2024 meeting as presented, and seconded by Secretary Blankenship. All members present approved the motion unanimously. A motion was made by Director Treadway to approve the minutes of the March 14, 2024 meeting as presented, and seconded by Secretary Blankenship. All members present approved the motion unanimously.

The final consent item was to discuss and consider approval of financial statements for February 2024. LaFranshonna McAllister went over both the water and wastewater financial statements. Water spent 75% of their total budget and wastewater spent 68% through February. A motion was made by Director Treadway to approve February financial statements and seconded by Secretary Blankenship. All members present approved the motion unanimously.

New Business Items: The first new item was to discuss and consider a bond order authorizing the issuance, sale and delivery of Bell County WCID No. 1 water system revenue bonds, series 2024 in accordance with certain parameters; prescribing the terms and provisions thereof; making provisions for the payment of the interest thereon and the principal thereof; authorizing the execution and delivery of a purchase contract and a paying agent/registrar agreement; and containing other provisions relating to the subject, and take the appropriate action. Garry Kimball, Financial Advisor with Specialized Public Finance, discussed the upcoming bond issuance and the importance of securing favorable rates for the proposed 25-year tax-exempt bond with a 3-year call feature. It was emphasized that locking in rates as soon as the bond goes to market on April 23 is crucial to ensure cost-effectiveness and financial stability for the project. The 3-year call feature provides flexibility, allowing for potential adjustments to bond payments in the event of extra bond proceeds within the specified timeframe. This feature could lead to lower bond payments, enhancing the financial viability of the project over the long term. Mr. Garrett, General Manager, stated the bond funds are necessary for expansion and upgrades to the Belton Water Treatment Plant and upgrades to the Killeen Transmission System. It was noted that each customer entity board or council has either considered or will consider their portion of the costs for this project. A motion was made by Secretary Blankenship to approve the bond order authorizing the issuance, sale and delivery of Bell County WCID No. 1 water system revenue bonds, series 2024 in accordance with certain parameters; prescribing the terms and provisions thereof; making provisions for the payment of the interest thereon and the principal thereof; authorizing the execution and delivery of a purchase contract and a paying agent/registrar agreement; and containing other provisions relating to the subject and seconded by Director Treadway. All members present approved the motion unanimously.

The next item of business was to discuss and consider a resolution approving addendums to the water supply contracts between the District and certain customers of the water supply system relating to the Lake Belton Water Treatment Plant and the series 2024 bonds; approving such other actions as may be necessary or desirable with respect thereto; and providing an effective date and take the appropriate action. Mr. Garrett, general manager, stated this is for approval and execution of the necessary contract addendums to move forward with the planned upgrades to the Lake Belton Water Treatment Plant and the upgrades to the Killeen Transmission System. Each customer entity board or council has or will be considering their portion of cost for this project. Action has already been taken by most of the customers. Additionally, a request has been made to the contracting officer at Ft. Cavazos to authorize the use of their reserve funds as needed for the planned upgrade projects. A motion was made by Secretary Blankenship to adopt the resolution approving addendums to the water supply contracts between the District and certain customers of the water supply system relating to the Lake Belton Water Treatment Plant and the series 2024 bonds; approving such other actions as may be necessary or desirable with respect thereto; and providing an effective date and seconded by Director Treadway. All members present approved the motion unanimously.

The final item was to discuss and consider appointment of Auditor(s) and take the appropriate action. Mr. Garrett stated Lott, Vernon, and Company PC have been the only auditors that the district has ever had. Based on this history and a strong working relationship, staff recommend appointing Lott, Vernon, and Company as auditors for fiscal year 2023-2024 at a cost not to exceed \$51,000.00. A motion was made by Secretary Blankenship to appoint Lott, Vernon, and Company for fiscal year 2023-2024 and seconded by Director Wells. All members present approved the motion unanimously.

Staff Reports: Trevor Butler, Wastewater Superintendent, informed the board that Plant 1 is averaging 11.5 mgd. Parts are on site for the belt press bearing issue, waiting for down time in order to make repairs. The remaining 3 belt presses are running therefore creating redundancy.

Plant 3 is averaging 3.5 mgd. The new blower block that was ordered to address the SBR blower issues was damaged during shipping, still waiting on replacement pieces. Another blower was having issues however the District's I/E Technician was able to reset and adjust the parameters without issues and is now running great. Problems with the influent lift station due to a pump trip and VFD burnout. A crane has been scheduled to assess the pump.

The compost facility is performing well, with sales on the rise. The facility is continuing to be open every other Saturday from 8:00 AM to 12:00 PM. The new equipment that was purchased has been doing very well and steadily making more product.

Keith Baker, Operations Manager, gave an update on both lake levels; Lake Belton down 12 feet and Lake Stillhouse down 17 feet. Belton treatment plant averaging 28 mgd; a minimum of 27 mgd; and max is 36 mgd.

The rapid mixer at Plant 4 was successfully installed using the crane. Two rebuilt high-service pump motors and a raw water intake pump were installed and are currently in service, performing well. The final schedule for Plant 2's backwash valve installation is pending, with work likely to commence in April. Intake inspection was completed and waiting on final report.

The Belton generator project had gas load tests have been completed successfully on 7 out of 8 generators. Unit number 2 is facing issues with a faulty unit breaker. To address this, consideration is being given to removing a breaker from one of the units in Building B. The switchgear installation has been delayed until mid-April. Despite having wire measurements for transformer wiring, progress is stalled until the switchgear is in place.

Stillhouse Plant is averaging 1 mgd.

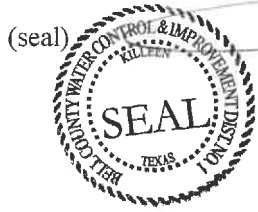
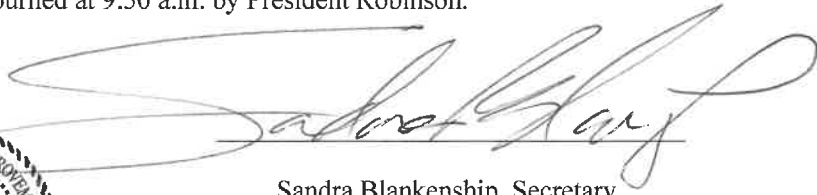
The high-service pumps continue to operate smoothly without any issues. An intake inspection has been successfully completed and waiting final inspection report for further insights.

Mr. Garrett, General Manager, provided an update on staffing. The team is close to being fully staffed, and candidates are being screened for the deputy general manager position. The past few weeks have been spent on compiling 2024-2025 budget. ASR (Aquifer Storage and Recovery) finished the production well and is undergoing pumping tests to ensure efficacy. All wastewater discharge permits have been submitted for approval and are now declared administratively complete, meeting the timeline. The permits are expected to become effective in August or

September. The lead and copper service line inventory is due to be submitted to TCEQ (Texas Commission on Environmental Quality) by October 1st.

The Budget Workshop will be held in the second week of April. The next regular board meeting will be held April 24, 2024 and the drought contingency plan will be presented.

Meeting was adjourned at 9:50 a.m. by President Robinson.



Sandra Blankenship, Secretary
Board of Directors