

August 23, 2017

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 South 38th Street, Killeen, TX 76543, at 09:00 a.m., on the 23rd day of August 2017, and the roll was called of the duly constituted officers and members of the Board.

John Blankenship	President
Don Farek	Vice President
Robert M. Jacobs	Secretary
J Michael Miller	Director
Allen Cloud	Director
Richard Garrett	General Manager

With all said members present except the following absentee(s): Don Farek, thus constituting a quorum. President Blankenship called the meeting to order at 9:03 am.

The first item of business was the consent items, which included minutes of the regular Board Meeting, held on July 5, 2017, July Financial Statements and 2nd Quarter Investment Report. Pam Oakes, Accountant, went over the financial report. Ricky Garrett, General Manager, went over the Quarterly Investment Report. Due to the Public Investment Act, more information is now required on the report. After a brief discussion about moving funds from TexPool to TxClass a motion was made by Director Miller to approve the consent items, and seconded by Secretary Jacobs. All members present voted in favor of the motion.

The next item of business was new business: Discuss and consider audit report of the May 1, 2016 to April 30, 2017 and take the appropriate action. Mr. Dane Legg, Auditor from Lott Vernon & Co., went over the annual report. Total assets are up .3% from previous year. The net pension is over funded. Net positions on unrestricted funds are very good. Meter sales, maintenance, and electrical use down from last year; depreciation is up from last year. Only footnote is that everything is ok. On the management report, the item requiring attention was that 2 bids failed on requirements. Recommended that if only 2 bids are obtained and bid is advertised correctly, district should be in compliance with the Texas Water Code. A motion was made to approve the audit report by Director Cloud and seconded by Secretary Jacobs. All members present voted in favor of the motion.

The next item was to discuss Texas County and District retirement system plan. Mr. Garrett, General Manager, handed out a current and proposed plan comparison sheet to review. If board approves the 2.0 to 1.0 ration, the fully funded ratio will take until 2037 to reach. Very little funds would be required due to current amount district puts in. His recommendation was to increase the match. A motion was made by Secretary Jacobs to table the agenda item until more information can be obtained and seconded by Director Miller. All members present voted in favor of the motion.

The next item was to discuss and consider awarding a bid for the aeration basin cleanout for Wastewater Treatment Plant 1 and take the appropriate action. The bids by J&K and Prime Spec were well over the budgeted \$50,000.00. Mr. Garrett recommended rejecting both bids. The board voted unanimously to reject both bids. Plant has 4 basins, each have 3 passes. Consider

doing the work in-house for 1 pass and replace diffusers and see if a local vendor can assist with clean outs. Funds in budget will cover this work.

The next item was to discuss and consider awarding a bid for a new forklift for Wastewater Treatment Plant 3 and take the appropriate action. Mr. Garrett stated that 4 bids were sent out, 2 received back. A recommendation was made to award the bid to Darr Equipment for their low bid. A motion was made by Secretary Jacobs to award the bid to Darr Equipment in the amount of \$44,110.53 and seconded by Director Cloud. All remembers present voted in favor of the motion.

The last new item was to discuss and consider authorizing the General Manager to increase the cross training incentive pay from \$100.00 monthly to \$250.00 monthly and take the appropriate action. After a lengthy discussion a motion was made by Director Cloud and seconded by Secretary Jacobs to put a policy in place within the next 60-90 days and bring back to the board. All members present voted in favor of the motion.

Staff Reports: Keith Baker, Water Plant Superintendent, informed the board that the plant is operating very well. Staff is treating 41.6mgd on average and 51.2mgd maximum. Staff just completed an emergency repair on the Plant 4 raw water injection line that was leaking. Plant 1 switchgear project is nearing completion. A third party is testing lines and plant 1 could be put back online by mid-September. The Stillhouse Water Plant project has started. Land clearing is underway. The Terminal Control project will start as soon as pumpage slows down. Zebra mussels are now in the flocc basins.

Ricky Garrett, General Manager, informed the board that staff is doing well. Compliance and safety is on Que. HUMANA has a wellness program that we are working with currently. 82% of positons that require certifications is now covered. The SBR operation can be transitioned back to a conventional plant. The plant 3 fixes are still underway. All aspects of upgrade are being used except the digester basins. Nolan Creek Advisory Committee – out of Tarleton- is watching the e-coli levels in the creek. WCID #3 is looking for a buyer for 750,000 gallons of their share in the new Stillhouse Plant which their board approved at their last monthly meeting. Staff reached out to City of Belton, who is not interested. The City of Harker Heights s very interested. All members will be notified by letter of this situation. A slide was presented on the water level uses for each entity as well as a slide with contaminate levels. Mr. Garrett will be having a meeting with Louis Herrin of T.C.E.Q to get the process of having Plant 3 re-rated. As soon as the phosphorous levels go down, plant 3 can start discharging into Trimmier Creek.

Items from the Board: President Blankenship stated that the September meeting will be held at the Water Treatment Plant. Staff is to bring a breakdown of all employee benefits to the board at a future meeting.

10:50am, Vice President Farek moved for adjournment



A handwritten signature in blue ink, appearing to read 'R. Jacobs', is written over a horizontal line.

Robert M. Jacobs, Secretary
Board of Directors