

February 28, 2018

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 28th day of February 2018, 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 9:00 am.

The first item of business was the consent items, which included minutes of the regular Board Meeting, held on January 24, 2017 and January 31, 2017 and January Financial Statements. Pam Oakes, Accountant, went over the financial report. A motion was made by Secretary Jacobs to approve the consent items as stated, and seconded by Director Cloud. All members present voted in favor of the motion.

Mr. Steve Kana, City of Killeen, joined the meeting at 9:05am.

The next item of business was new business: Discuss and consider an order calling a directors election and take the appropriate action. Mr. Ricky Garrett, General Manger, stated that a qualified candidate has applied for the upcoming election. Allen Cloud, Michael Miller, and Richard "Dick" Young are the candidates. President Blankenship stated that the election will take place at the Fire Station on 28th Street, Killeen, Texas. A motion was made to approve the order calling a directors election by Secretary Jacobs and seconded by Director Miller. All members voted in favor of the motion.

The next item of business was to discuss and consider appointment of an Auditor for fiscal year May 2017 through April 2018 and take the appropriate action. Ricky Garrett, General Manager, stated that Lott Vernon and Co. has performed the annual audits and staff is recommending they be appointed again this year. A motion was made to appoint Lott Vernon and Co. as the Auditor again this year by Director Miller and seconded by Secretary Jacobs. All members present voted in favor of the motion

The next item was to discuss and consider change order from Shelton and Shelton Plumbing for additional pipe and fittings for the miscellaneous Large Valve Replacement Project in the amount of \$13,740.00 and take the appropriate action. Ricky Garett, General Manager stated that he approved the work to be done prior to receiving a change order and recommended that the change order be approved. A motion was made by Director Cloud to approve the change order in the amount of \$13,740.00 and seconded by Director Miller. All members present voted in favor of the motion.

The next item of business was to discuss and consider awarding a bid for the Intake Tunnel Project at the Water Treatment Plant and take the appropriate action. Ricky Garrett, General Manager, stated that bid requests were sent to 6 contractors; 3 attended the pre-bid meeting, and only 2 bids were

received. The work entails the annual cleaning of the tunnel, installing the coated bar screen and facilities to add an algacide to the intake structure. The cost is well under the budgeted amount. A motion was made by Director Miller to award the bid to Lone Star Diving in the amount of \$86,862.00 and seconded by Secretary Jacobs. All members present voted in favor of the motion.

The next item was to discuss and consider Resolution 022818 adopting the Water Conservation Plan and Drought Contingency Plan and take the appropriate action. Ricky Garrett, General Manager stated that item was brought back from last month's meeting. This is last year for the 2014 adoption and that in 2019 a new plan is due out. T.C.E.Q. requires a new plan every 5 year. A motion was made to approve the Resolution by Secretary Jacobs and seconded by Director Cloud. All members present voted in favor of the motion.

The next item was to discuss and consider approval of a service agreement from 5-Electric, approve new contract for electricity beyond June 2021 and take the appropriate action. Ricky Garrett, General Manager, showed a slide reflecting the all-time low rates of natural gas and recommended that he be authorized to enter into an agreement with 5-Electric to go out for bid beyond June 2021 not to exceed a rate of 4.2 cents per kWh. A motion was made by Secretary Jacobs to approve the service agreement and seconded by Director Miller. All members present voted in favor of the motion.

The next item was to discuss and consider a change order from Archer Western Construction for a change in coating material for the digester repairs as part of the South Plant Improvements in the amount of \$12,662.00 as outlined in the settlement agreement executed on November 3, 2017. There is no charge to the district for this contract change. A motion was made by Director Cloud to approve the Change Order for the amount of \$12,662.00 and seconded by Secretary Jacobs. All members present voted in favor of the motion.

The next item is to discuss and consider change order number 2 from CSA Contractors in the not to exceed amount of \$14,214.00 for additional conduit and take the appropriate action. Ricky Garrett, General Manager, recommended approving the change order due to the fact that if additional conduit was required in the future, the cost would be substantially more. A motion was made to approve the change order by Secretary Jacobs and seconded by Director Miller. All members present voted in favor of the motion.

The last item was to discuss and consider change order number 3 from CSA Contractors in the amount of a credit for a minimum of \$10,000.00 for a reduction in the linear footage for perimeter fencing and take the appropriate action. Ricky Garrett, General Manager, informed the board that the original fencing was for the full 38+/-acres. This is a reduction of 560 linear feet. A motion was made to approve the change order by Director Miller and seconded by Director Cloud. All members present voted in favor of the motion.

Staff Reports: Keith Baker, Water Plant Superintendent, informed the board that flows are down. Averaging 25.7mgd and the maximum was 30.5 for this month. The lake level is down about 2.5 feet. Staff is performing annual pump/motor oil changes. Floc drives at Plant 2 are being installed and plant should be back online within the next 2 weeks. Staff will start up the 30" Cla valve at Terminal Control tomorrow.

Stillhouse Water Treatment Plant project is ongoing. Under slab conduit is being installed. Main electrical building construction has started and conduit install is almost completed. Contractor continues to crush/screen material for future back filling. The clear well contractor should be onsite by the end of March.

Ricky Garrett, General Manager, stated that 2 new employees were hired for the water plant. One will be in the I/E department and one in Operations/maintenance. This time next year, discussions will be had to staff the new Stillhouse Water Plant.

Co-coordinating with MGC chemical plant. They should have no impact on the district or the City of Killeen. They are estimated to use 30,000gpd or 1,000,000gallons per month.

Next scheduled regular meeting will be held on March 28, 2018.

Items from the Board: Secretary Jacobs inquired about the status of discharging into Trimmier Creek at South Wastewater Plant.

09:50am Secretary Jacobs moved for adjournment.



Don Ferek

Robert M. Jacobs, Secretary
Board of Directors

DON FAREK VP