

December 11, 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 11th day of December 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	Fred Welch	Director
Sandra Blankenship	Secretary	Brian Dosa	Fort Cavazos Representative
Ricky Wilson	Director	Ricky Garrett	General Manager
Dr. Joyce Bateman Jones	Director		

Public attendees were Dale Treadway, Copperas Cove City Council; Garry Kimball, Specialized Public Finance, Inc.; Glenn Opel, Bracewell LLP; Erik Walsh, Killeen Daily Herald; Bear Jones, Citizen of Killeen.

With all said members present except the following absentee(s): Dr. Joyce Bateman Jones, thus constituting a quorum.

President Robinson called the meeting to order at 09:00 am. No public comments were made.

The first item of business was the consent items, which included the minutes of the regular Board Meeting, held on October 16, 2024, minutes of the Called Board Meeting, held on October 23, 2024, minutes of the Called Board Meeting, held on November 18, 2024 and approval of September 2024 and October 2024 Financial Statements. A motion was made by Secretary Blankenship to approve the minutes of the October 16, 2024 meeting and seconded by Director Wilson. All members present approved the motion unanimously. A motion was made by Secretary Blankenship to approve the minutes of the October 23, 2024 meeting and seconded by Director Wilson. All members present approved the motion unanimously. A motion was made by Secretary Blankenship to approve the minutes of the November 18, 2024 meeting and seconded by Director Wilson. All members present approved the motion unanimously.

The final consent item was to discuss and consider approval of financial statements for September and October 2024. LaFranshonna McAllister presented the corrected total gallons of Wastewater for the month of September, which had been previously noted as a discrepancy during the October 16th Board Meeting. Ms. McAllister also presented the October financial statements for both water and wastewater. Water spent 43% of their total budget and wastewater spent 42%. A motion was made by Secretary Blankenship to approve September and October financial statements and seconded by Director Grandy. All members present approved the motion unanimously.

New Business Items: The first new business item was to administer the Oath of Office to newly elected member Fred Welch (Precinct 4), with Secretary Blankenship officiating.

The next item of business was to discuss the Election of Officers for Bell County Water Control & Improvement District #1. Nominations were opened for all three officer positions. A motion was made by Director Welch to retain the current officers- President Robinson, Vice President Wells, and Secretary Blankenship—in their respective roles and seconded by Director Wilson. All members present approved the motion unanimously.

The next item of business was to consider the adoption of an order authorizing the issuance, sale and delivery of Bell County Water Control and Improvement District No. 1 Special Project Revenue Bonds in the approximate amount of \$11,755,000, Taxable Series 2025A (Water Facilities Projects); making provision for the payment of the interest thereon and the principal thereof; authorizing the execution and delivery of a purchase agreement and a paying agent/registrars agreement; and enacting other provisions related thereto and take appropriate action. Mr. Garrett stated the bond funds are designated for necessary improvements to the Belton Water Treatment Plant, the 48-inch replacement project, the Surge Tank addition and the Station 3 re-coating projects. Ft. Cavazos has authorized the use of \$3.3 million from their reserve funds to the planned improvements.

The next item of business was included in the discussion: Consider the adoption of an order authorizing the issuance, sale and delivery of Bell County Water Control and Improvement District No. 1 Special Project Revenue Bonds in

the approximate amount of \$12,745,000, Taxable Series 2025B (Sewer Facilities Projects); making provision for the payment of the interest thereon and the principal thereof; authorizing the execution and delivery of a purchase agreement and a paying agent/registrars agreement; and enacting other provisions relating thereto and take appropriate action. Mr. Ricky Garrett, General Manager, introduced Mr. Glenn Open, Bracewell LLC, the District's bond attorney and Mr. Garry Kimball, Specialized Public Finance, the District's financial advisor. Mr. Garrett explained that the bond funds are designated for essential upgrades to Wastewater Plant 1, including equipment replacements and improvements, with Fort Cavazos covering 4/9ths of the cost. Financial Advisor Gary Kimball presented details for Series A and B bonds, with revised financing amounts of \$8.455 million for Series A and \$12.745 million for Series B due to favorable interest rates of 4.25% for Series A and 6.18% for Series B, both lower than the anticipated 7%. Despite the taxable nature of the financing, the rates approached tax-exempt levels due to competitive bidding. Series A received fully conforming bids, with First National Bank offering the lowest rate and aligning with the requested 15-year amortization. However, Series B bids varied significantly, making direct comparisons challenging. Final purchase agreements, financing summaries, and corrected agenda items were distributed for review, and the adjustments align with public expectations. A motion was made by Secretary Blankenship to adopt an order authorizing the issuance, sale and delivery of Bell County Water Control and Improvement District No. 1 Special Project Revenue Bonds in the approximate amount of \$11,755,000, Taxable Series 2025A (Water Facilities Projects); making provision for the payment of the interest thereon and the principal thereof; authorizing the execution and delivery of a purchase agreement and a paying agent/registrars agreement; and enacting other provisions related thereto and seconded by Director Wilson. All members present approved the motion unanimously.

A motion was made by Secretary Blankenship to adopt an order authorizing the issuance, sale and delivery of Bell County Water Control and Improvement District No. 1 Special Project Revenue Bonds in the approximate amount of \$12,745,000, Taxable Series 2025B (Sewer Facilities Projects); making provision for the payment of the interest thereon and the principal thereof; authorizing the execution and delivery of a purchase agreement and a paying agent/registrars agreement; and enacting other provisions relating thereto and seconded by Director Grandy. All member present approved the motion unanimously.

The next item of business was to consider the adoption of a resolution of the Board of Directors of Bell County Water Control and Improvement District No. 1 authorizing, approving and ratifying a utility service agreement for service rates and an amendment to such agreement, each between the district and the United States of America, acting through the Directorate of Public Works, Fort Cavazos, Texas; approving such other actions as may be necessary or desirable with respect thereto; and providing an effective date. Mr. Garrett, along with Mr. Opel discussed the updates to the annual service rate agreement supporting the bond issuance, including rewording to align with requirements from the attorney general's office. The changes included an addendum to the original agreement, making it more defensible and ensuring coverage for debt service and maintenance reserves through a revised overage rate structure. A resolution was proposed to ratify the agreement and amendments, providing formal approval and preparation for potential future inquiries from the attorney general. A motion was made by Director Welch to adopt the resolution of the Board of Directors of Bell County Water Control and Improvement District No. 1 authorizing, approving and ratifying a utility service agreement for service rates and an amendment to such agreement, each between the district and the United States of America, acting through the Directorate of Public Works, Fort Cavazos, Texas; approving such other actions as may be necessary or desirable with respect thereto; and providing an effective date and seconded by Vice President Wells. All members present approved the motion unanimously.

The next item of business was to consider the adoption of a bond order authorizing the issuance, sale and delivery of Bell County Water Control and Improvement District No. 1 Sanitary Sewer System Revenue Bonds in the approximate amount of \$14,870,000, Series 2025 in accordance with certain parameters; prescribing the terms and provisions thereof; making provision for the payment of the interest thereon and the principal thereof; authorizing the execution and delivery of a purchase contract and a paying agent/registrars agreement; and containing other provisions relating to the subject and take appropriate action. Mr. Garrett, General Manager, stated the City of Killeen is responsible for funding five-ninths of the capital upgrades to the wastewater plant, with the expectation of approval at their January 21st meeting. Mr. Kimball explained the open-market transaction allows for delegated approval authority, granting Ricky Garrett the power to negotiate and finalize the bond rate within set parameters, including a maximum principal amount of \$14.87 million, a maturity date no later than July 10, 2045, and an expected interest rate of 4.5%. The bond, anticipated to receive a double-A rating, will be finalized following Killeen's approval, with Ricky Garrett ensuring compliance with all milestones before execution. A motion was made by Secretary Blankenship to adopt a bond order authorizing the issuance, sale and delivery of Bell County Water Control and Improvement District No. 1 Sanitary Sewer System Revenue Bonds in the approximate amount of \$14,870,000,

Series 2025 in accordance with certain parameters; prescribing the terms and provisions thereof; making provision for the payment of the interest thereon and the principal thereof; authorizing the execution and delivery of a purchase contract and a paying agent/registrars agreement; and containing other provisions relating to the subject and seconded by Vice President Wells. All members present approved the motion unanimously.

The next item of business was to consider the adoption of a resolution of the Board of Directors of Bell County Water Control and Improvement District No. 1 approving Addendum No. 1 to the amended and restated waste disposal contract between the district and the City of Killeen, Texas, relating to the 38th Street Treatment Facilities and the Series 2025 bonds; approving such other actions as may be necessary or desirable with respect thereto; and providing an effective date. Mr. Garrett, General Manager, stated the order is a continuation of the previous discussion and outlines the addendum item the Killeen City Council will address on January 21st. It formalizes the contractual process, requiring Killeen to set aside funds for debt service and agree to all terms of the financing. This step ensures alignment between the district and the city for the wastewater plant upgrades. A motion was made by Secretary Blankenship to adopt a resolution of the Board of Directors of Bell County Water Control and Improvement District No. 1 approving Addendum No. 1 to the amended and restated waste disposal contract between the district and the City of Killeen, Texas, relating to the 38th Street Treatment Facilities and the Series 2025 bonds; approving such other actions as may be necessary or desirable with respect thereto; and providing an effective date and seconded by Director Wilson. All members present approved the motion unanimously.

The next item of business was to discuss and consider authorizing the General Manager to negotiate a service agreement with RLC controls, McKinney, Texas for a redundant cellular SCADA network in an amount not to exceed \$97,500 and take appropriate action. Mr. Garrett, General Manager, introduced Mr. Kevin Wright, I/E Supervisor, who presented highlights on the current Supervisory Control and Data Acquisition (SCADA) system at the Belton Water Treatment Plant, which uses radio signals on an unlicensed 900 MHz band to communicate with 17 remote sites. While effective, the radio system relies on repeater stations and is vulnerable to disruptions, such as the May tornado, which caused significant operational challenges. A proposed upgrade to cellular modem technology would provide faster, more secure, and independent communications using private networks via cell towers, ensuring system redundancy with the existing radio infrastructure as a backup. A motion was made by Secretary Blankenship to authorize the General Manager to negotiate a service agreement with RLC controls, McKinney, Texas for a redundant cellular SCADA network in an amount not to exceed \$97,500 and seconded by Director Welch. All members present approved the motion unanimously.

The next item of business was to discuss and consider approval of annual chemical bids to; Chameleon, SNF Polydyne, PVS DX, Inc., USALCO and Pennco Inc., for water and wastewater treatment chemicals and take the appropriate action. Mr. Garrett, General Manager, stated the District's annual chemical supply contracts, set to expire on December 31, 2024, were rebid this year in collaboration with eBridge Business Solutions LLC, utilizing an online reverse auction process. This competitive format allows qualified suppliers to submit and update their bids in real-time, encouraging lower pricing as vendors see their rank and adjust accordingly. To award the bids appropriately, each product will be matched with the supplier offering the most advantageous terms for the district. A motion was made by Secretary Blankenship to approve the bids for chemicals to the lowest bidder, excluding Sulfur Dioxide which was not awarded, and seconded by Director Wilson. All members present approved the motion unanimously.

The final item of business was to discuss and consider awarding a bid to Prime Spec Construction, Liberty Hill, Texas for the Belton Water Plant Filter Piping Repairs Project in the amount of \$1,145,103.00 and take appropriate action. Mr. Garrett, General Manager, stated the Filter Piping Repairs Project, part of the Belton Water Treatment Plant Upgrade bond projects, received a single bid from Prime Spec Construction, whose proposal is only 2% above the engineer's estimate. Staff recommends awarding the bid to Prime Spec, a proven contractor for Bell County WCID #1, with funding available from the 2024 Water Bond. A motion was made by Secretary Blankenship to award the bid to Prime Spec Construction, Liberty Hill, Texas for the Belton Water Plant Filter Piping Repairs Project in the amount of \$1,145,103.00 and seconded by Director Grandy. All members present approved the motion unanimously.

Staff Reports: Trevor Butler, Deputy General Manager, gave an update on the communication tower project which was installed on November 18th and now operational with an improved signal.

For the Belton gas line project, the contractor tested the lines and heaters inside the buildings.

On the 3MG Surge Tank Project, the internal tank piping installation is complete and encased in concrete; the rebar mat is tied and ready for the slab pour scheduled for December 12th.

The backup generator project is nearing completion, with the plant load successfully synchronized. Generator 9's alternator requires replacement, and Rpower is currently fine-tuning the programming.

The rapid mix at Plant 4 was successfully installed on December 3rd.

The transmission line replacement project is progressing, the contractor awaits confirmation on the pipe delivery to proceed further.

Station 3 now has the capability to isolate each tank using underground piping and valves.

The Stillhouse Water Treatment Plant is currently offline, with plans to resume operations by mid-January or early February.

The FEMA work is in Phase 5, with invoices submitted and administrative time being tracked.

Lake Belton is down 2 feet and Lake Stillhouse down 1.9 feet. Belton treatment plant averaging 37 mgd and max is 41 mgd.

Wastewater Plant 1 is averaging 9.5 mgd and Plant 3 is averaging 2.5 mgd.

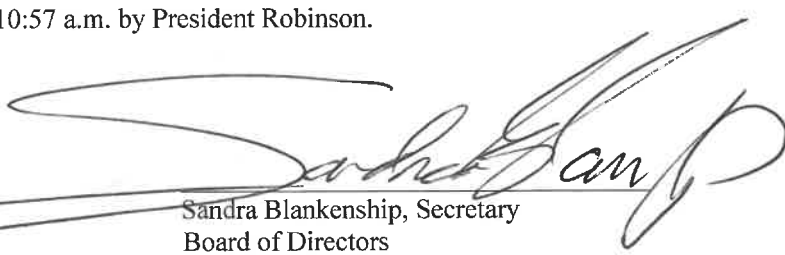
Ricky Garrett, General Manager, praised the staff for their exceptional handling of tasks, mentioning the inclusion of capital projects for plant upgrades on the City of Killeen's 21st council agenda. He also discussed "forever chemicals" (PFAS and PFOS), highlighting efforts to learn more about them and actively sampling and testing both raw and finished water. By April 2027, initial monitoring must be completed quarterly. In 2027, compliance monitoring begins, occurring every three years if initial monitoring is under trigger levels, or quarterly if PFAS levels exceed the trigger levels. Compliance will begin in 2029, with violators of MCLs required to take action to reduce levels and notify the public.

Natasha Keeney, Office Manager, provided a brief update on upcoming dates. A ribbon-cutting ceremony for the standby generators is tentatively planned for January, pending completion. The first board meeting of 2025 will be held on January 22, where CMAR recommendations for the Lake Belton WTP improvements will be presented. On February 1, the annual chlorine conversion process will take place, followed by the annual water conservation and capital projects meeting on February 5 at the Killeen Civic and Conference Center. Finally, budget amendments will be discussed during the meeting on February 26.

Items from the Board: none.

Meeting was adjourned at 10:57 a.m. by President Robinson.




Sandra Blankenship, Secretary
Board of Directors