

June 22, 2022

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 22nd day of June 2022, and the roll was called of the duly constituted officers and members of the Board.

Robert R Robinson	President	Richard Grandy	Director
Blair Williams	Vice President	Dale Treadway	Director
Sandra Blankenship	Secretary	Brian Dosa	Fort Hood Representative
John Fisher	Director	Ricky Garrett	General Manager
Kenny Wells	Director		

Public attendees were Thad Imerman, Killeen Daily Herald; Steve Kana, City of Killeen Staff; Scot Arey, citizen of Harker Hts.; Allen Woelke, CDM-Smith Engineering; Glenn Opel, Bracewell, LLC.; Garry Kimball, Specialized Public Finance via remote link

With all said members present except the following absentee(s): none, thus constituting a quorum.

Public comment from Mr. Scot Arey asked if the district will buy the standby generators; if the savings will be sold back into the market place and who will monitor the funds.

President Robinson called the meeting to order at 9:00 am.

The first item of business was the consent items, which included the minutes of the regular Board Meeting, held on May 25, 2022, and approval of May Financial Statements. A motion was made by Secretary Blankenship to approve the minutes of the May 25, 2022, meeting as written and seconded by Director Treadway. All members present approved the motion unanimously.

The next consent item was to discuss and consider approval of financial statements for May 2022. Natasha Keeney went over both the water and wastewater financial statements. May was the first month of the new budget year. Water spent 7.8% of their total budget and wastewater spent 5.0% for the year. A motion was made by Director Treadway to approve the May financial statements and seconded by Vice President Williams. All members present approved the motion unanimously.

New Business Items: 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 2022-A 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 documents and agreements in connection therewith; an continuing other provisions relating to the subject and take the appropriate action. Mr. Ricky Garrett, General Manager, introduced Mr. Glenn Opel, districts bond attorney and Mr. Garry Kimball, Specialized Public Finance, the district's financial advisor. Mr. Glenn Opel, Bracewell, LLC, informed the board that the bond order 2022-A issue is for the funding of standby generation for the water treatment plant. The maximum amount of the loan would be 11,330,000.00. It would be a 20-year debt.

Mr. Kimball, remotely, informed the board that the was actively preparing documents that will have to be presented to Moody's Investment first before going out to the open market. It could be the end of July or first part of August 2022 before presenting to the market. The debt service schedule is based on the current market with a little cushion. It would be finalized the end of August or first of September 2022. The district rating should not be an issue. (Single Aa category)

Mr. Garrett stated the district is applying for a DEAGG grant with the US Government. Would those funds be applied to the bonds? Mr. Kimball stated that there would be call option for proposed grant stated in bond issue to redeem bonds from the back end. The bonds would be a fixed rate issue. The estimated rate could be 4.75% with current rate increases. A motion was made by Director Treadway to approve the bond order and seconded by Director Grandy. All members present approved the motion unanimously.

The next item was to discuss and consider adopting a resolution approving addendum 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 2022A bonds; approving such other actions as may be necessary or desirable with respect thereto;

and providing an effective date. Mr. Garrett stated that the City of Belton, City of Copperas Cove, WCID NO 3; 439 WSC, and City of Harker Hts. approved their addendums. City of Killeen will decide on June 28th. Mr. Glenn Opel reiterated that this resolution solidifies the debt with district and the customers they serve. It modifies the existing facilities with current capacity. The proposed plant expansion will be for new capacity limits.

Director Wells asked why Fort Hood was not on the list? They pay separately. A motion was made by Director Fisher to approve the Resolution and seconded by Director Wells. All members present approved the motion unanimously.

The next item was to discuss and consider approval for the new NPW Pump for the South Wastewater Plant to Pump mechanical Technical Services, in the amount of \$42,397.00, and take the appropriate action. Staff recommends the middle bidder due to the 2- year maintenance warranty, original pump replacement and delivery time. A motion was made by Vice President Blair to approve the new NPW Pump and seconded by Director Treadway. All members present approved the motion unanimously.

The next item was to discuss and consider ratification for the Plant 2 filter media installation order with SNR Technology, in the amount of \$57,418.20 and take the appropriate action. Mr. Garrett stated that the original contract was to be completed February 26, 2022 but the first vendor never came back. District paid CNC \$47,000.00; owed another \$30,000.00 upon completion. SNR assisted with a prior media install and offered to finish up. Their bid with what's been paid is still below the original bids received in December 2021. A motion was made by Director Wells to award the bid to SNRR Technology to complete the filter media install and seconded by Secretary Blankenship. All members present approved the motion unanimously.

The final new item was to discuss and consider authorizing the General Manager to negotiate a possible contract/lease of Water Use Permit 13561 by DMB Development Company representing the Solana Ranch and take the appropriate action. Mr. Garrett stated that the district has a fiduciary responsibility to the wholesale entities we serve. The district has the water right that ties to the Plant 3 wastewater discharge permit currently capped out at 2mgd/day. There would be several criteria that would have to be met before a lease/contract would be approved. Mr. Garrett would entertain moving forward so long as the criteria is met. Director Fisher's concern is that our county property owners in South Killeen needing water, as well as our other customer needs should be considered before releasing the water to another county. Secretary Blankenship made a motion to table the item to the next meeting and seconded by Director Treadway. All members present approved the motion unanimously.

Staff Reports: Mr. Allen Woelke, CDM-Smith engineering, was given the floor to update the board on a revised option to the expansion of treatment capacity at the Belton Water Treatment Plant. The district currently has 90mgd daily treatment capacity at Belton Plant and 17mgd daily treatment capacity at the Stillhouse Plant for a total of 107mgd/day. The revised option would increase the treatment capacity by 13.25mgd/day; increase to 103.25mg/day. There are four (4) options to be considered. Each would have to be 13.25mgd/day. The approximate cost would be \$105,000,000.00 currently.

Trevor Butler, Wastewater Superintendent, informed the board that City of Killeen has diverted flows from Plant 3 to Plant 1. Plant 1 is running smoothly and is averaging 10.5 mgd. All filters are back in operation.

Plant 3 overall is doing well and is averaging 2.0 mgd. Basin 1 is down for maintenance. Diffusers are on order. Basin 4 actuator went down. I/E tech switched the actuator from Basin 1 and basin 4 is back up and running.

Compost facility sales have slowed down. The turner is out of service, clutch needs replacing. Staff researching life expectancy of a 2011 windrow turner. Rows have to be turned manually with the front-end loader. Bids have gone out to vendors for a new screener.

Keith Baker, Deputy General Manager, gave an update on both lake levels being down; Belton down 5.2ft, Stillhouse 5.6ft. Belton plant treatment is 33.5mgd/day, max is 49.8mgd/day. A new 600hp motor is out of service. Vendor due in to test.

Pump station upgrade for the City of Belton, excavation has been completed. Contractor has dug down 42 feet and. The new 72" connection joint being prepped for the tie in. Project final completion time is February 2023. Twenty-four-inch water line has been installed; contractor approaching the Belton Storage tank. The isolation valve replacement has a delivery of 21 weeks. Project completion date is November 2022.

Mr. Garrett, General Manager, informed the board that a request has been made with the Corps of engineer to use the existing easement to install the new gas line. Received final numbers for transformer install/purchase.

The Stillhouse plant is offline. Demand is not being met. Staff is flushing the line.

An update on the current Drought situation was shared with a power point presentation. Water use should be monitored. The BRA is in the first stages of their Drought contingency plan. The annual review of both plans will be brought to the board at the July 2022 meeting.

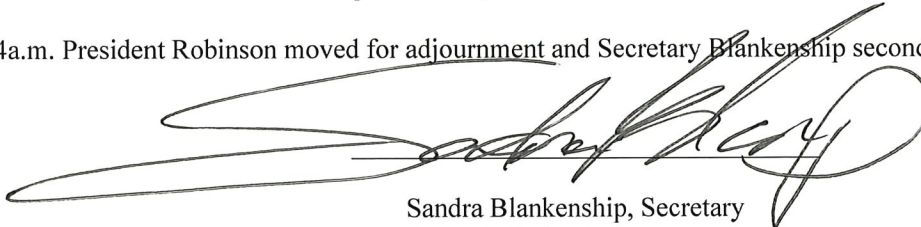
The 48" water line replacement 90% completion drawings should be received soon.

Items from the Board: Secretary Blankenship addressed the ASC.

At 10:45 the board went into executive session to discuss personnel issues.

At 10:53 board reconvened back in open session; no action taken while in executive session.

10:54a.m. President Robinson moved for adjournment and Secretary Blankenship seconded.



Sandra Blankenship, Secretary
Board of Directors

(SEAL)

