

Regular Meeting Minutes

July 19, 2016– 5:30 pm

**Orange County Water Control & Improvement District No. 1 Board Room
460 E Bolivar Street, Vidor, Texas**

Robert Viator.....President
Frank Inzer.....Vice President
Tim Beard.....Secretary
Trey Haney.....Director
Guy Groves.....Director
Norman Blackman.....General Manager
David LeJune.....Operations Manager

Members of the audience are requested to step outside the Board Room to respond to a page or to conduct a phone conversation.

The O.C.W.C & I.D #1 Administrative office is wheelchair accessible. Sign interpretation or other special assistance for disabled attendees must be requested 48 hours in advance by contacting the General Manager's Office at 409.769.2669.

CALL TO ORDER

Announce the presence of a Quorum.

President Robert Viator announced a quorum present and called the meeting to order at 5:30 p.m.

INVOCATION & PLEDGE OF ALLEGIANCE

Secretary Tim Beard offered the invocation and Director Haney led in the Pledge of Allegiance and the Texas Pledge.

MEMBERS PRESENT

President Robert Viator, Vice President Frank Inzer, Secretary Tim Beard, Director Trey Haney, and Director Guy Groves.

MEMBERS ABSENT

STAFF PRESENT

Norman Blackman, General Manager, Larry Hunter, Attorney, David LeJune, Operations Manager and Chris Serres, Finance Director.

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1. Citizen Comments.

President Viator called for any comments from Citizens.

There were no comments.

2. Consideration and possible action regarding LJA Engineering, Inc. Monthly Status Report concerning ongoing District projects.

Jeff Scogin, with LJA Engineering, Inc. briefed the Board on the status of ongoing District projects beginning with Project 6200C – Sanitary Sewer Collection System Rehabilitation. He pointed out that agenda items are following concerning the completion of the project. He then informed the Board that the Contractor has completed all punch list items and some repair items that surfaced after the punch list was completed and that all completion documents are ready for final approval which includes payment request #25, the final payment request #26 releasing retainage, the certificate of construction completion, and other documents required by the TWDB.

Mr. Scogin then briefed the Board on Project 6560C - Surplus Funds Water System Improvements Project – Contract 1 - Cast Iron Water Line Replacement Project and Contract 2 – Water Well Sites Improvements. He stated that, over the past two weeks, bids were advertised, received and opened for Contract 1 and passed out the bid tabulation sheet for Board review. He then stated that Contract 2 – Water Well Sites Project has not been approved by TCEQ as of yet. He went on to brief the Board on other District projects beginning with Project 6560D – Contract 4 - Sanitary Sewer Lift Station – stating that no additional work has been done on this project during the past month. He then stated that LJA, Inc. has been working on plan development for Project 6560E – Surplus Funds Water and Sewer Service Extensions Project (Contract 3 – Water and Sanitary Sewer Service Extensions Projects) and that the next steps would be utility locates, field surveying, and final design.

Mr. Scogin then asked for any question and/or comments.

There being no question and/or comments, President Viator called for a motion.

A motion was made by Secretary Beard and seconded by Director Groves to accept LJA, Inc.'s Monthly Status Report as presented by Jeff Scogin. All Voted Aye.

3. Consideration of and possible action regarding approval of LJA Engineering, Inc. monthly invoices for District projects as listed: Invoice No. 201606492 in the amount of \$34,009.00 for Project 6560C – Surplus Funds Water System Improvements Projects; Invoice No. 201607479 in the amount of \$2,297.50 for Project B877-6282 General Services; Invoice No. 201606487 in the amount of \$3,100.00 for Project 6200C – Contract C – Sanitary Sewer Collection System Rehabilitation for a total of \$39,406.50.

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Norman Blackman, General Manager, stated that he reviewed the monthly invoices and does recommend payment of all invoices.

A motion was made by Director Haney and seconded by Secretary Beard to approve LJA, Inc. monthly invoices as presented. All Voted Aye.

4. Consideration and possible action on T Construction, LLC payment request No. 25 in the amount of \$5,909.00 for Contract C – Sanitary Sewer Rehabilitation Project.

Jeff Scogin of LJA Engineering, Inc. presented T Construction's payment request No. 25 in the amount of \$5,909.00 for Contract C – Sanitary Sewer Rehabilitation Project, stating that this payment request is the final pay estimate for the project prior to the request for release of retainage. He stated that this invoice is for two pay items that were not completed prior finalizing the punch list: one was to construct new manhole in a long stretch of existing sewer line and the second was to restore sanitary sewer service at a vacant property that was missed during the construction phase.

A motion was made by Director Groves and seconded by Vice President Inzer to approve payment of pay request No. 25 in the amount of \$5,909.00 for Contract C – Sanitary Sewer Rehabilitation Project. All Voted Aye.

5. Consideration and possible action to consider Change Order No. 5 (Final) for Contract C – Sanitary Sewer Collection System Rehabilitation Project resulting in a decrease in the current contract amount by \$174,264.69.

Jeff Scogin informed the Board that Change Order No 5. is a change order reconciling all the actual quantities vs estimated quantities used on the Contract C project. He stated that the actual amounts with dollar costs are outlined in the Final Change Order Quantities spreadsheet for the Board's review. He also pointed out that this change order resulted in a decrease in the current contract amount by \$174,264.69.

A motion was made by Director Groves and seconded by Vice President Inzer to accept Change Order No. 5 resulting in a decrease in the current contract amount of \$174,264.69. All Voted Aye.

6. Consideration and possible action to consider approval of the Certificate of Construction Completion for Contract C – Sanitary Sewer Collection System Rehabilitation Project.

A motion was made by Secretary Beard and seconded by Vice President Inzer to approve the Certificate of Completion for Contract C – Sanitary Sewer Collection Rehabilitation Project. All Voted Aye.

7. Consideration and possible action on T Construction, LLC payment request No. 26 (Final) and Release of Retainage in the amount of \$294,354.80 for Contract C – Sanitary Sewer Collection System

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Rehabilitation Project with approval of release of retainage being contingent upon approval and authorization to do so by the Texas Water Development Board.

Jeff Scogin briefed the Board on history of the retainage on this Project stating that this release request is for the final 5% of retainage being held plus all accrued interest.

A motion was made by Vice President Inzer and seconded by Director Haney to approve payment request No. 26 (Final) and Release of Retainage in the amount of \$294,354.80 contingent upon approval and authorization to release retainage by the Texas Water Development Board. All Voted Aye.

8. Consideration and possible action to accept and approve certification from LJA Engineering, Inc. that the Contract C – Sanitary Sewer Rehabilitation Project was completed in accordance with the contract plans and specifications, and to accept the Certificate of Acceptance of Contract C – Sanitary Sewer Rehabilitation Project.

Jeff Scogin of LJA Engineering, Inc. gave an overview of the Certification of Acceptance that the Board is being asked to approve.

A motion was made by Director Haney and seconded by Director Groves to accept and approve the certification from LJA Engineering, Inc. that Contract C – Sanitary Sewer Rehabilitation Project was completed in accordance with the contract plans and specifications, and to accept the Certificate of Acceptance of Contract C – Sanitary Sewer Rehabilitation Project. All Voted Aye.

9. Consideration and possible action awarding Construction Contract for the Orange County Water Control & Improvement District No. 1 2016 Water System Improvements – Contract 1 – Water Line Improvements Project.

Toby Davis reported that 7 bids were received at the bid opening for the 2016 Water System Improvements – Contract 1 – Water Line Improvements Project. He stated that low bid came in at \$1,129,570.00 with the next lowest bid being \$1,141,664.00. Mr. Davis then reported that, for informational purposes, \$1,159,600 was budgeted for this project with contingencies bringing the budget to \$1,218,540. He added that more street work was figured into the project than originally anticipated which brought the cost up and that approximately \$30,000.00 to \$35,000.00 was budgeted for fire hydrants. He pointed out that there would be some savings with the City of Vidor and the Emergency Services District No. 1 picking up some of the cost of the fire hydrants.

A brief discussion followed regarding the bids received and the varying cost on line items when comparing the bids.

President Viator informed the Board that a request has been made to table awarding the Construction Contract until further study by the District's attorney and engineers could be made. He also stated that

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a Special Meeting would need to be called to award this contract and asked if all Board members were available for a Special Meeting on Tuesday, July 26, 2016 at 5:30 p.m.

After a poll of the Board, it was decided to call a Special Meeting for Tuesday, July 26, 2016 for consideration of awarding the construction contract for the 2016 Water System Improvements – Contract 1 – Water Line Improvements Project.

A motion was made by Secretary Beard and seconded by Director Haney to table awarding Construction Contract for the 2016 Water System Improvements – Contract 1 – Water Line Improvements Project. All Voted Aye.

10. Consideration and possible action regarding approval/amendments for the minutes of the June 21, 2016 Regular Board Meeting.

A motion was made by Director Groves and seconded by Director Haney to approve the minutes of the June 21, 2016 Regular Board Meeting. All Voted Aye.

11. Board Member Comments.

President Viator asked for any comments/questions from the Board Members.

There were no comments/questions.

12. Consideration and possible action regarding the General Manager's monthly status and financial reports.

Norman Blackman, General Manager, reported on the following items:

1. Fire Hydrant Installation: Mr. Blackman reported that Orange County Water Control & Improvement District No. 1 has an Interlocal agreement with the City of Vidor and Orange County Emergency Services District No. 1 for the installation of fire hydrants. Under this Interlocal agreement, the District purchases the fire hydrants for installation and the City of Vidor and Orange County Emergency Services District No. 1 reimburses the District for the cost of the hydrants. The District installs the fire hydrants as its portion of the funding for fire hydrant installation. However, this Interlocal Agreement did not address the repair and maintenance of fire hydrants. The District absorbed those cost in the past. Mr. Blackman stated that he would like to negotiate a three-way agreement that would provide for maintenance and repairs of the hydrants.

After a brief discussion, the Board directed Mr. Blackman to negotiate a three-way agreement with the City of Vidor, Orange County Emergency Services District No. 1 and OCWC & ID No. 1 to share the cost for maintenance and repair of fire hydrants.

2. Trihalomethanes: Mr. Blackman reported that there has not been much progress regarding the Trihalomethane issue since the last status report. He stated that he has been in contact, via

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Email, with the representative from the main suppliers that we have been corresponding with regarding the Trihalomethane issue. As a result of a previous meeting with the representative, the emails contained further suggestions regarding the Trihalomethane issue.

3. Grant Projects:

City of Vidor: Mr. Blackman reported that not much progress has developed with the City of Vidor Grant Project. He reminded the Board that this project will replace approximately 110 private 4" gravity service lines that run from the house to the clean out at the property line, adding that the District has already replaced lines that run from the District's main sewer line to the property line. He further explained that this grant is designed for low to moderate income beneficiary recipients. Mr. Blackman stated that the District will need to identify lines that are in need of replacement and that, once lines are identified, the District will then need to determine if the customer is an eligible recipient of the Grant funds. He added that the District has a total of approximately 1500 service lines and felt confident that the District could identify at least 100 customers that would qualify as eligible recipients. Mr. Blackman reminded the Board that this project will not solve the District's problem with Inflow & Infiltration by a long shot. He stated that the District may have additional grants in the future but this grant will serve as a learning tool. He also added that, at some point, the District will need to require customers that do not fall into the low-to-moderate income category to fund their own line replacements.

City of Pine Forest: City of Pine Forest was notified that they have been awarded the grant. It is for extension of water and sewer lines along Lakeview cutoff road and a side street. The grant administrator will begin leg work to get this project going.

Both the City of Vidor and the City of Pine Forest as grant sponsors will need to be involved with selection process. They will have to select a grant administration and select an engineer. Although both grant administrators and engine have work with us on this grant process, they have not been officially selected as the grant administrator or engineer for each of this project. We will work with both the City of Vidor and the City of Pine Forest on the selection of both grant administrator and engineer and hopefully both cities will concur with the District's choice both the grant administrator and the engineer for these projects.

- 4) **City of Pine Forest Internal Projects – Water and Sewer line extensions:** Mr. Blackman reported that he met with Council and staff members of the City of Pine Forest and Toby Davis, LJA, Engineering, regarding water and sewer line extension throughout the City of Pine Forest. He stated that this project will be done on a low-key basis and that David LeJune has put together an aerial photo based set of drawing that outlines the details of the project. He stated that it would be up to the City of Pine Forest to hire the contractor's for this project. The District will inspect the contractors work because the district will accept the lines for operation and maintenance. This project may begin around October 1, 2016.

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- 5) Chris Serres, Finance Director, reported on the District Finances including the water and sewer billing for the month as well as billing for the 2015-2016 fiscal year, stating that the District's projections for billing for the FYE was about \$25,000 more than predicted. She also stated that all the District's accounts were balanced and healthy and pointed out that there were two new reports for the Board's review regarding the Special Projects Account and the Water/Sewer Major Maintenance Accounts.

Norman Blackman, General Manager, pointed out that these two reports were being included to keep the Board up-to-date with the monthly transfers being made to these accounts and projects that are being paid for out of these accounts.

The Finance Director then went over the Budget Comparison report for the month.

The General Manager then reported that this Budget Comparison report shows figures for the entire fiscal year that ended June 30, 2016. He spoke to the Board about transferring excess year end revenues to the Special Projects and Water/Sewer Major Maintenance Accounts. The Board acknowledged agreement to utilizing the excess funds for Special Projects and Water/Sewer Major Maintenance projects.

David LeJune presented the Field Report regarding water/sewer jobs throughout the District including water pumped to systems and water accounted and unaccounted for.

There being no questions comments, President Viator called for a motion regarding the General Manager's monthly status report.

A motion was made by Secretary Beard and seconded by Director Haney to accept the General Manager's monthly status and financial reports as presented. All Voted Aye.

13. Consideration of and possible action regarding approval of Resolution No. 02-2016 authorizing the acceptance by Orange County Water Control & Improvement District No. 1 of valid offers to purchase properties held in Trust for Tax Resale.

President Viator explained that, by passing this Resolution, the Board is authorizing the Tax Assessor/Collector to accept a trust property bid on behalf of Orange County Water Control & Improvement District No. 1. This acceptance would be contingent only on the approval of the County Commissioner's Court. This resolution also authorizes the County Judge to execute on behalf of the entity all resale deeds or other documents necessary for the transfer of title. He added that the District could rescind the Resolution at any time.

A brief discussion followed and then President Viator called for a motion regarding this Resolution.

A motion was made by Vice President Inzer and seconded by Director Groves to approve Resolution 02-2016. All Voted Aye.

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14. Consideration and possible action regarding payment of the District's monthly invoices.

A motion was made by Director Groves and seconded by Secretary Beard to approve payment of the District's monthly invoices. All Voted Aye.

15. EXECUTIVE SESSION: Deliberation concerning the appointment of a successor for the position of Office Manager in closed session as provided under §551.074(a)(1) Personnel Matters – of the Texas Government Code.

A motion was made by Director Groves and seconded by Director Haney to adjourn the Regular Board Meeting in order to convene the Executive Session at 7:07 p.m. All Voted Aye.

The Executive Session was held as provided under §551.074(a)(1) – Personnel Matters – of the Texas Government Code in order to discuss the appointment of a successor for the position of Office Manager.

A motion was made by Vice President Inzer and seconded by Secretary Beard to adjourn the Executive Session at 7:20 p.m. and to reconvene the Regular Board Meeting. All Voted Aye.

16. Consideration and possible action in open session for the appointment of a successor Officer Manager for Orange County Water Control & Improvement District No. 1.

A motion was made by Vice President Inzer and seconded by Secretary Beard to appoint Chris Serres as successor to the Office Manager and to change the title of her position from Finance Director to Director of Finance and Office Administration. All Voted Aye.

17. A motion was made by Vice President Inzer and seconded by Director Haney to adjourn the Regular Board Meeting at 7:35 p.m. All Voted Aye.



Robert Viator, President



Tim Beard, Secretary