

Regular Meeting Minutes

April 17, 2017 – 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

In accordance with Section 551.042 of the Texas Government Code, this agenda has been posted in the lobby and on the front door of the Orange County Water Control & Improvement District No. 1 Administrative office for the time required by law. The President requests that all cell phones and pagers be turned off or set to vibrate.

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 MEETING TO ORDER

President Viator called the meeting to order at 5:30 p.m.

ANNOUNCE THE PRESENCE OF A QUORUM

President Viator announced the presence of a quorum.

MEMBERS PRESENT

President Viator, Vice President Inzer and Secretary Beard were present.

MEMBERS ABSENT

Director Groves and Director Haney were absent.

STAFF PRESENT

General Manager Norman Blackman, Director of Finance and Office Administration Chris Serres, and District's Attorney Larry Hunter were present.

OTHERS PRESENT

Jeff Scoggin and Toby Davis of LJA Engineering, Inc., and James Conn were also present.

INVOCATION AND PLEDGES

Invocation was given by Secretary Beard and Pledges were led by Vice President Inzer.

MEETING AGENDA

1. Citizen comments.

James Conn commented regarding Kenwood/Evergreen Park sewer service and the property tax concerns and cost of the LPSS system and do the citizens have to be informed the lines have been installed in the area. Norman Blackman stated that the line was put in during the time Charlie Adams was Manager in around 1999 to 2002. Norman also stated that he would be glad to talk to Mr. Conn about the matter further either after the meeting or during regular business hours.

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

Jeff Scoggin presented LJA Engineering Monthly Status Report.

Project 6560C – Surplus Funds Water System Improvements Project (Contract No. 1 – Cast Iron Water Line Replacement of Contract No. 2 – Water Well Sites Improvements)

Contract No 1:

The contractor installed approximately 1,972 LF of 3” water line and 2,081 LF of 6” water line this pay estimate.

Jeff handed out status maps showing the areas where the lines have been installed and stated that most of the lines are installed.

Contract No. 2:

The contractor is on hold waiting on delivery of the electrical components and the pumps.

Project 6560D – Surplus Funds Sanitary Sewer System Improvements Project (Contract No. 4 – Sanitary Sewer Lift Station Rehabilitation Project)

LJA’s efforts this month were concentrated on the water improvements projects.

Project 6560E Surplus Funds Water and Sewer Service Extensions Project (Contract No. 3 – Water and Sanitary Sewer Service Extension Project)

LJA’s efforts this month were concentrated on the water improvements projects.

Toby Davis reported on Project B877-1001 – Well Site 7 TTHM Treatment System.

Engineering services included work on various portions of the plans and specifications and drawings. Details were completed. Specifications were modified. This also included coordination with the District staff and Manager. Toby has talked to the T.C.E.Q. representative and we have been approved and are just waiting on the letter to proceed.

A motion was made by Vice President Inzer and seconded by Secretary Beard that LJA Engineering, Inc. monthly status report is accepted as presented. All Voted Aye.

3. Consideration and possible action regarding approval of LJA Engineering, Inc. monthly invoices for District projects as listed:

Invoice No. 201703016 in the amount of **\$11,423.00** for 6560C – Surplus Funds Water System Improvements Project; **Invoice No. 201703020** in the amount of **\$4,849.00** for Project No. B877-1001 – Well Site 7 TTHM Treatment System; **Invoice No. 201703018** in the amount of **\$6000.00** for Project No. 6200A – Wastewater Treatment Plant; **Invoice No. 20173019** in the amount of **\$1,258.00** for Project 6200C – Sanitary Sewer Collection System Rehabilitation; for a **Grand Total** of **\$23,530.00**.

A motion was made by Secretary Beard and seconded by Vice President Inzer to approve payment of LJA Engineering, Inc. invoices as presented. All Voted Aye.

4. Consideration and possible action regarding approval of McInnis Construction, Inc. **Monthly Estimate No. 7** in the amount of **\$93,743.20** for Contract 1 – Water Line Replacement Project.

Jeff Scoggin re-capped the installation of materials and receipt of materials for the project.

A motion was made by Vice President Inzer and seconded by Secretary Beard to approve payment of Pay Estimate No. 6 in the amount of \$93,743.20 to McInnis Construction, Inc. All Voted Aye.

5. Consideration and possible action regarding approval of Brystar Contracting, Inc. **Monthly Estimate No. 3** in the amount of **\$40,500.00** for Contract 2 – Water Wells 4, 5, & 7 Improvements.

Jeff Scoggin explained the pay estimate was not for work done but for materials received for the project.

A motion was made by Secretary Beard and seconded by Vice President Inzer to approve payment of Pay Estimate No. 2 to Brystar Contracting, Inc. in the amount of \$40,500.00. All Voted Aye.

6. Consideration and possible action to approve the advertisement for bidding of the Orange County WCID No. 1's 2017 Water System Improvements – Water Well Site No. 7 – TTHM Treatment System contingent upon final approval from TCEQ.

Norman explained that in this case they are expecting to get final approval from TCEQ at any time. At the time of this meeting they do not have the approval in hand and are

asking for approval from the Board contingent on the final approval from TCEQ instead of waiting another month to get the approval of the Board.

Mr. Viator asked if the approval for the bidding was just if the TCEQ gives their final approval for the project that the engineers would submit it for bidding at that time. Norman Blackman stated that if there are any questions concerning the project or plans, the Board needs to look at it soon because they are ready to get the project started.

Secretary Beard asked if there was a budget estimate for the project. Toby Davis stated the construction estimate for the project was about \$622,000.00.

A motion was made by Vice President Inzer and seconded by Secretary Beard to approve the advertisement for bidding of the Orange County WCID No. 1's 2017 Water System Improvements – Water Well Site No. 7 – TTHM Treatment System contingent upon final approval from TCEQ. All Voted Aye.

7. Consideration of and possible action regarding approval of **Invoice No. 201600063** to Anthony Bennett for Drinking water regulatory and water quality consultation, in the amount of **\$1,156.25**.

A motion was made by Secretary Beard and seconded by Vice President Inzer to approve payment of **Invoice No. 201600063** to Anthony Bennett for Drinking water regulatory and water quality consultation, in the amount of **\$1,156.25**. All Voted Aye.

8. Consideration and possible action regarding approval/amendments for the minutes of the February 20, 2017 Regular Board Meeting.

A motion was made by Secretary Beard and seconded by Vice President Inzer to approve the minutes of the February 20, 2017 Regular Board Meeting. All Voted Aye.

9. Board Member comments.

There were no Board Member comments.

10. Consideration and possible action regarding General Manager's monthly status and financial report.

Norman Blackman's report was as of Thursday, April 13, 2017.

- **Trihalomethanes** – The project design is complete and construction plans were submitted to TCEQ for review approximately a month ago. Review could take 60 days from submittal date. It is possible bidding could occur within 30 days after that. We need to make a second and final request to TCEQ for approval to use the remainder of Surplus Funds for additional projects, including this TTHM reduction project. It is possible that we may need to temporarily fund this project from Contingency Funds until the Surplus Funds Release is approved. No new development on this issue yet.
- **Cast Iron Water Line Replacement Project Clean-up Issues** – While the contractor is only slightly behind schedule, they have a lot of line installed in the ground that has not been cleaned up and finalized yet. There have been some complaints by residents and the City of Vidor. The project has to be completed in several stages, keeping the old lines in service while completing the new lines. We

expected the project would get spread out over time, but we have probably stretched the limit and need to devote more effort to cleanup and completion. The contractor has added a crew and equipment that will be dedicated to cleanup. A special area of concern is the excavations on Archie Street which had been resurfaced from West Bolivar to West Railroad in the summer of 2014. There is some concern that the street should be completely resurfaced in that area. We are studying our options.

- **Trinity Railcar** – Rick Masters with LJA Engineering developed an agreement to govern the discharge of railroad hopper car rinse water into our sanitary sewer system for the District and its attorney to review. The agreement has been reviewed and revised by Norman Blackman. Larry Hunter has made initial review pending receiving some additional information from Trinity Railcar and Trinity's review comments on the agreement. That information was recently received and is being reviewed by our attorney.

Larry Hunter asked about the contract – Do we have to get TCEQ approval to move forward with the contract?

Both Norman Blackman and Toby Davis responded that we do not need TCEQ's approval as there, is no hazardous materials, only dry rail cars will be washed out.

Larry Hunter's second question was, they are balking on the indemnity paragraph. He doesn't understand why they are. Why don't we just ask them to add us to their insurance policy as an added insurer for operations that go on at that facility that dump into our treatment system?

Norman Blackman stated that we could ask them anything that we want to. We were waiting on some additional information from them and it came in about a week ago and was sent to Larry Hunter. Larry Hunter stated that he had briefly looked at the information.

Norman Blackman stated that as for as indemnity, we can ask them anything. We don't have to treat their water, we can just tell them no. It gives us the position that we can ask for whatever we think is reasonable.

- **City of Pine Forest 2015-2016 Block Grant** – Construction Plans are almost complete for the extension of water and sewer lines and installation of water taps and sewer taps (grinder pump stations) for 11 new customers along Lakeview Cutoff Road and McVey Street. TCEQ approval has been received for sewer lines and is expected for water at any time. Approval for bidding is expected to be on the agendas for the District and City of Pine forest at their May meetings.

Toby Davis briefed the Board in the Pine Forest Grant. We received the approval on sewer from TCEQ. We don't really have to have approval on the water, but we want to send a letter explaining that it is a small change and we are waiting for their response back from TCEQ at the end of April. We are planning on having an item on the agenda for the City of Pine Forest for the May meeting to authorize bidding and have the same for the District agenda for the May meeting.

Jeff Scoggin stated that they are going to provide a set of plans for review.

- **City of Vidor 2015-2016 Block Grant** – Plans and specifications are closed to being complete. Toby stated that now it is just a matter of getting people signed up for the grant. Norman stated that he has developed some public information for publishing in the Vidorian and on our website informing the public of our planning for I/I reduction and availability of Grant Funds. A brief version will be mailed to residential customers in the grant area with guidelines detailing how we will qualify potential grant fund recipients and sign them up.
- **Potential New RV Parks** – There has been no new activity regarding the potential parks on the north and south side of IH-10 just east of Old Hwy 90.
- **RV Park Expansion** – The Boomtown RV Park has inquired about expanding their RV park by 55 spaces. This would require they build an additional lift station to serve the expansion area. Boomtown is having their engineer prepare additional design documents for the additional lift station.
- **Jeff Moore Developer Reimbursement Agreement** – No new activity on this subject.
- **TCEQ SSO Initiative Agreement** – The “Notice of Intention to Participate” in the SSO Initiative has been transmitted to TCEQ. We will have 180 days to develop a plan of action for TCEQ approval.
- **Develop an Additional Field Crew for I/I Reduction and Line Extensions** – We are still working on this idea.
- **Sewer Line Failure on South Main Street** – During this last month I sent text notifications that we had a semi-emergency develop that could require immediate attention about a sewer main line collapse on South Main. Norman thought we were going to have to do something immediately, but temporarily avoided the issue by rerouting the customer service line that collapsed at the tap on South Main to another sewer line on Pinegrove Street behind the customer tract. We are concerned that the sewer line along the west side of South Main Street from Old Hwy 90 to just north of Schoolhouse Ditch, a length of 2600 feet, is in such bad shape that it has begun to fall apart. We are developing a strategy to address this problem.
- **LPSS Finance Agreements** – In 2015, the District approved a policy to finance LPSS installations with a \$900.00 down payment and \$130.00 per month added to the customer’s water/sewer bill for approximately 24 months to pay off the balance of \$3,100.00. Total cost of the LPSS is \$4,000.00. A couple of the agreements have become very difficult to work out the details on because the applicant cannot produce a deed in their name as they are buying the properties in question with a contract for deed (owner financed) and the deed is in the financier’s name. For these instances, with the help of Larry Hunter, we have developed a special contract that will be signed by both parties, the financier and the purchaser. One problem in accommodating these special circumstances and that being that there is extra work involved in drafting the contracts. The District is now out the extra expense and time that was involved accommodating these customers. To offset the extra expense, we would like to add a fee that must be paid up front by the customer covering the extra cost.

We have had a little bit of trouble with some of them that aren't paying after they have entered into the agreement with us. Larry Hunter stated that it seems these people are just entering into the contract to get the Code Enforcement off their backs. We may want to develop a policy that they have to put a deposit up and if they don't follow through after a certain period of time (60 days) that they would forfeit that deposit and have to start the process over again. This would be for all LPSS contracts across the board. This would need to be placed on the agenda for two readings stating the effective date. Once policy is set, write letter to Code Enforcement with notice of refund to customer.

- Norman Stated that he intended to put the information on the report that he would be on vacation the first two weeks from June 4th through June 17th and also the end of April.

Secretary Beard asked about BP Deep Water Horizon money. Norman stated that for us it has turned out to be a dead issue. Norman Blackman spoke with Mike Kunst and together the District and the City of Vidor are pooling a couple hundred dollars each in an effort to keep it rolling and at some point we are going to just have to close that out because it doesn't look like there is anything in it for us.

Larry Hunter asked what gives him the indication that the problem is dead. Norman stated that the projects were submitted more than a year ago and the only thing anyone has gotten a response back on is the regional plant.

Secretary Beard stated he heard that there was a big project funded with BP money last week and thought they may be turning loose of some funds.

It was suggested that someone should contact the representative regarding the BP funds and if any other projects would be funded.

- **Financial Report – Presented by Chris Serres** – Our billing was down a little this month and month to date we are still above our projected billing for the year. All of our bank statements are balanced to the penny. We have money in all of our accounts, all is well, and interest rates were even up a little.

During the Budget Comparison portion of Chris Serres' finance report, Secretary Beard brought to her attention that the Utilities were about \$10,000 over the normal monthly expenditures. Chris stated it could be some overlapping payments and she would check the account as to what caused the variance in Utilities.

Chris Serres reported that our revenues were \$344,866.00 for the month and the expenditures were \$347,880.00 for the month, so that means we spent \$3,014.00 more than we brought in for the month. Total interest earned for the month was \$4,029.02 over all.

- Norman Blackman presented the Operations Manager report in the absence of David LeJune. Water pumped to system is 30,015,000 gallons, water accounted for was 30,279,504 gallons. Wastewater treated at plants was 60,475,000 gallons. Water jobs performed were a total of 283, while wastewater job performed were 56, for a total of 339 jobs.

A motion was made by Secretary Beard and seconded by Vice President Inzer to accept the Manager's report as presented. All Voted Aye.

11. Consideration and possible action regarding payment of the District's monthly bills.

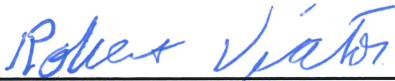
A motion was made by Vice President Inzer and seconded by Secretary Beard to approve payment of monthly bills as presented. All Voted Aye.

12. Consideration and possible action regarding adopting Local Option Property Exemptions for the 2017 Tax Year.

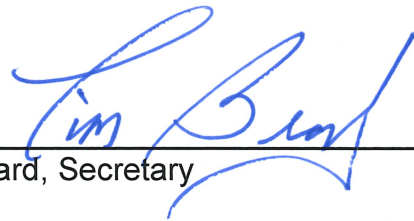
A motion was made by Secretary Beard and seconded by Vice President Inzer to approve Local Option Residence Homestead Exemptions for the Tax Year 2017 for individuals 65 or older in the amount of \$10,000 and for eligible disabled persons in the amount of \$5,000. All Voted Aye.

13. Adjournment.

A motion was made by Secretary Beard and seconded by Vice President Inzer that meeting be adjourned at 7:45 p.m. All Voted Aye.



Robert Viator, President



Tim Beard, Secretary