

Regular Meeting Minutes

July 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, Secretary Beard, Director Haney, and Director Groves were present.

MEMBERS ABSENT

Vice President Inzer.

STAFF PRESENT

Operations Manager David LeJune, Director of Finance and Office Administration Chris Serres, and District's Attorney Larry Hunter were present.

OTHERS PRESENT

Jim Hughes, Manuel Mendoza of LJA Engineering, Inc., and George Garza with The Vidorian Newspaper, were all in attendance.

INVOCATION AND PLEDGES

Invocation was given by Secretary Beard and Pledges were led by Director Groves.

MEETING AGENDA

1. Citizen comments.

There were no citizen's comments.

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

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:

Jim Hughes, project representative, reported on Contract No. 1:

The line work is basically 99% complete. There are approximately 10 hot taps left to be made. Two tests came back July 17, 2017 positive. They are going to start service connections Tuesday, July 18, 2017. They will be starting on Park St. from Dewitt to Tannahill St. They will start an aggressive testing schedule on Wednesday, July 19, 2017 which will include Meek St., Green St., W. Bolivar, Mill, and W. Railroad. Once they have that knocked out, they will continue with the service connections. They have about 4 or 5 1-1/2" to 2" services that they still have to go back and hook up. Their 160 day time ended June 30, 2017 and they have been asked for an updated schedule. There are 15 more working days to substantial completion. He is doubtful that will happen.

Contract No. 2:

The generators at Wells No. 4 and 7 are in need of being wired in.

Well No. 5: The contractor has prepped the high service pumps for painting. They will be back Tuesday, July 18, 2017 weather permitting to work on the tie-ins at Well No. 5 – the tie-in at the tank and the tie-in at the main line.

The contractors did a 72-hr run test on Well No. 4 last week and it went real well. They ran all three pumps and they were making a little noise. David LeJune called the pump company and they said to run them. They are supposed to come back out and check them but to go ahead and run them. The contractor hopes to be complete by the end of August, 2017, if the weather holds out.

Well No. 7: The contractor worked on the installation of the standby generator.

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

Engineering services this month included coordination with the electrical engineer and work by the electrical engineer.

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.

Status report for **Project B877-1001 – Well Site 7 TTHM Treatment System** as follows:

Engineering services included completion of the bidding phase, recommendation of award, and delivery of executable documents to the successful bidder.

The City of Pine Forest Grant Project:

Manuel Mendoza reported on the City of Pine Forest Grant Project progress:

Bids were received on June 7th and awarded on June 12th to Jet Aeration of Texas, LLC. The City Attorney is reviewing the Performance and Payment Bonds from Jet Aeration. Once approved, the pre-construction meeting will be scheduled with the Contractor, the City, the Water District, and the Grant Administrator and then proceed with construction.

The City of Vidor Grant Project:

Manuel Mendoza reported on the City of Vidor Grant Project progress:

An invitation to bidders was advertised in the Vidorian on June 23rd and again on June 30th. The original pre-bid meeting date and location was on June 28th at the City Hall of Vidor. Addendum No. 1 was issued on June 27th to move the date and location of the pre-bid meeting to July 5th at the offices of O.C.W.C. & I.D. #1. In addition, the location of the bid opening was also moved to the offices of O.C.W.C. & I.D. #1; however, the bid opening date of July 17th stayed the same.

Pre-bid meeting was held July 5th. After discussions with the District and the Grant Administrator, Addendum No. 2 was issued on July 6th to postpone the bid opening date to allow the District to get more applicants. A new bid opening date has been scheduled for August 3, 2017 to tentatively award the bids on August 7, 2017.

A motion was made by Director Groves 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. 201707108 in the amount of **\$7,822.00** for Project No. 6560C – Surplus Funds Water System Improvements Project; **Invoice No. 201707109** in the amount of **\$5,200.00** for Project NO. 6560D – Surplus Funds Sanitary Sewer System Improvements Project; **Invoice No. 201707120** in the amount of **\$3,400.00** for Project No. B877-1001 – Well Site 7 TTHM Treatment System; **Invoice No. 201707212** in the amount of **\$3,703.00** for Project No. B877-6282 – General Services; for a **Grand Total** of **\$20,125.00**.

A motion was made by Secretary Beard and seconded by Director Groves 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. 10** in the amount of **\$76,842.15** for Contract 1 – Water Line Replacement Project.

A motion was made by Director Groves and seconded by Secretary Beard to approve payment of Pay Estimate No. 10 in the amount of \$76,842.15 to McInnis Construction, Inc. All Voted Aye.

5. Consideration and possible action regarding approval of Brystar Contracting, Inc. **Monthly Estimate No. 6** in the amount of **\$199,084.50** for Contract 2 – Water Wells 4, 5, & 7 Improvements.

A motion was made by Director Groves and seconded by Director Haney to approve payment of Pay Estimate No. 6 to Brystar Contracting, Inc. in the amount of \$199,084.50. All Voted Aye.

6. Consideration and possible action regarding **Change Order #1 for Contract 1 – Water Line Replacement Project** for additional concrete street pavement and cement stabilized sand at West Courtland and FM Hwy. 105 in the amount of **\$2,350.00**.

A motion was made by Director Haney and seconded by Director Groves to approve Change Order No. 1 for Contract 1 – Water Line Replacement Project for additional concrete street pavement and cement stabilized sand at West Courtland and FM Hwy. 105 in the amount of **\$2,350.00**. All voted Aye.

7. Consideration and possible action regarding **Change Order #1 for Contract 2 – Water Wells 4, 5 & 7 Improvements Project** for additional work necessary for adjusting the proposed header piping modifications at Well 7 and for removing and replacing two (2) existing 10” gate valves on the well header piping at Well 4 in the amount of **\$11,137.67**.

A motion was made by Secretary Beard and seconded by Director Haney to approve **Change Order #1 for Contract 2 – Water Wells 4, 5 & 7 Improvements Project** for additional work necessary for adjusting the proposed header piping modifications at Well 7 and for removing and replacing two (2) existing 10” gate valves on the well header piping at Well 4 in the amount of **\$11,137.67**. All voted Aye.

8. Consideration and possible action regarding approval/amendments for the minutes of the June 19, 2017 Regular Board Meeting.

A motion was made by Director Groves and seconded by Secretary Beard to approve the minutes of the May 22, 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.

Manager's Report is included in the meeting book. Norman Blackman was absent from the meeting and President Viator briefed the Board on topics to be discussed.

- **City of Vidor 2015-2016 Block Grant** - President Viator stated that Norman Blackman wanted to have a Special Meeting on August 3, 2017 at 5:30 p.m. for possible action to approve the award of the Construction Contract by the City of Vidor for the 2015/2016 TxCDBG for Replacement of Sewer Service Yard Lines on Private Property for Low-to-Moderate Income residents within the designated service area in the north portion of the City of Vidor.
- **Develop an Additional Field Crew for I/I Reduction and Line Extensions** – We have hired a two-man crew, procured a one-ton truck and mini-trackhoe, and have begun smoke testing and I/I repair.
- **Archie Street Pavement Repairs vs. Repaving** – Attached to the Manager's report is a tabulation of quotes from two paving contractors for repaving that portion of Archie Street from West Bolivar to West Railroad Streets. The quotes were based on simply overlaying the existing pavement after sweeping and priming. President Viator presented an overview of the quotes for repaving Archie Street. After a short discussion the Board agreed they were in favor of repaving all of Archie Street, off the record.
- **District Entrance Road & Parking Lot Repaving** – Norman Blackman had the paving contractors quote the repaving of all or part of our District office entrance Road and parking lot. The quotes were for overlaying the existing parking lot. After a short discussion the Board also agreed they were in favor of repaving with the 1-1/2" overlay of hot mix asphalt, off the record.
- **Tiger Creek Drainage at Wastewater Treatment Plant** – Norman Blackman met with Don Corolla, the New General Manager of the Orange County Drainage District and two of his staff members to discuss the flow of storm water in the portion of Tiger Creek south of the entrance of the road to the wastewater treatment plant. ACR, the owners of the land adjacent to the WWTP, are promoting the improvement of the drainage capacity of Tiger Creek to the south and have raised some questions regarding our entrance into the facility and the possibility that it blocks flow. President Viator briefed the Board that Mr. Linscomb was complaining that we were causing Tiger Creek to flood with our effluent. We are not and, yes, we would like Tiger Creek to run more water, but TCEQ makes us drain our sewer system that direction. We can't drain it back the other way because that goes into the Saltwater Barrier, where the marshland is because there is some kind of vegetation out there that is really sensitive to environmental changes. President Viator explained the way the treatment plant flows and that we have to force it that direction. We have cleared some trees and other debris out of the creek. The Drainage District messed up on the other end of Tiger Creek, they dug a ditch and did some other work and the Corps of Engineers tore them up about it. Now the Corps of Engineers won't even talk to the Drainage District about letting them back in there to work. President Viator said Norman Blackman had a good meeting with the Drainage District and there is no problem with them. He is also going to contact Mr. Linscomb again and try to work with him on this issue.

- President Viator wanted to mention one other thing. David LeJune received a call from a Gas Well Company and at Well No. 5 we own 11 acres, they want permission to drill a gas well by FM 1132. Norman Blackman called President Viator to speak with him concerning their request. President Viator does not think we should allow them to drill a well on the property. There was some discussion about if the property was in the City of Vidor city limits and what would be the dangers to the health and welfare of the citizens of the District. The consensus of the Board is NO, do not give them permission to drill.
- **Unobligated Funds Transfers** – Chris Serres briefed the Board on the transfer of funds that were discussed during the Budget Committee Meeting. She stated that we have been carrying a large balance in our General Operating Account at over a million dollars. Also, in our Revenue Note Reserve Account, we are only required to keep \$1,000,000.00 and the interest earned has built up to over that amount \$13,000.00. So, Norman Blackman and Chris Serres discussed it with the Budget Committee and have transferred \$500,000.00 from the General Operating Account, \$400,000.00 into the Special Projects Account and \$100,000.00 into the W/S Major Maintenance Account. Then from the Revenue Note Reserve Account, we transferred the \$13,651.77 in interest to the Special Projects Account. Also, in the Contingency Account we had \$3,033,521.21 and we transferred \$33,521.21 into the Special Projects Account. Chris Serres will go back and figure exactly how much interest was earned on the \$3,000,000.00 and transfer that back to the Contingency Account. The interest earned was \$17,000.00 and that will show on the next month's statement. These transfers increased the Special Projects account a total of \$447,172.98 and the W/S Major Maintenance Account a total of \$100,000.00. President Viator stated the money is still there, but it is easier to transfer the funds to these accounts. We have so many projects that these funds can be used on and we never spend \$500,000.00 a month in our General Operating Account. The funds could be better utilized in the Special Projects and W/S Major Maintenance Accounts. Of course, any projects that the money needs to be spent on, the funds are there. Chris Serres stated if there were any problems with the transfer of funds, there is no problem, they can be moved back.
- **Financial Report – Presented by Chris Serres** – Our billing was down a little this month. It looks like we only billed \$61,036.29 on water and \$24,091.87 on sewer, when in actuality we billed \$118,885.22 on water and \$123,405.57 on sewer. All of our bank statements are balanced to the penny. We have one in transit of \$42.12 difference on the General Operating Account. We have money in all of our accounts, if there are any questions about the accounts she will be glad to answer.

Chris Serres gave an overview of the accounts for the month followed by the Budget Comparison Report.

For the month our revenues were \$358,952.00 and our expenditures were \$1,146,849.00 which is not correct due to the transfers that were made and the Bad Debt Write-offs that were charged off.

We have earned a total of \$5,983.61 in interest for the month. This is a little higher than last month due to the interest rates have increased this month.

- **Operations Manager Field Report – Presented by David LeJune** - Water pumped to system is 34,295,000 gallons and water accounted for was 30,977,890 gallons which leaves a percentage unaccounted for of 9.67%. Wastewater treated at plants

was 53,331,000 gallons. Water jobs performed were a total of 295, while wastewater jobs performed were 67, for a total of 362 jobs.

A motion was made by Director Groves and seconded by Secretary Beard to accept the Monthly Status and Finance report as presented. All Voted Aye.

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

A motion was made by Director Haney and seconded by Director Groves to approve payment of District Bills for the month of June, 2017. All Voted Aye.

12. Consideration and possible action regarding approval of amending the Sanitary Sewer and Water Service Policy to allow sewer only accounts without the requirement of water service when available.

A motion was made by Secretary Beard and seconded by Director Groves to approve sewer only accounts even when the District has water service available. All Voted Aye.

13. Consideration and possible action regarding approval of writing off an additional \$74,667.38 of bad debts above the Board approved \$200,000.00 in bad debt write-offs.

A motion was made by Director Groves and seconded by Director Haney to approve writing off an additional \$74,667.38 of bad debts above the Board approved \$200,000.00 in bad debt write-offs. All Voted Aye.

14. Consideration and possible action regarding terminating the Interlocal Agreement between the City of Vidor and Orange County Water Control & Improvement District No. 1 to participate in an application seeking BP Deepwater Horizon Restoration funding for water, sewer, and drainage improvements.

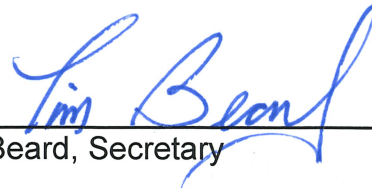
A motion was made by Secretary Beard and seconded by Director Haney to approve terminating the Interlocal Agreement between the City of Vidor and Orange County Water Control & Improvement District No. 1 to participate in an application seeking BP Deepwater Horizon Restoration funding for water, sewer, and drainage improvements. All voted Aye.

15. Adjournment.

A motion was made by Director Groves and seconded by Director Haney that meeting be adjourned at 7:15 p.m. All Voted Aye.



Robert Viator, President



Tim Beard, Secretary