

**MINUTES OF
REGULAR MEETING**

Regular Meeting Minutes

November 20, 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 presence of a quorum. Members present were President Viator, Vice President Inzer, and Director Haney. Secretary Beard and Director Groves were absent.

STAFF PRESENT

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

OTHERS PRESENT

Toby Davis of LJA Engineering, Inc. and George Garza of the Vidorian newspaper were also in attendance.

INVOCATION AND PLEDGES

Vice President Inzer gave the invocation and Director Haney led the pledges.

MEETING AGENDA

1. Citizen comments.

There were no citizen comments.

2. Consideration and possible action approving the 2016/2017 Audit as prepared and presented by Wathen, DeShong, Juncker, LLP, and Certified Public Accounts.

Jeremy with Wathen, DeShong, Juncker, LLP presented an overview of the 2016-2017 Audit. Their requirements, as auditors, are to communicate certain things to the Directors. They did not identify any significant or unusual transactions, significant accounting estimates and the financial report are earned but unbilled utility service revenue, provisions for uncollectable, and depreciation expense. They encountered no issues or disagreements with management and also encountered no difficulties. These are all positive statements. The following page of the letter is the audit adjustments. They consider these to all be standard adjustments and entries. They are adjusting the year end balances from the supporting documentation supplied by Chris Serres.

A motion was made by Vice President Inzer, and seconded by Director Haney to accept audit as presented. All voted Aye.

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

Toby presented an overview of ongoing projects as follows:

6560C – SURPLUS FUNDS WATER SYSTEM IMPROVEMENTS PROJECT (Contract No. 1 – Cast Iron Water Line Replacement and Contract No. 2 – Water Well Site Improvements)

Contract No. 1

The Contractor has worked on additional connections to existing water mains, additional water service connections and existing water mains.

Contract No. 2

Documents to close this project have been submitted to the Board for review at this meeting. This includes Change Order No. 3 (Final) and the Final Payment Request #9 releasing the retainage.

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.

6560E – SURPLUS FUNDS WATER AND SEWER SERVICE EXTENSIONS PROJECT (Contract No. 3 – Water and Sanitary Sewer Service Extensions Project)

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

PROJECT B877-1001 – WELL SITE 7 TTHM TREATMENT SYSTEM

Engineering services included resident project representation and construction contract administration. Services also included submittal review.

City of Pine Forest – First Time Water and Sewer Service Project – CDBG Project No. 7216370

The construction is in progress. A meeting with David LeJune in the field has been conducted to examine exact locations of the main lines.

City of Vidor, Texas Sanitary Sewer Line Replacement Project – CDBG Project No. 7216471

The construction is in progress. Nineteen (19) service line connections have been replaced through the end of October 27, 2017. Toby stated that the connections are running more than what was originally thought and the total cost may run around \$190,000.00 instead of the \$157,000.00 originally bid.

A motion was made by Vice President Inzer and seconded by Director Haney to approve LJA's Monthly Status Report as presented. All voted Aye.

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

Invoice No. 201713392 in the amount of **\$4,400.00** for Project No. 6560C – Surplus Funds Water System Improvements Project; **Invoice No. 201713391** in the amount of **\$4,200.00** for Project No. B877-1001 – Well Site 7 TTHM Treatment System; **Invoice No. 201713393** in the amount of **\$1,733.00** for Project No. B877-6282 – General Services Contract; **Invoice No. 201713343** in the amount of **\$882.00** for Project No. B877-1002 – 001 – Permit Renewal; for a **Grand Total** of **\$11,215.00**.

A motion was made by Director Haney and second by Vice President Inzer to approve payment of LJA Engineering invoices as presented. All voted Aye.

5. Consideration and possible action regarding approval of McInnis Construction, Inc. **Monthly Estimate No. 12** in the amount of **\$21,283.33** for Contract 1 – Water Line Replacement Project.

Toby Davis presented an overview of the work done by McInnis Construction, Inc.

A motion was made by Vice President Inzer and second by Director Haney to approve McInnis Construction, Inc. monthly Estimate No. 12 in the amount of \$21,283.33. All Voted Aye.

6. Consideration and possible action regarding executing a **Change Order** to McInnis Construction, Inc. for Contract 1 – Water Line Replacement Project to provide for the repaving of Archie Street with a 1 ½" hot mix asphalt overlay from West Bolivar Street to West Railroad Street in lieu of street patching in an amount **not to exceed \$35,000.00**.

Norman Blackman presented an overview of the options of doing the work through a Change Order versus independent bidding for the project.

A motion was made by Vice President Inzer and second by Director Haney to approve a **Change Order** to McInnis Construction, Inc. for Contract 1 – Water Line Replacement Project for the repaving of Archie Street with a 1 ½" hot mix asphalt overlay from West Bolivar Street to West Railroad Street in lieu of street patching in an amount **not to exceed \$35,000.00**. All voted Aye.

7. Consideration and possible action to consider **Change Order No. 3 (Final)** for Contract 2 – Water Wells 4, 5, & 7 Improvements Project.

Toby Davis presented an overview of the Change Order being presented. He stated that this Change Order is just to clean up the final total.

A motion was made by Director Haney and second by Vice President Inzer to approve Change Order No. 3 (Final) for Contract 2 – Water Wells 4, 5, & 7 Improvements Project to reduce contractor amount by \$1,640.00 due to special shoring of 2-sack stabilized sand not used. All voted Aye.

8. Consideration and possible action regarding approval of Brystar Contracting, Inc. **Monthly Estimate No. 9 (Final and Release of Retainage)** in the amount of **\$100,360.92** for Contract 2 – Water Wells 4, 5, & 7 Improvements.

Toby Davis presented an overview of the Final Pay Estimate to Brystar Contracting, Inc.

A motion was made by Director Haney and seconded by Vice President Inzer to approve Brystar Contracting, Inc. **Monthly Estimate No. 9 (Final and Release of Retainage)** in the amount of **\$100,360.92** for Contract 2 – Water Wells 4, 5, & 7 Improvement. All voted Aye.

9. Consideration and possible action regarding approval of Allco, Inc. **Monthly Estimate No. 1** in the amount of **\$17,837.91** for the Water Well Site #7 TTHM Treatment System, 2017 Water System Improvements Project.

Toby Davis presented an overview of the Monthly Estimate No. 1 for Allco, Inc.

A motion was made by Vice President Inzer and seconded by Director Haney to approve payment of Allco, Inc. **Monthly Pay Estimate No. 1** in the amount of **\$17,837.91** for the Water Well Site #7 TTHM Treatment System, 2017 Water System Improvements Project. All voted Aye.

10. Consideration and possible action regarding approval of Brystar Contracting, Inc. **Monthly Estimate No. 1** in the amount of **\$82,458.00** for the Dogwood Drive Manhole Replacement Project.

A motion was made by Vice President Inzer and seconded by Director Haney to approve payment to Brystar Contracting, Inc. for **Monthly Estimate No. 1** in the amount of **\$82,458.00** for the repair of the washout and the Dogwood Drive Manhole Replacement Project. All voted Aye.

11. Consideration and possible action to approve the **2017 Current Tax Roll** in the amount of **\$1,740,505.47** for the Orange County Water Control & Improvement District No. 1 as certified Mike Cedars, Chief Appraiser of the Orange County Appraisal District and submitted by Karen Fisher, Orange County Tax Assessor/Collector.

A motion was made by Director Haney and seconded by Vice President Inzer to accept the **2017 Current Tax Roll** in the amount of **\$1,740,505.47** as presented. All voted Aye.

12. Consideration and possible action to approve the **2017 Delinquent Tax Roll** in the amount of **\$528,807.74** for the Orange County Water Control and Improvement District No. 1 as certified by Karen Fisher, Orange County Tax Assessor/Collector.

A motion was made by Vice President Inzer and seconded by Director Haney to accept the **2017 Delinquent Tax Roll** in the amount of **\$528,807.74** as certified by Karen Fisher, Orange County Tax Assessor/Collector. All voted Aye.

13. Consideration of and possible action regarding **Texas County & District Retirement System (TCDRS)** plan changes regarding vesting and District Contribution rate for 2018.

Norman Blackman presented an overview of the area entity's participation in the retirement system and the matching amounts for their employees. Average vesting time for the entities is 5 years and the District's vesting is 8 years. Norman Blackman suggested the only change he would make would be the vesting period from 8 years to 5 years.

A motion was made by Director Haney and seconded by Vice President Inzer to make no changes to the **Texas County & District Retirement System (TCDRS)** plan regarding vesting and District Contribution rate for 2018 at this time. All voted Aye.

14. Consideration and possible action regarding approval/amendments for the minutes of the **September 25, 2017 Regular Board Meeting**, the minutes of the **October 16, 2017 Regular Board Meeting** and the minutes of the **October 30, 2017 Special Meeting – Insurance Meeting**.

A motion was made by Vice President Inzer and seconded by Director Haney to approve the minutes of the September 25, 2017 Regular Board Meeting, October 16, 2017 Regular Board Meeting, and October 30, 2017 Special Meeting – Insurance Meeting. All voted Aye.

15. Consideration and possible action regarding the potential refinancing of Unlimited Tax Bonds, Series 2007 and/or Series 2009 as proposed for discussion by Mark McLIney of SAMCO Capital Markets Inc. and giving consideration to proposed new legislation that may affect the District's ability to refinance.

Norman Blackman presented an overview of the changes in the legislation that could prevent us from being able to refinance the bonds at a later date. The District would not see a lot of savings but would be able to restructure the bonds.

A motion was made by Vice President Inzer and seconded by Director Haney to take no action regarding the potential refinancing of Unlimited Tax Bonds, Series 2007 and/or Series 2009 as proposed for discussion by Mark McLIney of SAMCO Capital Markets Inc. and giving consideration to proposed new legislation that may affect the District's ability to refinance. All voted Aye.

16. Consideration and possible action regarding the expansion of Freddy Blanchard's Oak Hollow Mobile Home Park located at 1346 Aery Road including District plans to reconstruct/upgrade the District's water and sewer facilities with the mobile home park and the collection of water tap fees for new mobile homes to be added within the park.

Norman Blackman gave an overview regarding a request from Freddy Blanchard's Oak Hollow Mobile Home Park, 1346 Aery Road, to increase the number of spaces by 22, but the water and sewer facilities in the park are in need of being upgraded. Norman Blackman stated that David LeJune had estimated that it would take approximately \$38,000.00 to do the upgrades to the system. At this time there are 9 mobile homes in the park. Norman stated that we won't be making the taps until Mr. Blanchard pays for them.

President Viator asked if Norman was suggesting that we upgrade the lines. He also stated he was not in favor of making the taps unless they are paid for first.

Norman Blackman said yes we need to upgrade the lines. They will need to be upgraded even if the additional mobile homes are installed. He is requesting that the Board approve going forward with the project. The agreement with Freddy Blanchard was pertaining to water only, at the time the water was the issue.

A motion was made by Vice President Inzer and seconded by Director Haney to approve the reconstruction/upgrade of the District's water and sewer facilities at the Oak Hollow Mobile Home Park located at 1346 Aery Road to be funded out of the Special Projects Account. The District owes the owner 6 or 9 taps at no cost. No other taps, sewer or water, will be made until paid by the owner. All voted Aye.

17. Consideration and possible action regarding the expansion of Roy Bayliss' Oak Leaf Mobile Home Park located at 1335 Concord Road and a potential new force main to serve the Mobile Home Park and adjacent neighborhoods.

Norman Blackman stated there was no action to be taken. He was just giving the Board information on the sewer system for this Mobile Home Park. There may be about 28 units being served by the force main from the Park. As the system stands right now, it could only handle approximately 8 more units. At some point, he stated that we may want to re-work the 2" force main and enlarge the line so it could handle more units in the Terry Road/Evergreen Park area.

No action was taken on this item.

18. Board Member comments.

There were no Board Member comments.

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

Norman Blackman stated that he had no further information to report for his monthly status report that had not already been covered in other agenda items.

Chris Serres presented the monthly financial report. We have not actually caught up with our billing since October. By the November billing we should be back to the normal billing. Current billing was \$122,119.79 for the month since we did not bill sewer for the month. The next report is the banks statement balances, all of our banks statements balanced. The next report is for Special Projects. Our balance is \$778,459.75. We did have some payments to the engineers for the TTHM project and the City of Vidor Grant Project for a total of \$4,830.00. The next report is the Water and Sewer Major Maintenance account. We had no outgoing expenses, we just had or normal funds transfer and interest earned. The balance for the account is \$139,136.81.

The next report is the Budget Comparison Report shows monthly revenue of \$183,214.00. Keep in mind that is no sewer billing for the month. We have expenditures of \$360,130.00 for the month. We have spent \$176,916.00 more than we collected.

Director Haney asked if lines 6000 and 6001 included the revenue note. Chris Serres explained that that was the revenue note.

The next report is the interest earned for the month of October. We have earned \$7,474.92 in interest for the month.

There is no Field report to be presented this month. It will be presented at the next meeting.

A motion was made by Vice President Inzer and seconded by Director Haney to accept the General Manager's and Finance reports as presented. All voted Aye.

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

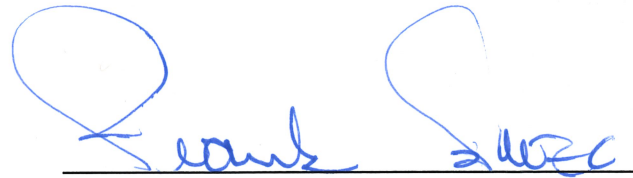
A motion was made by Vice President Inzer and seconded by Director Haney to authorize payment of the monthly invoices. All voted Aye.

21. Adjournment.

A motion was made by Vice President Inzer and seconded by Director Haney that the meeting be adjourned at 8:00 p.m.



Robert Viator, President



Frank Inzer, Vice President