

BOARD OF DIRECTORS
**MINUTES OF
REGULAR MEETING**

Regular Meeting Minutes

December 18, 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

The meeting was called to order by President Viator at 5:30 p.m.

ANNOUNCE THE PRESENCE OF A QUORUM

The presence of a quorum was announced with President Viator, Vice President Inzer, and Secretary Beard being present. Members absent were Director Groves and Director Haney.

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 Scogin and Toby Davis of LJA Engineering, Inc. were in attendance.

INVOCATION AND PLEDGES

Secretary Beard led the invocation and Vice President Inzer led the Pledges.

MEETING AGENDA

1. Citizen comments.

There were no Citizen comments.

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

Jeff Scogin presented an overview of LJA Engineering District Projects as follows:

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

Contract No. 1:

The contractor has finished all of the connections to existing water mains. They have put all of the new water mains and service lines into service and have abandoned all of the replaced water mains.

Contract No. 2:

This project has been completed.

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.

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

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

B877-1001 – WELL SITE 7 TTHM TREATMENT SYSTEM

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

The contractor has completed the construction of the concrete foundations for the ground storage tank and the air stripper. They are awaiting major equipment delivery.

CITY OF VIDOR – SANITARY SEWER LINE REPLACEMENT PROJECT – CDBG PROJECT NO. 7216471

The construction is in progress. None (9) service lines have been replaced through the end of November, 2017.

CITY OF PINE FOREST, TEXAS – FIRST TIME WATER AND SANITARY SEWER SERVICE PROJECT – CDBG PROJECT NO. 7216370

The construction is in progress. The District is in the process of acquiring easements for the 11 properties to receive grinder pump stations and water services.

A motion was made by Secretary Beard and seconded by Vice President Inzer to approve LJA Engineering, Inc. monthly status report 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. 201715125 in the amount of **\$3,736.00** for Project No. 6560C – Surplus Funds Water System Improvements Project; **Invoice No. 201715127** in the amount of **\$4,053.00** for Project No. B877-1001 – Well Site 7 TTHM Treatment System; and **Invoice No. 201715314** in the amount of **\$4,452.50** for Project No. B877- 1004 – General Services Contract – Developing the Sanitary Sewer Overflow (SSO) Plan for a **Grand Total of \$12,241.50**.

A motion was made by Vice President Inzer and seconded by Secretary to approve payment to LJA Engineering as presented. All voted Aye.

4. Consideration and possible action on Contractor's Payment Request #2 for Water Well Site 7 TTHM Treatment System, 2017 Water System Improvements Project in the amount of \$117,098.17.

Jeff Scogin gave an overview of Pay Estimate No. 2 from Allco for Water Well #7 TTHM Treatment System, 2017 Water System Improvement Projects in the amount of \$117,098.19.

A motion was made by Vice President Inzer and seconded by Secretary Beard to approve payment. All voted Aye.

5. Consideration and possible action regarding approval/amendments for the minutes of the **November 20, 2017 Regular Board Meeting**.

A motion was made by Vice President Inzer and seconded by Secretary Beard to approve minutes as submitted. All voted Aye.

6. Board Member comments.

There were no Board Member comments.

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

Norman Blackman presented and overview of the General Manager's monthly status report as follows:

- Archie St. Repaving – Norman Blackman presented the estimate on what the contractor should be charged for the asphalt patching of \$8,000.00. The footage of patching is 830 feet by 21 feet. He thinks that \$8,000.00 is reasonable considering they will be doing the patching themselves and it would cost up to \$60,000.00 to do the repairs. President Viator stated that he thought \$8,000.00 was way fair. Norman Blackman stated that they are not going to argue with it.

- Dogwood Dr. Manhole Washout – That was about \$100,000.00 for the repair. The street paving quote from the sub-contractor to the contractor was \$5,985.00 according to the contractor. It is right at \$6,000.00 and that is just for the overlaying of that area. The main contractor was going to back fill everything and compact and bring everything up to the level it needed to be – 1-1/2" recessed down and then the sub-contractor would come in and put the overlay in of hot mix asphalt, which they did last Friday, December 15, 2017. We're going to be presenting an application or claim to FEMA for reimbursement for this work and they have told us that the City of Vidor would need to be responsible for the street repaving. Norman Blackman explained to FEMA that the City of Vidor did not have anything to do with it. We had to excavate that area out to do

our repair work and so he understands their theory is though, we are describing this as a result of the flood. It was not caused by our manhole default. We sustained damage to our manhole and sewer line from the storm and the City of Vidor sustained damage to the street. We don't have an Interlocal Agreement with the City of Vidor as far as he knows. He has not seen anything that shifts responsibility of street repair due to sewer or water repairs to us. He stated that he thought that he had convinced our FEMA representative that this didn't make any sense to involve the City of Vidor; it was something that had to be done because our work had to be done, and we were going to cover it. He bought that idea and that it made sense. There is no guaranty that any of it will be reimbursed by FEMA. Later on our FEMA representative checked and stated that the City of Vidor would have to claim it. Norman Blackman stated he didn't think it was worth it to chase it around the \$6,000.00 for the repaving.

- Oak Leaf Mobile Home Park – Freddy Blanchard – 22 mobile homes being moved in by FEMA.

The mobile home park has 32 mobile homes. We are in there now working on the water and sewer lines because they have needed it for many years. They are about to move in about 22 FEMA trailers and basically fill that park up. Once it gets full, we won't have room to get in there and do water and sewer work. The Board talked about it at the last meeting, discussing if the park owner would come up with the tap fees because in the agreement we signed back in 2005, it provided for us to take over the operation and maintenance of that system and we would put in 6 taps at no cost and all other taps were going to be at the mobile home owners cost. This would be water tap fees, no sewer tap fees. Over the years, it turns out that 10 or 11, in addition to the 6 that we owed him, were tied in. Customers would come in to have service turned on and it did not get caught. The District owed Mr. Blanchard 6 taps and inadvertently put in 11 taps. We grandfathered in 10 taps. They agreed on this. Mr. Blanchard paid the tap fees today, December 18, 2017. The sewer is about 75% complete and the water won't take long after that. The project should be finished shortly after the first of year. He thought the whole replacement won't be more than \$17,000.00 to the District.

Chris Serres presented the financial report for the month.

The billing this month actually represents two months billing and when you see December's billing should reflect the current month only. Taking it all into consideration the billing of \$437,231.55 is actually two months. Norman Blackman asked if she thought that we were getting close to being back to a normal situation. Chris Serres stated that we were. Norman Blackman then asked if we had gotten a count of those that were not going to rebuild or that were stopping service. Chris Serres stated that they did and it was somewhere around two hundred customers. Norman Blackman stated that of the estimated 5,000 customers that about half sustained damage. President Viator stated that about 71 or 72 percent of the homes in Vidor had been damaged in the storm.

The next report is our account balances. If you will look at the General Operating Account, it is still just under \$300,000.00. Our goal is to try to keep \$500,000.00 in that account, but since the storm, our extra expenses. It is holding its own. We haven't had to borrow any money and have been able to keep the bills paid. All of the other accounts are balanced.

Norman Blackman stated that in our Special Projects account we still have over \$673,493.72 in one account and \$143,412.99 in the other account. We are still well funded for the smaller projects that we have going on. The next page details the expenditures for the Special Projects account.

The revenues look really good; we are behind about 184,000.00 which are the sewer billing and RNP that we did not bill in October. The next report is the interest earned for the month. We earned \$7,849.29 in interest for the month of November.

Norman Blackman gave the Field Report for the month of October. We pumped 34,596,000 gallons of water to the system, down from the previous month's pumpage of 41,490,000 gallons. The unaccounted for percentage of water was 14.88% which is a little high which is not unexpected under these conditions. Wastewater treated at the plant was 18,959,000 gallons which is quite low. He stated that he needs to ask about that number. He stated that the measurements were kind of primitive at the plant because we are still getting things in and installed. Total water jobs were 409 and sewer jobs were 35 of which 14 were LPSS service calls for a total of 444 jobs.

He then gave the Field Report for November. We pumped 31,057,000 gallons to the system and accounted for 27,363,800 of that water for an unaccounted for 11.89%. We treated 26,608,000 gallons of wastewater for the month. We have had some reasonably dry weather since the storm. What we pump into the system does not always come back to us through the sewer system. The total water jobs were 144 and total sewer jobs were 36 of which 14 were LPSS service calls for a total of 180 jobs.

A motion was made by Secretary Beard as seconded by Vice President Inzer to accept General Manager's monthly status and financial report as presented. All voted Aye.

8. 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 pay District's monthly bills as presented. All voted Aye.

9. Consideration and possible action approving **Resolution 04-2017** approving Tax Abatement Requests for specific properties as approved by the City of Vidor, Texas and in accordance with Orange County Water Control & Improvement District No. 1's Resolution No. 01-2016 as follows:

- a) Kennon Rainwater
180 Lovelady
Vidor, Texas 77662
- b) Rock Builders, LLC
770 Pine
Vidor, Texas 77662
- c) Rock Builders, LLC
774 Pine
Vidor, Texas 77662
- d) Matthew O. and Britni McPayne
445 Lakewood Drive
Vidor, Texas 77662
- e) Matthew McPayne
305 Lakewood
Vidor, Texas 77662
- f) Matthew L. Conn
835 North Tannahill
Vidor, Texas 77662
- g) Claude Eric and Sherry Williamson

855 North Tannahill
Vidor, Texas 77662

- h) Matthew McPayne
270 Pineburr
Vidor, Texas 77662
- i) Paul Goins
1350 Timberland
Vidor, Texas 77662
- j) Benson Jerrell
270 West Bolivar
Vidor, Texas 77662

A motion was made by Vice President Inzer and seconded by Secretary Beard to approve **Resolution 04-2017** approving Tax Abatement Requests for specific properties as approved by the City of Vidor, Texas and in accordance with Orange County Water Control & Improvement District No. 1's Resolution No. 01-2016 as listed. All voted Aye.

10. Consideration of and possible action regarding approving **Resolution No. 05-2017** documenting that the Board of Directors has reviewed and approved without change the Orange County Water Control & Improvement District No. 1's **Investment Policy and Strategies** in compliance with the **Public Funds Investment Act**, Chapter 2256 of the Texas Government Code and find and declare that the meeting at which this resolution was adopted was open to the public, that the Public Notice of time, place and subject matter of the public business to be considered was posted as required by law.

Norman Blackman stated that the policy and strategies has not changed in the last two or three years. We can't just go out and buy gold mining stocks and things like that. The limits on investments and the interest is such that we can't beat it by a whole lot and if it looks like there becomes more that could be had by strategic investment, and then he thinks we would want someone more capable than him to evaluate those sorts of things. We have to take a course every two years that basically outlines the guidelines of what you are allowed to do and what you can't. It talks about fraud and a number of things like that. He stated that he is not qualified to be able to describe the difference between the safe stuff that we are in and the other things. They have the Texas Star. It is considered a good safe investment for entities like us and he does not think it is paying a whole lot right now. If it was paying more, we might want to move something over there. Norman Blackman stated that it hasn't changed and we are in very safe investments.

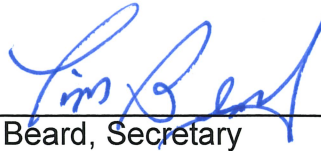
A motion was made by Secretary Beard and seconded by Vice President Inzer to and approved without change the Orange County Water Control & Improvement District No. 1's **Investment Policy and Strategies** in compliance with the **Public Funds Investment Act**, Chapter 2256 of the Texas Government Code and find and declare that the meeting at which this resolution was adopted was open to the public, that the Public Notice of time, place and subject matter of the public business to be considered was posted as required by law. All voted Aye.

11. Adjournment.

A motion was made by Vice President Inzer and seconded by Secretary Beard to adjourn at 6:52 p.m. All voted Aye.



Robert Viator, President



Tim Beard, Secretary