

**MINUTES OF
REGULAR MEETING**

Regular Meeting Minutes
July, 16 2018 – 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 meeting to order at 5:30 p.m.

ANNOUNCE THE PRESENCE OF A QUORUM

President Viator announced the presence of a quorum. Vice President Inzer was absent.

STAFF PRESENT

General Manager Norman Blackman, Finance Director Chris Serres, and Operations Manager David LeJune were present.

OTHERS PRESENT

Jeff Scogin and Toby Davis of LJA Engineering, Inc.

INVOCATION AND PLEDGES

Secretary Beard gave the invocation and Director Groves led the pledges.

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 gave an overview of the 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 Sites Improvement)

Contract No. 1:

Construction for this project has been completed. LJA is in the process of producing As Built plans to submit to the Owner.

Director Haney asked what the As Built plans are. Jeff Scogin explained that it is the plans for the project with any changes or additions added to them to reflect how the project was actually built.

Contract No. 2:

This project had been completed.

6560D – SURPLUS FUNDS SANITARY SEWER IMPROVEMENTS PROJECT (Contract No. 4 – Sanitary Sewer Lift Station Rehabilitation Project)

LJA is working on the plans and specifications for this project. LJA has held multiple meetings with the District to discuss various aspects of the improvements at each lift station. Plans should be ready for final review in the coming weeks.

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 and lift station improvements projects.

Director Haney asked if there was any idea when this project would pick back up. Norman Blackman explained that other things have come up and they haven't been able to get back on it.

President Viator asked Norman Blackman about how long he thought it would be before we would be able to get started on it. Norman Blackman stated probable 6 months or so.

B877-1001 – WELL SITE 7 TTHM TREATMENT SYSTEM

Engineering services included resident project representation and construction contract administration. The project has essentially been completed. LJA has issued a punch list and has coordinated with the contractor to complete the items on that list. Several items were accomplished from the punch list. All the items on the punch list should be completed this week. It may be possible to close-out at the next meeting.

President Viator asked how the numbers were looking. Norman Blackman stated that they had a few problems right at the beginning, but they do have some readings. He stated that before the stripper the reading was 76 and the sample after the stripper was 16. That is an 80 percent reduction. The Board discussed the results and how the system TTHM would be controlled. Norman Blackman explained that the water would be blended from all of the wells using the SCADA system.

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

The construction is in progress with all of the main lines installed, except for the main line extensions past McVey. The Change Order to extend the lines past McVey and service two (2) beneficiaries has been approved by TDA. The Contractor has been given authorization to proceed with the main line extensions. A total of ten (10) homes have been completed and two (2) left to do.

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

The construction is back in progress. Seventeen (17) service line connections have been replaced from April 11th thru July 3rd. A total of fifty (50) service line connections have been replaced since the beginnings of construction.

A motion was made by Director Groves and seconded by Secretary Beard to accept the Monthly Status Report concerning ongoing District projects presented by Jeff Scogin for LJA Engineering. All Voted Aye.

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

Invoice No. 2018091238 in the amount of **\$11,000.00** for Project No. 6560D – Surplus Funds Sanitary Sewer System Improvement Project; **Invoice No. 201809114** in the amount of **\$4,500.00** for Project No. B877-1001 – Well Site 7 TTHM Treatment System; and **Invoice No. 201809101** in the amount of **\$926.50** for Project No. B877-6282 – General Services Contract – TXDOT Permitting Services for Force Main for a **Grand Total of \$16,426.50**.

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

4. Consideration and possible action regarding approval/ amendments for the minutes of the **June 18, 2018 Regular Board Meeting**.

A motion was made by Secretary Beard and seconded by Director Haney to approve the minutes of the June 18, 2018 regular meeting as presented. All Voted Aye.

5. Board Member comments.

Director Groves asked if everything had been closed-out for the line extension to Pop's place. The contractor was paid up front for the work by the owner.

Pine Forest Baptist Church was tied into the sewer line that was extended to Pop's Place. A reimbursement agreement for the Church was not created and the District has not been paid back by the Church for the tie in. The Church's contribution should be about \$3,500-\$4,000.

6. Consideration and possible action regarding General Manager's monthly status and financial report as follows:

MANAGER'S REPORT

**OUTLINE FOR MANAGER'S MONTHLY STATUS REPORT
FOR THE JULY 16, 2018 BOARD MEETING**

(as of Monday, July 16, 2018)

On-Going Topics

- **Hurricane Harvey Recovery**

- **Field Office and Warehouse Area Repair/Upgrades** - We have moved back into our field office building next door. All insurance-funded repairs have been made. The optional District-funded upgrades have not been completed. We have given up on our contractor and are having some of the upgrades done by other contractors. We may have to replace the roof sheeting due to continuing roof leaks.

President Viator asked what was causing the roof to leak. Norman Blackman stated that it appeared to be possibly where the sheets were screwed together it was just holding the sheets of metal together and was also possibly where screw holes weren't fixed properly.

- **WWTP**- The **sludge dewatering system** is operational, but some of the replacement components have not arrived yet. Our wastewater plant operators have moved back into the **control building**. Primary **electrical distribution gear** has been changed out as have most of the thousands of feet of **wire** that had to be pulled and replaced. The **Aeromod control panel** has been installed and made operational. **Generators** have been installed and wired, awaiting the start-up crew from the manufacturer. The old flooded generators have been removed from the site. Fabrication of new **UV disinfection** equipment has been painfully slow, but the equipment arrived today at our main office location.
- **Collection System** – New lift station control panels are being fabricated. New motors have been ordered for most flooded lift stations. At Lower Lift Station we are still looking into converting it to a submersible lift station to make it more resistant to flooding hazards.

Norman Blackman reminded the Board that there is a grant that could possibly be received to help pay for this project. This would be independent of any insurance money that has been received.

- **FEMA Assistance** – We are expecting receive approximately \$92,000 from FEMA within the next 30 days, and another \$73,000 is expected to be approved soon, according to our FEMA representative. They are dis-allowed the extra straight time that was paid. It would have been paid had our policy stated that is the way we pay for disasters.
- **Sugar Pines MHP/Iwanda MHP/Future MHP Water/Sewer Line Extensions** - No progress has been made since the last Board Meeting. I have remained snowed under so much of the time that I have not worked much on it. We have an approved TxDOT permit for that portion of the route that is in TxDOT right-of-way. **David LeJune and I still need to get together to estimate the cost of performing the installation with our own forces for comparison to the contractor constructed option.**
- **West Davis LS** - This Surplus Funds Project has a very small site within which to upgrade the lift station from two very old self-priming pumps to three submersible pumps and add an emergency generator. I contacted Kinder-Morgan Pipeline Company about acquiring an easement from them for the expansion. I was pleasantly surprised that they are willing to part with the small tract they own adjacent to our lift station site. **I am waiting for their ROW department to get back to me.**

Director Haney asked why we want to go to three submersible pumps. Norman Blackman explained that the first and second pumps would be the lead pumps and if one goes down, the third pump would be used until the broken one is repaired.

- **City of Vidor 2015-2016 Block Grant** - This project is under construction but will not be completed within the original deadline due to Hurricane Harvey delays. We have developed a grant time extension request. In addition, there have been some issues with the construction budget as we have experienced more feet of sewer line and numbers of special fittings than anticipated, which has caused the average cost per home to exceed our budget estimates. With a change order to increase the contractor's contract amount and some tighter controls of the work being done, we expect to bring this project back into line. Also, we have nearly exhausted the pool of eligible applicants and have only a total of 75 or so of the 110 proposed homes signed up for service line replacements. **I think we have to consider allowing non-owner-occupied homes to apply for the grants in order to reach our project goals and our I/I Reduction goals.** This means that landlord-owned homes would become eligible, thereby increasing the pool of eligible applicants.

President Viator stated that he thought we need to open it to non-owner occupied homes.

- **City of Vidor 2017-2018 Block Grant** - No development on this project yet. This grant is identical to the current grant and we have to move rapidly to meet the schedule goals to comply with the Texas Department of Agriculture schedule milestones. We have been unable to spend time on this 2018 grant due to the 2016 grant requiring so much of our time.
- **City of Pine Forest 2015-2016 Block Grant** - Although this project had been delayed, ten of the eleven water and sewer services for homes in the original scope and all of the main water line and sewer line extensions have been completed. A change order is being processed to add several hundred feet of water and sewer main lines and two additional home services.
- **Field Personnel Shortage** - We hired four people in May to fill out the existing third work crew and the new fourth work crew. Three of the four reported for work, but the fourth never showed up. Since then we lost another field hand. We hired one additional employee who started today, but we are still needing one or two more.
- **City of Rose City Sewer Service** - We have corresponded with the Mayor of Rose City regarding revising the interlocal agreement with them to provide for the District to bill and collect for sewer services directly with the users of our sewer system instead of the current process of the City billing the residents for both water and sewer and submitting the sewer service fees to the District. The Mayor felt that the City would be in agreement with the District taking over the billing and collection for sewer services.
 - Larry Hunter is working on a revised interlocal agreement based on our meeting with him on last Thursday.
 - It is our understanding that the City of Rose City resumed billing customers for water and sewer services in April 2018, making July the 15th the fourth month of sewer billing.
 - The District has not received any payments for sewer services since June of 2017.

- No discussion had been had with the City of Rose City regarding submittal of sewer collections to the District. I suggest we discuss our possible positions on that matter prior to presenting the draft of the revised agreement to the City of Rose City.

We have about 30 customers that City of Rose City bills and this does affect our RNP payments. President Viator said we need to discuss what needs to be done about the balance that is owed.

- **Extension of Services to in-District Properties at FM 105 and Caney Creek** - One of our Surplus Funds Projects will provide for extension of water and sewer services along both sides of FM 105 from its intersection with FM 1132 south about 2,500 feet. That project has had a lower priority than the Cast Iron Water Line Replacement and the Lift Station Upgrade Projects, and as a result no construction has begun yet. Now, there are two tracts in that region that are in need of water and sewer services, one is a residential area with two homes recovering from flood damages and the other is a commercial tract to be the site of a new medical clinic. I believe we should find a way to accelerate the extension of service to these two tracts in a way that would coordinate with our eventual extension plan to that area. If possible, I would propose to fund these efforts with the same Surplus Funds that we will use to do the full project when the plans are fully completed. **No progress has been made on this service extension yet, however, it is still on our radar. We will proceed with it as soon as possible.**
- **Stan Turner Sewer-Only Unresolved Outstanding Balance and Lien** - More than a year ago we filed a lien on this property for \$16,321.65 to recover an outstanding balance for sewer-only service charges. At that time the property had been sold and the new owner of the property contacted us to try to resolve the lien. We had discussed with our Board a settlement figure in the range of \$8,000. The land owner offered the District \$3,500, which we declined. Now the owner is again attempting to settle the lien and has contacted Larry Hunter. We and Larry need to feel the pulse of the Board regarding a potential settlement amount or to decide to move forward with foreclosure on the lien.

Norman Blackman explained that we could either ask for the entire amount, settled for a discounted amount or go forward with the foreclosure. The property description was actually written from Mr. Turner's actual deed. Norman Blackman would recommend that we do not accept anything less than the full amount, but we may be better off if we did not take any action right now. Norman Blackman stated that he would get back with Larry Hunter before we move forward with this situation.

Chris Serres presented the Financial Report as follows:

The monthly billing is up this month by about \$4,000.00. All of the accounts balance. On the Special Projects Account, we had our monthly transfer of \$4,166.67, interest earned of \$116.43, and expended \$5,350.00. We ended the month with \$84,488.36 left, however we will be reimbursed by FEMA for the Hurricane Harvey Disaster. On the Water and Sewer Major Maintenance Account, we had the monthly transfer of \$4,166.67, interest earned of \$71.18, and expended of \$35,893.18.

On the Budget Comparison Report our revenues were \$345,556.00 which is \$4,127.00 below the monthly budget. The expenditures for the month were \$319,091.00 which is under the monthly budget by \$16,426.00. We are over on the total budget on overtime salaries by \$4,770.00 due to Hurricane Harvey.

Fiscal year ending revenue collected was \$3,909,746.00 and projected that we would collect \$4,196,200.00. We collected \$286,454.00 than we projected for the year.

Fiscal year ending Expenditures were \$4,170,995.00 and projected expenditures were \$4,026,200.00. We expended \$144,795.00 more than projected.

We earned \$13,243.63 in interest for the month of June 2018.

David LeJune presented the Field Report as follows:

We pumped 33,480,000 and accounted for 29,832,900. The percentage unaccounted for was 10.89%. We treated 30,885,00 of wastewater. We performed a total of 323 water jobs and 106 sewer jobs for a total of 429 jobs. We had 26 LPSS service calls for the month.

Noman Blackman stated that he had a couple of more items touch on before they moved on. First item is installation of LPSS systems in areas that are too low to be served with the regular gravity system. He stated that we have a couple of addresses that we have had issues with recently. We have solved several issues in the past and he feels that we need to resolve the problems with these two recent problems. One house is on E. Railroad, he and David LeJune have checked this one on more than one occasion during rain events and there is a problem.

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

7. 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 pay the District's monthly bills. All Voted Aye.

8. Adjournment.

A motion was made by Secretary Beard and seconded by Director Haney to adjourn the meeting at 7:50 p.m. All Voted Aye.



Robert Viator, President



Tim Beard, Secretary

