

**MINUTES OF
REGULAR MEETING**

Regular Meeting Minutes
August 20, 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. Secretary Tim Beard was absent.

STAFF PRESENT

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

OTHERS PRESENT

Toby Davis, Jeff Scogin, and Jared Defrancis of LJA Engineering, Inc.

INVOCATION AND PLEDGES

Director Groves led the invocation and Director Haney 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. As Built Plans have been submitted to the District.

Contract No. 2:

This project had been completed.

Contract 1 and 2 are closed.

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

LJA and electrical sub consultant are working on the plans and specifications for this project. LJA has held multiple meeting with the District to discuss design and various aspects of the improvements at each lift station. Bobby with Pump Worx recently came out to Cloverleaf to analyze the pumps to try to see what is happening at Alamo Lift Station and what pumps need to go in there and the force main configuration. The engineers stated two plates needed to be replaced still and adjusted the tolerance on the pumps. Norman stated that Cloverleaf pumped a lot of dirt and grit from the Dogwood manhole collapse and it wore out a couple of the pump wear plates. They have gotten the pumps back up but still have two that need new plates. Director Haney asked how often the wear plates would normally have to be changed out. Norman stated that if you were pumping normally clean liquid, they should last a good while, but when you are pumping a lot of dirt and grit it is like sandblasting the plates. Vice President Inzer asked if we were looking to increase the pumping capacity. Jeff Scogin explained that Alamo pumps a lot along with sand/grit as well and pumps into Cloverleaf. They are looking at tying Alamo into force main to help with overflow and Cloverleaf which will have hydraulic impact on Cloverleaf. They need to know what is being pumped so they can model the improvements to the lift stations. Norman stated that instead of it going from Alamo to Cloverleaf and then to the plant, this will have Alamo bypassing Cloverleaf into the force main and then both pumping straight to the plant. He also stated that will be a better solution for the District because in the future Cloverleaf will not be re-pumping the flow from Alamo and will need less capacity. Alamo has a lot of flow and is the biggest point of infiltration to the system. Director Haney asked how we know this. Norman explained that the flow will be almost nothing and within an hour can be very high, this is caused by stormwater after a rain storm.

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.

B877-1001 – WELL SITE 7 TTHM TREATMENT SYSTEM

This project was completed. The punch list has been completed and Certificate of Completion will be submitted to the District at this month's meeting. President Robert Viator asked what part was completed. Robert Viator stated we are still having problems. General manager Norman Blackman stated that David LeJune is working with Bob Young to pinpoint the problem with the butterfly control valves will not hold up, won't close off and seal. They are trying to see if it is the controls not closing it all the way or the valves themselves not working. Norman Blackman stated state results are taking a long time to get back two to the three weeks to get results. President Robert Viator called Well site 7 TTHM not complete at this time.

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

The construction is in progress. Nine (9) service lines connections have been replaced from July 3rd thru August 15th. Total of fifty-nine (59) service line connections have been replaced since the beginning of construction. President Viator asked Office Manager Chris Serres if we had picked up any more, she stated yes. Norman Blackman stated that when we removed the restriction of owner occupied, then we are picking up additional candidates for it.

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. The Change Oder to extend the lines past McVey and service two (2) beneficiaries has been installed. A total of twelve (12) homes have been completed.

A motion was made by Director Groves and seconded by Vice President Inzer to accept the monthly engineer's monthly status report, except for tabling the TTHM monthly status report. All voted Aye.

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

Invoice No. 201811269 in the amount of **\$5,000.00** for Project No. 6560C – Surplus Funds Water System Improvement Project; **Invoice No. 201811270** in the amount of **\$5,500.00** for Project No. 6560D Surplus Funds Sanitary Sewer System improvements Project; **Invoice No. 201811259** in the amount of **\$1,550.00** for Project No. B877-1001 – Well Site 7 TTHM Treatment System; for **Grand Total of \$12,050.00**.

A motion was made by Director Haney and seconded by Director Groves to approve payment of LJA invoices as presented. All Voted Aye.

4. Consideration and possible action on **Contractor's Payment Request #7** for the Water Well Site 7- TTHM Treatment System, 2017 Water System Improvements Project in the amount of **\$43,695.00**. General manager Norman Blackman stated two items reduced contractor amount.

A motion was made by Vice President Inzer and seconded by Director Haney to approve payment to Allco, Inc. for Pay Request #7 in the amount of \$43,695.00. All Voted Aye.

5. Consideration and possible action regarding Change Order #1 (Final) in the amount of (\$3,150.00) for the Water Well Site 7-TTHM Treatment System, 2017 Water System Improvements Project reducing the contract amount from \$598,500.00 to \$595,350.00. Change order has additional time 155 days only had 140 day in contract. Added 15 days - they went longer than contracted. President Robert Viator asked what recommendation general manager Norman Blackman stated not sure if it was equipment or what they had some issues with the blower motor-contractor handled it.

A motion was made by Director Groves and seconded by Vice President Inzer to approve Change Order #1 in the amount of (\$3,150.00), reducing final contract amount from \$598,500.00 to \$595,350.00 but to increase days to 155 (up by 15 days). All voted Aye.

6. Consideration and possible action to consider the approval of the **Certificate of Construction Completion** for the Water Well Site 7-TTHM Treatment System, 2017 Water System Improvements Project.

A motion was made by Vice President Inzer and seconded by Director Haney to table Item #6. All Voted Aye.

7. Consideration and possible action on **Contractor's Payment request #8, the Final Payment and Release of Retainage**, for Water Well Site 7-TTHM Treatment System, 2017 Water System Improvements project in the amount of **\$59,535.00**.

A motion was made by Director Groves and seconded by Director Haney to table Item #7. All voted Aye.

8. Consideration and possible action to authorize the staff to apply for a \$500,000.00 Grant from the Texas Water Development Board's Clean Water State Revolving Fund Disaster Recovery Program to rehabilitate the Lower Lift Station at 640 Oak Lane, Vidor, Orange County, Texas that was damaged during Hurricane Harvey, including all activities necessary to complete the financial application, including but not limited to:
 - A. Authorizing the District's Engineer, Attorney, and Financial Advisor to submit an application for funding to the Texas Water Development Board; McLiney will get back with us on the fees if too much we will seek proposals. First 10 get money for grants takes around two weeks for this. (grant only apps)
 - B. Authorizing an Agreement between the District and the Financial Advisor to provide services to complete this application; need proposal from Mark (no rates), Est... less than 25, 000
 - C. Authorizing the District to develop a Request for Qualifications for Professional Engineering Services in connection with this program and project and in accordance with Texas Water Development Board procurement requirements;
 - D. Approval of Resolution TWDB 201A – Application for Filing and Authorized Representative Resolution authorizing the grant application, appointing Norman Blackman as the authorized representative of the District concerning the grant application, and identifying the District's initial Financial Advisor, Engineer, and Bond Counsel to assist in the preparation and submission of such grant application; and,
 - E. Approval of a Reimbursement Resolution to allow the District to reimburse the District from grant proceeds for original expenditures paid prior to the actual receipt of funds from the granted application.

Toby Davis stated the application process takes two to three weeks to complete.

A motion was made by Director Groves and seconded by Vice President Inzer to approve sections A, C, D, and E and table Item B. All voted Aye.

9. Consideration and possible action regarding approval/amendments for the minutes of the July 16, 2018 Regular Board Meeting.

A motion was made by Vice President Inzer and seconded by Director Groves to approve the minutes of the July 16, 2018 Regular Board Meeting as presented. All Voted Aye.

10. Board Member comments.

There were no Board Member comments.

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

General Manager Norman Blackman presented the manager's report as follows:

On-Going Topics

- **Hurricane Harvey Recovery**

- **Field Office and Warehouse Area Repairs/Upgrades** - We have had the roof on the Field Office building replaced due to numerous holes in the old roof. We are planning to have a 20 X 21 canopy constructed on the north end of the building.
- **WWTP**- All repairs and/or replacements are progressing at the wastewater Treatment Plant. The progress is slow at times, but we are steadily moving forward. They are working today and tomorrow on the start-up of the new generators. The generator representatives are there today working out all the details and final settings and run them tomorrow so everyone can witness the operation of the generators.
- **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. Tiger Lake – had quite a bit of damage, building was destroyed. We are moving out of that building, it was a metal building used for a blower building for the old wastewater plant, one end was converted into office space with a bathroom. We are not going to have an office at that location, we don't need someone way out there. We are going to move the electrical equipment out of the building, so there will be nothing left in that building. The generator will be replaced – it was insured – and placed on the existing slab for the generator. There is still a little work to be done on Tiger Lake on the planning on the building for redesign on a portion of it. We will have to get with the Insurer on how much they will cover.
- **FEMA Assistance** – We have received approximately \$92,000 from FEMA, and another \$57,767 for emergency preparedness is expected to be approved soon, according to our FEMA representative. Waiting on FEMA to approve the \$57,000.00 payment.
- **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 and we do not have enough manpower. 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.** No progress since last meeting.
- **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.**
- **City of Vidor 2015-2016 Block Grant** - This project is still under construction. We have received a grant time extension from September 14, 2018 to January 14, 2019. We received approval to allow 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 have become eligible, thereby increasing the pool of eligible applicants.

- **City of Vidor 2017-2018 Block Grant - No development on this project yet.**
- **City of Pine Forest 2015-2016 Block Grant - This grant project is essentially complete.**
- **Field Personnel Shortage -** We have been able to hire a few additional personnel but lost a few as well. We still are short one or two people and continue to advertise for field personnel. Slow at finding people, we have hired a couple and then lost a couple. Just hired a guy that seems to have quite a bit of backhoe experience.
- **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 need 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. We have been working with Harbor Diagnostic Clinic to provide the needed services. We will need to bore under the highway with an 8" water line near the Auburn Square Apartments. We will bore from the east side of the highway to the west side and tee from there and stub out both directions. We already have the sewer force main that crosses there by Auburn Square. The facility is now under construction and is scheduled to be completed in 4 months. We believe we can have the needed extensions in place by then. He stated that he has been talking to Houseman about getting a right of way and he will give us one. Working with Larry to file papers- working out something between now and next Board Meeting.
- **District Office Driveway Repaving –** Norman stated that he has been talking to Don Moorman about helping us get that project done. Our crew went out and dug a few holes in the driveway to see what kind of material we had. We had about an inch of hot mix asphalt overlay and about three (3) inches of mixed base material, some of it was limestone, shell, etc. It's in decent shape but he thinks the recommendation would be that we grind all that up, till it all up, add about another three (3) inches of limestone with a little cement for stabilization, roll that back down with a roller and then put about 1-1/2 inches of asphalt on top of that. He stated that he did not have a cost estimate for it yet, but he thinks it is going to be in the \$15,000-\$20,000 range. We would be paying for that out of our Special Projects Fund.
- **Stanley Turner Lien – Baywood St. Issue -** Norman stated that they talked about going forward with foreclosing on that lien. We have the lien against the property, no one has paid, and they can't seem to decide what they are going to do. Director Groves stated that he heard that Mr. Norris and his son are trying to buy the property and clean it up. President Viator stated that what Larry Hunter wants to know is if the Board wants him to move forward with filing the suit to foreclose the lien to let everyone know that we are serious and get the matter resolved.

Larry Hunter stated that if someone makes a decent offer, we aren't saying that we won't negotiate to resolve the issue. Director Groves stated that when he talked to Mr. Norris' son stopped him to talk to him, that they are willing to work with the District. Larry Hunter stated asked if they wanted to put it on the next agenda and act on it or give it some more time. Director Groves stated our options are to take that piece of property or hopefully get some money from the next owners. President Viator stated that we should let Larry Hunter file the papers then if they want to work something out. Norman Blackman stated that they would have a month before we can take action and have it on the agenda. This is to be on the next agenda.

Chris Serres presented the Financial Report as follows:

The monthly billing is up this month by about \$2,000.00. We did not make our projection for the billing for the month. We projected that we would bill water at \$118,333.00 and we billed \$111,137.00. We projected that we would bill sewer at \$120,833.00 and we only billed \$116,139.00 for the month. All the accounts balance. On the Special Projects Account, we had our monthly transfer of \$4,166.67, the FEMA reimbursement for Harvey Damages of \$91,998.00, and interest earned of \$112.22, and expended \$13,169.57. We ended the month with \$167,595.68 in this account. On the Water and Sewer Major Maintenance Account, we had the monthly transfer of \$4,166.67, interest earned of \$69.15, and no expenditures, leaving a balance of \$55,180.53.

On the Budget Comparison Report our revenues were \$433,690.00 which is \$83,691.00 over the monthly budget. The expenditures for the month were \$435,995.00 which is over the monthly budget by \$85,994.00. We are over on the total budget on overtime salaries by \$2,445.00.

We earned \$12,801.02 in interest for the month of July 2018.

There were no questions on the financial reports.

Norman Blackman presented the Field Report in David LeJune's absence as follows:

We pumped 33,018,000 and accounted for 29,485,90000. The percentage unaccounted for was 10.70%. We treated 49,057,00 of wastewater. We performed a total of 350 water jobs and 70 sewer jobs for a total of 420 jobs. We had 31 LPSS service calls for the month.

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

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

Director Haney asked what Railroad Management Co. was on the monthly invoices. The response is that it an 8" water line crossing.

A motion was made by Vice President Inzer and seconded by authorize payment of the monthly bills. All voted Aye.

13. Consideration and possible action to approve amendment of the existing Inter-Governmental Agreement between Orange County Water Control & Improvement District No. 1 and the City of Rose City for the billing and collection of sewer utility service fees for customers in Rose City, Texas; and, to approve an Amended Inter-Governmental Agreement between Orange County Water Control & Improvement District No. 1 and the City of Rose City regarding future billing and collection of sewer utility service fees for customers in Rose City, Texas.

A motion was made by Director Groves and seconded by Director Haney to authorize/approve the amended Inter-Governmental Agreement with the City of Rose City, Texas. All Voted Aye.

14. Consideration and possible action regarding the approval of the Certified Tax Values in the amount of \$436,759,089 for 2018 as presented by the Orange County Appraisal District.

A motion was made by Director Groves and seconded by Vice President Inzer to accept the Certified Tax Values of \$436,759,089 for 2018. All voted Aye

15. Consideration and possible action to approve or amend the 2018 Proposed Tax Rate of \$0.41063 per \$100 of tax valuation; and, calling for a Public Hearing to be held on September 17, 2018 at 5:30 p.m. regarding the 2018 Proposed Tax Rate.

A motion was made by Director Haney and seconded by Vice President Inzer to approve the proposed tax rate of \$0.41063 per \$100 of tax valuation and to call for a Public Hearing to be held September 17, 2018 regarding the proposed tax rate. All voted Aye.

16. Adjournment.

A motion was made by Vice President Inzer and seconded by Director Groves to adjourn the meeting at 7:12pm. All voted Aye.



Robert Viator, President



Frank Inzer, Vice President