

**MINUTES OF
REGULAR MEETING**

Regular Meeting Minutes

November 19, 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 the meeting to order at 5:30 p.m.

ANNOUNCE THE PRESENCE OF A QUORUM

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

STAFF PRESENT

Finance Director Chris Serres, and Operations Manager David LeJune were present. Larry Hunter, the District's attorney was also present. General Manager Norman Blackman was absent.

OTHERS PRESENT

Jeff Scogin and Toby Davis of LJA Engineering, Inc., George Garza of the Vidorian, and Ernest Bayard were present.

INVOCATION AND PLEDGES

Secretary Beard gave the invocation and Director Groves led in 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 the engineering monthly status report as follows:

2015 Surplus Funds Water and Sanitary Sewer Projects

6560C – Surplus Funds Water System Improvement Project (Contract No. 1 – Cast Iron Water Line Replacement and Contract No. 2 – Water Well Sites Improvements)

Contract No. 1

This project has been completed.

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 and the electrical sub consultant are working on the plans and specifications for this project.

6560E – Surplus Funds Water and Sewer Service Extension Project (Contract No. 3 – Water and Sewer Service Extensions Project)

LJA worked with the District for TXDOT permits and planning for the Caney Creek water system improvements. This is to provide Water and Sewer to the new health clinic going in on North 105. That permit has come in.

B877-1001 – Well Site 7 TTHM Treatment System

The control pinch valve has been put back into service on November 12th.

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

The construction is complete with all main lines installed. A total of twelve (12) homes have been completed. A site walkthrough was conducted with the Contractor, the District, and LJA. A punch list was generated to address clean-up in the project area. However, due to the weather, clean-up efforts have been delayed.

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

The construction is in progress. Five (5) service line connections have been replaced from October 10th thru November 7th. A total of seventy-six (76) service line connections have been replaced since the beginning of construction.

Director Haney asked what the deadline on the project. The deadline is at the end of December. As of November 19th, there have been 81 have been completed. We have 15 more in line to be replaced for a total of 96 to be replaced.

A motion was made by Director Groves and seconded by Secretary Beard to approve LJA Engineering 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. 201817019 in the amount of **\$966.00** for Project No. 6560E – Surplus Funds Water and Sewer Service Extensions Project for a **Grand Total of \$966.00**.

A motion was made by Director Haney and seconded by Director Groves to approve LJA Engineering, Inc. monthly invoices. All Voted Aye.

4. Consideration and possible action to approve Resolution 03-2018 designating Orange County Water Control & Improvement District No. 1 as the Designated Management Agency (DMA) for wastewater collection and treatment within its Boundaries in accordance with the requirements of 33 U.S.C. §1288(c) as amended.

Toby Davis explained that this resolution was part of the Texas Water Development Board grant that was applied for rehabilitation of the Lower Lift Station. Any time you are doing sewer work, you must pass a resolution designating yourself as the purveyor of the wastewater system in the area.

A motion was made by Director Groves and seconded by Director Haney to approve Resolution 03-2018 designating Orange County Water Control and Improvement District No. 1 as the Designated Management Agency (DMA) for wastewater collection and treatment within its Boundaries in accordance with the requirements of 33 U.S.C. §1288(c) as amended. All Voted Aye.

5. Consideration and possible action regarding approval/amendments for the minutes of the October 15, 2018 Regular Board Meeting and the November 6, 2018 Special Board Meeting.

A motion was made by Secretary Beard and seconded by Director Haney to approve the minutes of the October 15, 2018 Regular Board Meeting and the November 6, 2018 Special Board Meeting. All Voted Aye.

6. Board Member comments.

There were no Board Member comments.

7. Consideration and possible action to approve the **2018 Current Tax Roll** in the amount of **\$1,793,478.76** for the Orange County Water Control & Improvement District No. 1 as submitted by Karen Fisher, Orange County Tax Assessor/Collector, based on the taxable values as certified by the Chief Appraiser of the Orange County Appraisal District.

A motion was made by Director Groves and seconded by Director Haney to approve the **2018 Current Tax Roll** in the amount of **\$1,793,478.76** for the Orange County Water Control & Improvement District No. 1 as submitted by Karen Fisher, Orange County Tax

Assessor/Collector, based on the taxable values as certified by the Chief Appraiser of the Orange County Appraisal District. All Voted Aye.

8. Consideration and possible action to approve the **2018 Delinquent Tax Roll** in the amount of **\$442,306.92** 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 Director Groves and seconded by Director Haney to approve the **2018 Delinquent Tax Roll** in the amount of **\$442,306.92** for the Orange County Water Control and Improvement District No. 1 as certified by Karen Fisher, Orange County Tax Assessor/Collector. All Voted Aye.

9. Consideration and possible action to call a Workshop for the purpose of considering a rate increase for water and sewer services.

A motion was made by Director Groves and seconded by Director Haney to call a Workshop Meeting for the purpose of considering a rate increase for water and sewer services. All Voted Aye.

10. Consideration and possible action regarding **Texas County & District Retirement System (TCDRS)** plan changes regarding vesting and District Contribution rate for 2019.

Chris Serres asked for this item to be tabled and for it to be included in the Workshop Meeting to be included in the workshop.

A motion was made by Director Haney to table this item and to place it on the workshop agenda and seconded by Secretary Beard to table action regarding **Texas County & District Retirement System (TCDRS)** plan changes regarding vesting and District Contribution rate for 2019 and to include the item on the workshop agenda. All Voted Aye.

11. Consideration and possible action regarding **health insurance** for **District Retirees**.

Chris Serres explained that the District Personnel Policy is written that if someone is vested and retires before the age of 65 that the District will pay one half of the retiree's insurance premiums until they reach the age of 65 and go on Medicare. We have had two (2) people take advantage of that option. Here is one problem that has presented itself this year is when we went with Blue Cross Blue Shield, unknown to us at the time, they will not insure retirees. We do have one person who will need insurance for just six more months. He will turn 65 in six months and then he will be on Medicare. She stated that we may need to rethink the policy. Here are the only options for him – they are all HMO Plans and if you look at the price, the cheapest one is \$956.00, and it goes on up to \$1,392.00. This year we set a cap that we won't spend more than \$686.00 on health insurance, so the cheapest for the retiree would be \$956.00.

Secretary Beard asked if he wasn't eligible for COBRA. Chris replied he was on COBRA on the Humana policy but once we switch to Blue Cross Blue Shield that coverage will end. He will be getting coverage through our agent, but it will be more expensive. Director Haney asked if he could choose any insurance plan through the insurance exchange. Chris stated that she did not know if he could choose a different coverage than what the District has. Our agent did not offer to go outside the plan to see if he could get something else. This is going to cost the retiree a lot out of his pocket unless the Board opts to pay the additional premiums.

Director Groves stated that for 6 months it would not cost that much to cover the retiree.

A motion was made by Director Groves and seconded by Director Haney to pay one-half of the premiums for the retiree and to place the item on the workshop agenda to discuss and amend the current policy concerning retirees. All voted Aye.

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

Chris Serres presented the Financial report as follows:

The monthly billing is down this month by about a total of \$10,000.00 from last month. We projected that we would bill \$118,333.00 for water and this month we billed \$110,163.00 which is about \$8,170.00 less than projected. We projected that we would bill \$120,833.00 for sewer and this month we billed \$114,949.00 which is about \$5,885.00 less than projected. We are still 120 accounts down since Harvey. All the accounts balance. On the Special Projects Account, we had interest earned of \$149.66, a TML claim balance of \$5,171.11, and had total expenditures of \$64,009.00. We ended the month with \$62,354.28. On the Water and Sewer Major Maintenance Account, we earned interest of \$95.24, with no expenditures leaving a balance of \$59,605.34.

On the Budget Comparison Report our revenues were \$345,045.00 which is \$4,953.00 less than the Monthly Budget of \$349,997.00. The expenditures were \$408,639.51 which is over the monthly budget by \$58,638.51.00. Our expenditures are \$63,594.51 more than the revenues this month. LPSS installations, we spent \$19,000. This month but for the year we budgeted \$85,000.00 and have collected about half of that so the expenditures offset the revenues for the item.

We earned \$17,801.81 in interest for the Month of October 2018.

David LeJune, Operations Manager presented the Field Report as follows:

We pumped 32,829,000 gallons and accounted for 29,650,150 gallons. The percentage unaccounted for was 9.68%. We treated 48,812,000 gallons of wastewater. We performed a total of 385 water jobs and 59 sewer jobs for a total of 444 jobs. We had 21 LPSS service calls for the month.

On-Going Topics

- **Hurricane Harvey Recovery** - All aspects of the recovery from Hurricane Harvey are still in slow, but steady, progress. We are in constant contact with Jason Stoltzfus of SynergyNDS who is handling most of the recovery construction.
- **FEMA Assistance** – We have received approximately \$92,000 from FEMA but are fighting with them for additional costs of over \$100,000 that we believe they have wrongly denied. Our TML/Synergy representative, Jason Stoltzfus, is helping with this fight, and has made several contacts with FEMA on our behalf. If successful, we expect to receive another award of a little over \$100,000.
- **West Davis LS** - I have been waiting for months for Kinder-Morgan Pipeline Co. ROW department to get back to me about an easement we need. I emailed them

earlier this month and received a reply on November 13. The message indicated that they are willing to let us do anything reasonably necessary to accomplish our project and offered to provide a temporary easement or lease until we can hear something from their real estate department on a permanent sale. I don't like building a \$100K emergency generator on a site for which we do not know the sales price. That would leave us painted into a corner, even though I do not believe they would gouge us. Apparently, things move extremely slowly in their real estate division when it comes to selling a small 30' X 185' tract that is only worth a few thousand dollars. Under the circumstances, though, I now believe we need to make a temporary agreement with them in order to move the Surplus Funds Project forward.

- **City of Vidor 2015-2016 Block Grant** - This project is still under construction. Our commitment was for replacing sewer service lines at 110 qualified residential homes. We have completed 81 homes and have 15 more ready for construction for a total of 96. We are trying to get as close to the 110 homes as possible. This has been a much bigger undertaking than originally expected, but we have learned a great deal that should make the next grant project go smoother.

- **City of Vidor 2017-2018 Block Grant** - We took bids, awarded a contract through the City of Vidor to Jet Aeration, and are on track to execute a contract in the next week or two. Our commitment is for another 110 homes. We will incur an additional \$55,000 for matching grant funds for this project, the same as for the previous grant.

We did open the parameters for this grant and it is a larger area.

- **Entrance Drive Repaving** – We have cost proposals from three contractors at \$52,500, \$33,500, and \$48,000. At our Special Meeting this month we approved contracting with Norman Highway Constructors for \$33,500, with an option of deleting the cement stabilization for \$2,000. The next step is to meet with the contractor to review all details and set the work in motion. The City will grade off the dirt and grass shoulder buildup along each side of the drive and lightly clean out the ditches. I expect work will not commence until the first of December.
- **Christmas Luncheon** – Our Christmas Luncheon will be held on Thursday, December 13 at noon. We are going to hold it at the Community Center. The Community Center did not charge us for use of the center.
- **Water & Sewer Extensions to Iwanda MHP and Sugar Pines MHP** – Since before the Harvey Flood we have been trying to make progress on the requests from Larry Gray of Iwanda MHP for extension of water service to his location north of West Circle Drive and from the owners of Sugar Pines MHP, located on West Circle Drive, for extensions of water and sewer services to that MHP. We have proposed to construct the line extensions with our own forces, at MHP owner's expense, with the option to upgrade the line sizes at District expense.

- I believe that the proposed project would be good for the Water District regarding revenue generation. We expect to pick up around a hundred new customers at about \$55 per month per customer for a total of approximately \$66,000 per year in new revenue.
- The progress made so far has consisted of analysis of proposed line sizes, a set of 75% complete construction plans suitable for our use in building the improvements, and a TxDOT permit for the work to be done on the FM 105 R.O.W.
- The next step will be for David LeJune and Norman to estimate the cost of building the line extensions to the minimum size needed to serve just the new MHP's and the cost to increase the line sizes to the sizes the District needs for future expansion. The difference in cost will be the District's responsibility to fund. This will require us to plan out the details of the construction project to determine the cost of materials, labor, and subcontractor elements such as street and driveway bores. That work is very time-consuming.
- The amount of progress made so far is small considering the amount of time that has passed. The Harvey Flood changed everyone's world due to both the flood itself and the long-lasting aftermath. New employees were hard to find and everything we had on our list to do was put on hold for much of a year.
- I still believe the project will be good for the Water District, and I am still in favor of doing it. David and I will just have to find the time to plan the project.
- I need some indication of how the Board feels about moving ahead with the proposed improvements. President Viator stated that we need to do it or get rid of it. He asked David LeJune if we had the staff to do it and he stated yes, and it would be cheaper than contracting the job out. President Viator stated that the Board wants to go ahead with it.

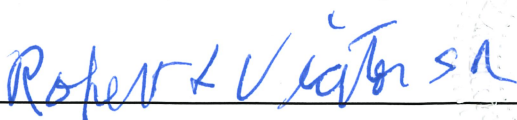
A motion was made by Director Haney and seconded by Director Groves to approve the General Manager's monthly status and financial reports as presented. All Voted Aye.

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

A motion was made by Secretary Beard and seconded by Director Groves to pay the monthly bills as presented. All Voted Aye.

14. Adjournment.

A motion was made by Director Groves and seconded by Secretary Beard to adjourn the meeting at 6:30 p.m. All Voted Aye.



Robert L. Viator, Sr., President



Tim Beard, Secretary