

**MINUTES OF
MEETING**

Regular Meeting Minutes

March 18, 2019 – 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 all members present.

STAFF PRESENT

Norman Blackman, General Manager, David LeJune, Operations Manager, Chris Serres, Finance Director, and Larry Hunter, Attorney.

OTHERS PRESENT

Toby Davis, LJA Engineering, Inc., Jerry Lightfoot, Jeremiah Brammer, and Don Lightfoot were also in attendance.

INVOCATION AND PLEDGES

Secretary Beard gave the invocation and Director Haney led in the pledges.

MEETING AGENDA

1. Citizen comments.

There were no citizen's comments.

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

Toby Davis presented LJA Engineering, Inc. Monthly Status Report for the period from January 26, 2019 to March 1, 2019 as follows:

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 contract has been completed.

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

No work was completed during this period.

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

No work was completed during this period.

City of Vidor, Texas Sanitary Sewer Line Replacement Project – CDBG Project No. 7217480 – Period through March 13, 2019

The construction is in progress. Nine (9) service line connections have been replaced from February 14th thru March 13th. A total of eighteen (18) houses have been completed.

ORANGE COUNTY WCID #1 CWSRF – Sanitary Sewer Restoration Project – February 2019

Services through this month include developing the closing documents for the CWSRF Principal Forgiveness Agreement. Services also include TWDB technical review coordination and the development of the Categorical Exclusion. LJA has coordinated with the City, the TWDB, and the City's consultants.

A motion was made by Director Groves and seconded by Director Haney to accept 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. 201902106 in the amount of **\$1,688.87** for Project No. B877-1005 – TWDB CWSRF Sanitary Sewer Restoration Grant Project; for a **Grand Total** of **\$1,688.87**.

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

4. Consideration and possible action concerning a request from Don Lightfoot, et al., to acquire a tract of approximately 4 acres located at the old Brookhollow Wastewater Treatment Plant site in connection with the development of the property that lies between the 4 acre tract and the Brookhollow Subdivision.

Norman Blackman stated that this had come up a couple of months ago in his monthly report and the parties interested in this project are present to talk to the Board.

Don Lightfoot approached the Board stating that he suggested to the party interested in purchasing his property for development that they could possibly approach the District to acquire acreage from the District for a retention pond required to develop the property. Mr. Lightfoot then introduced Jeremiah Brammer.

Mr. Brammer is interested in developing the property north of Brookhollow with entrance through the existing Brookhollow Subdivision which would net approximately 100 lots.

The plot plan has all elements to bring the subdivision on line.

Four (4) acres are needed for drainage.

The developer would like to acquire land north of the tract presented.

Larry Hunter suggested talking with the Drainage District regarding the retention pond.

David LeJune and Norman Blackman are in need of clarification on how we will maintain the District's lift station and water and sewer lines that are on the north side of the ditch. Before District staff can move forward on this request, the following questions must be answered:

Is the District willing to dispose of the property? Do we sell it privately? How much money/value for the property? Does the Drainage District play a role in disposition of the property?

A motion was made by Director Haney and seconded by Director Groves to authorize the General Manager to move forward with the Public sale, transfer, or conveyance of the surplus property once it has been determined what acreage is for sell and what is needed for an easement. All Voted Aye.

5. Consideration and possible action regarding approval/amendments for the minutes of the February 18, 2019 Regular Board Meeting.

A motion was made by Vice President Inzer and seconded by Director Groves to approve the minutes of the February 18, 2019 Board meeting as presented. 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 the Manager's monthly status report as of Friday, March 15, 2019 as follows:

On-Going Topics

- **Entrance Drive Repaving** – Resumption of efforts to have the entrance drive repaved will begin as soon as we experience some dryer weather that would be favorable for asphalt placement.
- **City of Vidor 2015-2016 Block Grant** – All elements of this project are complete and we await final closeout of the project from the Texas Department of Agriculture.
- **City of Vidor 2017-2018 Block Grant** – Construction on this project has commenced.
- **2780 Baywood (Lott Street)** – Update on the settlement agreement with Mr. Henry Norris, Sr. and Mr. Henry Norris, Jr. to release the lien in return for a \$3,500 payment against the debt owed to the District and for the repair of the LPSS located at Lott Street and Baywood. Henry Norris has completed the restoration of the lift station and paid the \$3,500, but has not yet gotten Entergy to restore power to the lift station site. When power is restored the equipment will be tested and inspected by the District and the lien released.
- **Refinancing of Bonds** – The preparations for the bond refinancing is still on track. A bond rating conference call is scheduled for March 27, 2019 with Standard & Poor. If the bids on our bonds are favorable a bond sale order will be on the April 15th Board meeting agenda for board approval.
- **Lower Lift Station Insurance Proceeds** - With the Texas Water Development Board Grant funds expected to be available soon for the rebuilding of that lift station we have cashed out the TML insurance damage value at \$164,490 less 20% depreciation and \$5,035 deductible for a net benefit of \$126,667. Since we still had a balance of \$32,811.03 left in our bank account from the \$100,000 advance expense check that TML furnished us immediately after the Harvey Flood, the net payment of \$93,855.97 from TML was paid to the District this week. This \$126,667 is a windfall we were very fortunate to receive and can be used for any other improvements we deem necessary.
- **Rate Increase - Beginning** in April, District staff will prepare information for board review regarding the need for a water and sewer service rate increase to assure that the District collects sufficient revenues to carry out its mission.
- **Upgrading Pumps at Five Lift Stations** - Five lift stations - Texas Street, Craig Street, Limerick, Old Spanish Trail, and Brookhollow - utilize submersible pumps. The controls at these stations were damaged in the Harvey Flood and repaired with TML insurance proceeds. It was later determined that the submersible pumps in those lift stations were eligible for replacement under the TML insurance policy due to the fact that water had wicked into the motor cables from being submerged at the terminal ends of the wires. This was a pleasant surprise that we could get our old pumps replaced with brand new ones. We asked TML's representatives to bid those

pump replacements in two ways: 1) Using same brand pumps as the originals, and 2) using the premium brand "Flygt" pumps. It will be more expensive to replace the original pumps with the premium pumps by a difference of \$38,344 (The difference between \$201,781 and \$163,437). One lift station already had Flygt pumps and has operated for over 12 years without need to pull either of the two pumps in the station. Flygt pumps are recognized as the highest quality pumps available with long service lives. We are electing to replace the existing pumps with Flygt pumps in four of the stations with the cost difference being paid out of the \$126,667 windfall noted above from the Lower Lift Station settlement.

- **Increase in I&I Reduction Efforts** - We are pursuing fulfillment of the requirements of our TCEQ-mandated Sanitary Sewer Overflow Initiative Agreement (SSO Agreement) regarding reduction of I&I. We have performed smoke testing, visual inspections, made some repairs, and submitted our 2018 annual progress report to TCEQ. The review and development of that report has prompted us to review our level of effort as I&I reduction consumes more time and effort than we initially anticipated. In addition, as noted in the next topic below, excessive I&I that occurred last year resulted in an Enforcement Order at the Treatment Plant. I feel that we should increase our efforts to reduce I&I beyond that effort necessary to satisfy the SSO Agreement. A lot of I&I reduction needs to occur before we will actually be able to feel the impact on our collection and treatment system operation. I have moved toward assigning more personnel and equipment to work on I&I identification and repair. More effort will cost more money, but I think that I&I reduction has become a critical activity. I plan to utilize some of the insurance proceeds referenced above to offset the additional cost in the months remaining in this fiscal year and propose to increase the I&I funds in the next budget if a rate increase is approved.
- **TCEQ Enforcement Order** - At last month's board meeting I reported on an enforcement order we had received from the TCEQ regarding some violations that occurred at the WWTP in the months following Hurricane Harvey flooding and some violations in the following summer of 2018. It seemed unfair to be punished for discharge violations in November and December in light of our extraordinary efforts to return the WWTP to service after being overrun by flood waters. I wrote a letter describing the damages we suffered and chronicling the step-by-step effort to restart the plant and bring it into compliance again. With the help of records produced by Rayford and Chris, I was able to show that the work done to recover the plant in the last four months of 2017 was performed as quickly and efficiently as any district could have been expected to accomplish. The TCEQ responded by removing the violations that occurred in November and December 2017 but not the violations that occurred in July and August 2018 that were caused by I&I reaching the plant as the result of heavy rainfall. The fine was reduced from \$9,900 to \$3,300. We plan to accept this Enforcement Order and pay the required fine.

Chris Serres presented the monthly financial report as follows:

The billing for the month of February appears to be high but once again there was a huge mis-reading on Holiday Inn. The meter rolled over, it is a compound meter and the meter readers did not catch it. Then the billing clerk thought there was a leak out there. There was a leak, but it was on our side so when the reading came in everybody

just thought they had a major leak and it was billed. Next month you will see a large adjustment.

Regarding all District bank accounts, all accounts are balanced. There is money in all the accounts.

The next report is the Special Projects Account; the balance in the account is \$29,649.44. This is the account we have paid for the Grant. All of the expenditures are for the grants for a total of \$24,936.77.

The next account is the Water/Sewer Major Maintenance. We have no expenditures coming from that account, it is just had the monthly transfer going in.

President Viator asked how we are doing on the Budget since the storm.

Chris Serres responded that it appears from the Budget Comparison Report that we are on budget. She then reminded the Board that \$300,000.00 from the Contingency Fund was transferred to the General Operation Account as well as funds received from FEMA in the amount of \$107,568.00 appear on the Budget Comparison Report. Also included on the Budget Comparison Report is \$136,606.00 in other revenue. When the borrowed funds and reimbursements from FEMA are removed, the balance reveals that we have not met our projection for the year at this time.

Budget Comparison Report for the month of February reveals revenues of \$436,210.00 collected/billed. The expenditures were \$379,903.99. The revenues exceeded the expenditures by \$56,306.01 for the month.

President Viator asked if we still had the \$300,000.00 in the bank.

Chris Serres stated that we have spent approximately \$43,000.00 of that money.

Interest earned for the month of February is \$14,610.03.

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

We pumped 26,028,000 gallons from the wells and accounted for 23,940,225 gallons. The percentage unaccounted for was 8.02%. We treated 37,250,000 gallons of wastewater. We performed a total of 223 water jobs and 50 sewer jobs for a total of 273 jobs. We had 22 LPSS service calls for the month.

A motion was made by Secretary Beard and seconded by Director Groves to accept the Manager's report. All Voted Aye.

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

A motion was made by Director Groves and seconded by Vice President Inzer to pay the monthly bills. All Voted Aye.

9. **Adjournment**.

A motion was made by Vice President Inzer and seconded by Director Groves to adjourn at 7:32 p.m. All Voted Aye.

Robert Viator Sr

Robert L. Viator, Sr., President

Tim Beard

Tim Beard, Secretary

