

**MINUTES OF  
MEETING**

**Public Hearing and Regular Meeting Minutes**

September 16, 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.*

**PUBLIC HEARING REGARDING ORANGE COUNTY WATER CONTROL & IMPROVEMENT DISTRICT'S PROPOSED 2019 TAX RATE OF \$0.41701**

OPEN THE PUBLIC HEARING

President Viator announced the presence of a quorum with all members present. Norman Blackman, General Manager, was absent.

Public Hearing was opened by President Viator at 5:30 p.m. for the purposes of discussing a proposed tax rate for 2019 of \$0.41701.

1. Citizens comments

There were no citizens in attendance.

2. Discussion

None.

## CLOSE THE PUBLIC HEARING

President Viator closed the Public Hearing at 5:35 p.m. and called the regular Board Meeting to order.

## **CALL MEETING TO ORDER**

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President Viator called the meeting to order at 5:35 p.m.

## **ANNOUNCE THE PRESENCE OF A QUORUM**

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President Viator announced the presence of a quorum with all Board Members present.

## **STAFF PRESENT**

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David LeJune, Operations Manager, Chris Serres, Finance Director, and Jason Ponder, Administrative Assistant were present. Norman Blackman, General Manager was absent.

## **OTHERS PRESENT**

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Larry Hunter, Attorney, Jeff Scogin of LJA Engineering, Inc. and Mr. Ernest Bayard were present.

## **INVOCATION AND PLEDGES**

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The invocation was given by Vice President Inzer and the Pledges were led by Director Groves.

## **MEETING AGENDA**

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1. Citizen comments.

None.

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

Jeff Scogin presented the monthly status reports for ongoing projects:

2015 Surplus Funds Water and Sanitary Sewer Projects – The only thing to report on this time is Contract No. 4 – 6560D – Sanitary Sewer Lift Station Rehabilitation Project. There is no invoicing for this project for this period. LJA continued to work on various details for the Alamo and West Davis Lift Stations.

President Viator asked when work was going to start on this project.

Jeff Scogin answered that unfortunately he did not know. He also stated that currently he has not been the one working on that project.

The next report is the CWSRF – Sanitary Sewer Restoration Project. Jeff Scogin stated that he has not be involved in this project. Last month services were coordinating with the Water Development Board. On August 13<sup>th</sup> the Engineering Feasibility Report was approved by TWDB. The approval of the Engineering Feasibility Report marks the end of the planning phase and the beginning of the design phase. LJA is in coordination with the District, the TWDB, and the District's consultants.

City of Vidor, Texas Sanitary Sewer Line Replacement Project – CDBG Project No. 7217480 – Period Thru August 30, 2019

Construction is in progress. Eighteen (18) service line connections have been replaced from August 3<sup>rd</sup> thru August 30<sup>th</sup>. A total of 70 houses have been completed.

Chris Serres stated that to date we have had 83 that have qualified. The number of houses is great because we must do 80% of 110 houses. It is the contract amount that we are having a little bit of trouble with. The contract amount is \$187,000.00 and we must spend 80% of those funds. We have only spent \$48,000.00.

President Viator stated that we have only spent \$48,000.00 to do 80 houses. Chris Serres stated that is right because we are doing point repairs instead of full on replacements. We are going back to full replacements and we are filing for an extension. November 30, 2019 is the hard deadline without an extended approval, so the District is filing for a 6-month extension.

Secretary Beard asked what happens if we don't spend enough money.

Chris Serres answered that there is a penalty if we don't spend enough. She also stated that unfortunately it would be the City of Vidor that would be penalized, not us.

President Viator stated that we would pay the penalty.

Chris Serres stated that yes we would but if the City of Vidor ever wanted to apply for another grant, the penalty would go against them, because it is their grant. It is not ours.

Director Haney stated that it is not necessarily a money penalty, it is a knock against the City qualifying for another grant.

President Viator stated that we need to figure out how to spend the funds.

Chris Serres stated that we are applying for the 6-month time extension and doing a citywide mail out and talk to George Garza to put another article in the paper, to try to drum up more interest.

Director Haney stated that the resident must qualify for the grant, then we smoke test the lines. If their lines pass the smoke test then we don't replace the lines.

Chris Serres stated that 1) they must qualify financially, and 2) they must fail the smoke test or have concrete or clay pipe, if it has concrete or clay pipe we know at some point it will fail and deteriorate.

Secretary Beard stated that is from the tap all the way to the house.

A motion was made by Director Groves and seconded by Vice President Inzer to accept the status reports as presented by LJA representative, Jeff Scogin. All Voted Aye.

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

Invoice No. 201915206 for Project B877-1005 – OCWC&ID No. 1 Disaster Recovery – Sanitary Sewer LS Restoration Project (TWDB) in the amount of \$1,200.00 and Invoice No. 201915237 for Project No. B877-6282 – General Services in the amount of \$2,489.00 for a grand total of **\$3,689.00**.

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

4. Consideration and possible action regarding adopting **Resolution 04-2019** setting the **2019 Ad Valorem Tax Rate** in the amount of **\$0.41701 per \$100 of tax valuation**, as calculated by Karen Fisher, Orange County Tax Assessor-Collector, as required by the Texas Property Tax Code § 26.05.

A motion was made by Director Haney and seconded by Secretary Beard to adopt Resolution 04-2019 setting the 2019 Ad Valorem Tax Rate at \$0.41701 per \$100 of tax valuation as calculated by Karen Fisher, Orange County Tax Assessor-Collector, as required by Texas Property Tax Code §26.05. All Voted Aye.

5. Consideration and possible action regarding **approval/amendments for the minutes** of the August 19, 2019 Regular Board Meeting.

A motion was made by Director Haney and seconded by Director Groves to approve the minutes of the August 19, 2019 Regular Board Meeting. All Voted Aye.

6. Board Member comments.

Vice President Inzer stated he wanted to know how the TTHMs situation is going.

David LeJune stated that until we get a new control valve, it's not going. Something in the controls is messed up. Norman is talking to some other vendors about another kind of valve.

President Viator stated that as sick as Norman has been we may have to look at a different route.

Chris Serres stated that Norman has turned a little bit of this over to Toby Davis. Toby is in contact with the guys David is speaking of about a new type of valve.

President Viator stated that we need to do something for sure.

Chris Serres stated that they were keeping it moving forward.

Vice President Inzer asked what the guys that designed the current valve have to say about it.

Chris Serres asked if he was talking about our engineers. President Viator responded the people who built the controls. It's not the valve, it's the controls.

Chris Serres stated that Norman is thinking we may have to go with a whole different valve set up.

Vice President Inzer asked if the company was offering any help.

Larry Hunter stated that the District needs to do something if they need to write a 30-day letter of breach of warranty.

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

Manager's Monthly Status Report as of September 16, 2019 as presented by Chris Serres:

On-Going Topics

**TCEQ Enforcement Order/EPA Administrative Order** – There has been no change in status.

**Increase in I & I Reduction Efforts** – As the I & I efforts continue, the need to add another crew is pertinent. We will continue the efforts along this line as soon as possible.

**City of Vidor 2017-2018 Block Grant** – This project continues toward completion. A total of 83 homes are qualified to receive replacement sewer lines. We are once again stepping up efforts to recruit qualified applicants. November 30, 2019 is a hard deadline for construction completion. However, we are applying for a 6-month extension as we are required to spend 80% of the construction cost which equates to approximately \$149,000.00. To date, only \$48,542.00 of the construction cost has been spent. We will mail out letters to customers within the City limits of Vidor and we will speak to George Garza of the Vidorian to write another article regarding the Grant.

**TCEQ Notice of Non-Compliance with TTHM Rules** – As we just discussed, Norman has spoken with Toby Davis regarding the pinch valve uncertainties. They (Norman and Toby) are working together with another valve company to determine if a different type of valve to control the flow would solve the issues that are, we believe being caused by the current type of valve installed.

**Demolition of building at Tiger Lake LS** – This effort is still ongoing.

**Water Line Extension to Iwanda MHP** – Negotiations are still ongoing for the line extensions. Norman said that this project is still in progress and he is getting some hard costs together for the project.

Chris Serres presented the monthly financial report as follows:

Our billing is still above our projection this month, which is a good thing since we did not hit our projections one-month last year. Our total billing for the month of August was \$273,065.50, up a little bit from last month at \$272,428.67. We budgeted \$133,982.00 for water and \$138,732.00 for sewer per month.

The next report is our Statement of Account Balances. As you can see, every account balanced to the penny. Nothing in transit and everything balanced. Chris pointed out that the General Operating Account is hovering at the \$100,000.00 mark.

The next two reports are the Special Projects and Water and Sewer Major Maintenance accounts. Special Projects only had \$627.00 in expenditures to LJA for TTHMs. That leaves us a balance of \$38,229.30. Our Water and Sewer Major Maintenance Account expenditures was \$15,732.00 which was the price difference for the Flygt pumps. The insurance company is paying the like kind price for the pumps. Our balance in this account is \$9,127.35.

Next is the Budget Comparison Report showing the revenues that came in August and our expenditures that went out. Our revenues totaled \$390,949.00 and our expenses totaled \$446,669.00. We spent \$55,720.00 more than we brought in for the month.

Director Haney asked if there was an extra week on payroll. Chris Serres stated that we did have five weeks.

Secretary Beard asked about the re-connection fees. Chris stated that it was due to adjustments on the water bills, it is just an adjustments and not actual dollars.

President Viator stated that we only took in \$4,000.00 on LPSS installations and budgeted \$10,000.00 so that is \$6,000.00 that we did not collect.

Secretary Beard asked what Item 5132-G is. Chris Serres explained that it was any maintenance and repairs to the system and the lift stations other than the wastewater treatment plant.

Secretary Beard asked about purchase of meters. Chris stated that we did purchase a lot of meters. Director Haney asked if we didn't purchase them throughout the year or not foresee needing a lot of meters. Chris stated that yes we did foresee needing them, so we budgeted \$60,000.00 but we just went to the new endpoint meters. We ordered 100 meters and immediately 33 had to go out in the District. Secretary Beard stated that they are accounted for as they are installed. Chris stated yes.

Vice President Inzer stated that at one meeting there was lengthy discussion about the new technology of the meters and asked if we had changed our meters. Chris stated that we were forced to go with the new technology because with the software upgrades they could no longer sustain the old meters. The way we are doing it that we are using the new meters for new installs and replacements. We aren't trying to do a District wide thing, eventually it will be.

Director Haney asked if we had to use two different read systems. Chris stated that no, the reader will read both types of meters. The new meters when read go straight to the billing computer. Right now, they must continue reading the meters until we can get the whole system changed over to the new meters. That will be 5 years down the road.

Vice President Inzer asked if the two meters were made by the same company. Chris responded yes.

President Viator asked why we bought so many meters. Chris responded we bought 100 meters, we needed 33 immediately to put in the ground.

President Viator stated that we budgeted \$5,000.00 a month for purchase of meters. Chris stated that the meters cost about \$200.00 each. President Viator stated at \$200.00 each that would be 25 of the meters. Secretary Beard said that is what he was having trouble understanding, that is \$14,000.00 over this month.

President Viator asked why we ordered 100 meters. Chris responded that we had none in stock and needed 33 to replace immediately. We needed them and had to order more since, that you will see next month. We are only replacing broken and tampered meters and new installs.

Interest earned this month was \$14,921.79 which is 1.8485%.

David LeJune presented the Field Report as follows:

Last month we pumped 33,586,000 gallons of water for the month and accounted for 29,754,700 gallons for an unaccounted amount 11.41%.

We treated 30,864,000 gallons at the wastewater plant.

We had 461 water jobs and 63 sewer jobs for a total of 524 jobs in the field.

A motion was made by Secretary Beard and seconded by Director Groves to accept the Financial Report as presented. All Voted Aye.

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

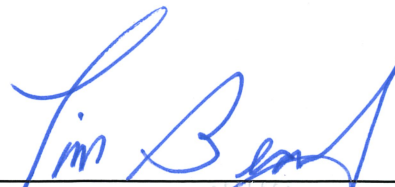
A motion was made by Director Groves and seconded by Director Haney to authorize payment of the monthly bills. All voted Aye.

9. **Adjournment.**

A motion was made by Vice President Inzer and seconded by Director Haney to adjourn the meeting at 6:20 p.m. All Voted Aye.



Robert L. Viator, Sr. President



Tim Beard, Secretary

