

**MINUTES OF
MEETING**

Meeting Minutes

October 21, 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 the following Board Members present Robert L. Viator, Sr., Frank Inzer, Tim Beard, and Guy Groves. Trey Haney was absent.

STAFF PRESENT

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

OTHERS PRESENT

Larry Hunter, Attorney, Toby Davis of LJA Engineering, Inc. and Mr. Ernest Bayard were present.

INVOCATION AND PLEDGES

The invocation was given by Secretary Beard and the Pledges were led by Director Groves.

MEETING AGENDA

1. **Executive Session** pursuant to Section 551.074 (a)(1) of the Texas Government Code to evaluate certain public employees of the Water District.

A motion was made by Secretary Beard and seconded by Director Groves to adjourn the Regular session and enter an Executive session at 5:35 p.m. at 185 Claiborne Street, Vidor, Texas within the boundaries of the District. All Voted Aye.

2. **General Open Session**, if necessary, for the consideration of any action necessary following the evaluation in executive session concerning certain public employees of the Water District.

A motion was made by Director Groves and seconded by Secretary Beard to close the Executive Session and re-open the Regular Board Session at 6:47 p.m. at the District Office. All Voted Aye.

President Viator announced that there is no action to be taken and that the Executive Session was held to discuss personnel matters.

3. Citizen comments.

No comments.

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

Toby Davis gave an overview of LJA Engineering, Inc. on-going projects as follows:

Well Site 7 – TTHM Air Stripper – Toby Davis stated he had talked with Norman Blackman, General Manager, and the valve company's representative, regarding the Globe Valve. During these conversations, it was decided to move forward with ordering the valve which will take approximately 4 to 6 weeks for shipment. It was also decided that the valve installation could be handled in house with District staff. Mr. Davis added that Norman asked him to reach out to the T.C.E.Q. Representative to brief him on the progress of the Air Stripper and TTHM Reduction Plan and stated that he would do so. He also added that District Staff along with the Engineers will need to start planning for a second Air Stripper at Well #4.

Project 6560D – Surplus Funds Sanitary Sewer System Improvements Project (Contract No. 4 – Sanitary Sewer Lift Station Rehabilitation Project) – There is no invoicing during this period for this project. LJA continued to work on various details for the Lift Stations.

Project 6560E – Surplus Funds Water and Sewer Service Extensions Project (Contract No. 3 – Water and Sewer Service Extensions Project) – No work was completed during this period.

CWSRF – Sanitary Sewer Restoration Project – September 2019 – Services through this month include design phase services. The project is in the early stages of design and LJA has began coordination with the electrical engineer to determine equipment weights and dimensions in order to design a platform size and layout. Once received the structural engineer will begin design on the elevated platform.

City of Vidor, Texas – Sanitary Sewer Line Replacement Project – Period through September 16, 2019. The construction is in progress. Ten (10) service line connections have been replaced from August 31st thru September 16th. A total of 79 houses have been completed.

A motion was made by Director Groves and seconded by Vice President Inzer to approve LJA Engineering, Inc. monthly status report. All Voted Aye.

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

Invoice No. 201918012 for Project B877-1004 – Developing the Sanitary Sewer Overflow Plan in the amount of \$93.00 for a grand total of **\$93.00**.

A motion was made by Vice President Inzer and seconded by Secretary Beard to approve payment of LJA Engineering, Inc. monthly invoices. All voted Aye.

6. Consideration and possible action regarding **approval/amendments for the minutes** of the September 16, 2019 Public Hearing and Regular Board Meeting.

A motion was made by Secretary Beard and seconded by Director Groves to approve the minutes of the September 16, 2019 Public Hearing and Regular Board Meeting. All Voted Aye.

7. Board Member comments.

Secretary Beard stated that Chris Serres has his and the entire Board's full confidence that she will pick up the pieces and continue forward.

Vice President Inzer stated that she can turn to the Board whenever necessary to resolve issues. The Board will take that off her if needed.

8. Consideration and possible action to schedule a meeting of the Insurance Committee for the purpose of reviewing insurance proposals for Health Insurance Coverage that is scheduled to expire November 30, 2019.

Chris Serres was asked who was on the committee and she stated Director Haney and Director Groves. She asked Director Groves to check his calendar stated if they could

meet sometime this week. She asked if Thursday, October 24, 2019 would be good at 5:30 p.m. Director Groves said that would be good for him. Chris Serres stated she would contact Director Haney about the date and time.

9. Consideration and possible action to schedule a meeting of the Audit Committee for the purpose of reviewing the 2018/2019 FYE Audit.

President Viator asked who was on the Audit committee.

Chris Serres stated that it was Vice President Inzer and Secretary Beard. Both Board members stated that Tuesday, October 29, 2019 would be acceptable for the meeting.

10. Consideration and possible action setting a Special Meeting Date for the purpose of reviewing/approving the 2018/2019 Fiscal Year Audit and for the purpose of approving the renewal/replacement of the District's Health Insurance Policy which will expire November 30, 2019.

A motion was made by Vice President Inzer and seconded by Secretary Beard to meet in a Special Meeting on November 4, 2019 for the purpose of approving the 2018-2019 Audit and for the purpose of approving the renewal/replacement of the District's Health Insurance Policy which will expire November 30, 2019. All Voted Aye.

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

Manager's Monthly Status Report as of October 21, 2019 as presented by Chris Serres:

On-Going Topics

Increase in I & I Reduction Efforts – As the I & I efforts continue, the need to add another crew is not as pertinent since the Administrative Order has been resolved. We are not in a big hurry, but we want to keep this on the forefront in case we have to add another crew in the near future.

City of Vidor 2017-2018 Block Grant – This project continues toward completion. Toby Davis has reported on the Grant. Chris Serres stated that we mailed out letters and George Garza is putting an article in the newspaper.

TCEQ Notice of Non-Compliance with TTHM Rules – Toby Davis updated the Board on the TTHM Project on the valve.

Demolition of building at Tiger Lake LS – We have not forgotten that, it has just been put on the back burner. We do already have the money from the insurance company to do the project, so Chris Serres will be looking at that shortly.

Replacement of the spare pumps that were lost in the Harvey flood – That is still on the table. Chris Serres did talk to the current insurance representative that is here. He is going to try to go through all the old reports and see where we stand, and Chris Serres will be looking into it and possibly picking Norman's brain also to see where we are for the replacements.

Water Line Extension to Iwanda MHP – Both parties have agreed to pay 50/50 for the line extension.

President Viator asked how much it cost.

Chris Serres stated that the 50/50 part is \$20,000.00 each. Now Ali (Vidor Superette) is paying to upgrade and extend the sewer line to his business so he is going to have a little more expense, like about \$32,000.00 total. Larry Gray's portion is going to be \$20,000.00 plus \$1,883.00 for the 2" water tap.

President Viator asked if that was with us doing the work and if we were still upgrading the size of the line from 3" to what size line.

Chris Serres stated yes we are doing the work and increasing the size of the line to 6". It will be a total cost to the District of \$19,000.00.

President Viator asked what we were waiting on to get started.

Chris Serres stated that we are waiting on Larry Gray's signature. He was supposed to be today but did not show. Ali has already agreed and signed his letter and gotten it back to her.

Vice President Inzer asked if we were going to keep a job cost on the project – time, labor, and material.

Chris Serres responded that we can. David LeJune does job costs. Now when you say labor or wages, I don't think we have ever before kept up with payroll, but we can certainly set it up.

Vice President Inzer stated that he is just curious what it would be.

Chris Serres said she would get with David LeJune and Jason Ponder and set it up to keep track of that crew's time and wages for that job.

Imelda Flood – Our mobile offices are set up in the back, they have totally gutted the warehouse and the field office. They are going to do the build back starting Tuesday, October 22, 2019 on the warehouse inventory and then they will jump into the offices.

Just to give the Board an update, we had 52 calls for LPSS that were directly related to the Imelda flood. Of course, Maplecrest totally went under water and that is all LPSS.

Regarding work orders, 23 water off request directly related to Imelda, 14 stated that they are rebuilding and moving back in, 9 of the 23 stated they are not moving back. That is not near as bad as Harvey, because we are still down about 140 customers from Harvey.

Another thing, with this flood, our deductible is \$25,000.00. It is just a flat deductible, after we pay that we are covered. Our Craig St. Lift Station repairs is going to cost \$27,000.00. We will pay for that out of our pocket, which will cover the deductible, so we will get \$2,000.00 reimbursed from the insurance company and the deductible will be satisfied by paying Craig St. out of our pocket.

The last thing Chris Serres wanted to talk to them about was back after Harvey when she spoke with them about the District finances and bank situation and the Board had

authorized us to use anywhere from \$300,000 to \$500,000 out of Contingency. Chris Serres stated that she opted to use the lower of \$300,000, but she did just last week move an additional \$100,000 into our General Operating Account. We are just teetering every month and must really be careful to pay bills. Jason has taken on the responsibility to watch the bank account balance and see where it is. Although she did use \$100,000 from Contingency, Jason knows we pretend it's not there. We are leaving it there as a buffer.

President Viator asked if the \$100,000 was for Harvey or Imelda.

Chris Serres stated both that really haven't recouped from Harvey. She also stated that we have never been in the position of having to look closely at the account to pay bills.

Chris Serres presented the monthly financial report as follows:

Since July and this fiscal year and the rate increase, our billing has been above our projected billing. Not much, about \$2-3,000, but every little bit helps. Our total billing for the month of September was \$276,861.69, up a little bit from last month at \$273,065.50. We budgeted \$133,982.00 for water and \$138,732.00 for sewer per month.

The next report is our Statement of Account Balances. If you will look at the General Operating Account you will see at the end of the month the balance was about \$84,000. That gets scary because that is not considering any checks that hadn't cleared. We must open the bank up every day to see where we are and keep a watch on it. Other than that, all the accounts are balanced.

The next two reports are the Special Projects and Water and Sewer Major Maintenance accounts. Special Projects account there is \$47,000.00 set aside. This is the account we are using to pay the grant funds out of and any kind of TTHM inspections. We will be reimbursed for the TTHM funds once we get the Surplus Funds done. Water and Sewer Major Maintenance Account is down to \$6,182.73.

Next is the Budget Comparison Report. Our revenues totaled \$381,471.00 and our expenses totaled \$344,462.00. We brought in \$37,009.00 more than we spent in for the month.

President Viator asked about salaries and wages – he understands the overtime being over because we had Imelda storm. Why is the salaries and wages \$8,000.00 over?

Chris Serres stated if we had 5 weeks of payroll in the month salaries would be more.

President Viator asked if we budgeted for the five-week months.

Chris Serres answered that we figure 12 months not by weeks. She also stated that there are three months in the year we have five weeks of payroll. It averages out in the end.

Interest earned this month was \$11,894.33 and the interest rate has dropped.

Chris Serres presented the Field Report as follows:

Last month we pumped 36,544,000 gallons of water for the month and accounted for 31,094,700 gallons for an unaccounted amount 14.91%.

We treated 49,800,000 gallons at the wastewater plant.

Looking at the work orders – We normally have about 66 water offs but this month we had 98. Water back on was only 68.

We had 314 water jobs and 73 sewer jobs for a total of 387 jobs in the field.

The LPSS calls listed on the report does not include the 52 LPSS calls from Imelda.

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

12. 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 District's monthly bills. All Voted Aye.

13. **Adjournment.**

A motion was made by Vice President Inzer and seconded by Director Groves to adjourn at 7:34 p.m.



Robert L. Viator, Sr., President



Tim Beard, Secretary