



Meeting Minutes

August 18, 2014– 5:30 pm

Orange County Water Control & Improvement District No. 1 Board Room
460 E Bolivar Street, Vidor, Texas

Robert ViatorPresident
Frank Inzer-absent..... Vice-President
Tim Beard Secretary
Trey Haney Director
Guy Groves Director

Norman BlackmanGeneral Manager
David LeJune Operations Manager

Others present: Toby Davis, Carroll & Blackman Consulting
Engineers, Inc.; Calvin Prosen Arceneaux & Gates Consulting
Engineers, Inc.; Ernest Bayard, Citizen

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 TO ORDER

Robert Viator called the meeting to order at 5:30 P.m., with a quorum present.

INVOCATION & PLEDGE OF ALLEGIANCE

The Invocation was offered by Mr. Beard and the Pledges led by Mr. Groves.

MEETING AGENDA

1. Citizen comments.
There were no citizens present.

2. Consideration of and possible action regarding Arceneaux & Gates Consulting Engineers, Inc. Monthly Status Report on Water Well, Elevated Tank, and Transmission Lines Projects.

Mr. Viator read the agenda item.

Mr. Prosen presented an update on Contract No. 5 that includes information regarding the TXDOT permit necessary for the 8" waterline bore across Hwy 12. The permits are now done all electronically, which is proving to be time consuming. This is holding up the contractor, but Mr. Prosen feels will be resolved soon. He spoke with the engineer regarding the exact information needed to receive the permit.

Mr. Prosen presented a handout to the Board illustrating the step by step background on the Ground Storage Tank at Well #7. The compaction tests that were required in the contract were not done, so there is no data to confirm if the compaction was adequate. The contractor has received a geotechnical report on soil bores within the tank with their recommendations for repair to the sub-grade. Any repairs required on the tank will be paid for the contractor or one of the subcontractors on the project.

The Contractors will lift the tank on August 22, 2014 to access the tank floor. The first steps will be to remove half the floor panels and have a vacuum truck remove the saturated materials. Mr. Prosen will be setting a meeting that will include the Contractor, tank supplier, Engineer, and the District representatives to discuss the recommendations of the Geotech consultant, before moving to the next steps.

Mr. Viator asked for a motion, if there were on more question from the Board.

A motion was made by Mr. Haney and seconded by Mr. Groves to approve the Arceneaux & Gates Consulting Engineers, Inc. Monthly Status Report on Water Well, Elevated Tank, and Transmission Lines Projects, as presented. Motion carried. See attachments.

3. Consideration and possible action regarding approval/amendments to the minutes of the July 21, 2014 regular meeting, and the July 7, 2014 special called meeting

Mr. Viator read the agenda item.

Mr. Viator asked for a motion, if there were no questions from the Board.

A motion was made by Mr. Beard and seconded by Mr. Haney to approve the minutes of the July 21, 2014 regular meeting, and the July 7, 2014 special called meeting, as presented. Motion carried.

4. Consideration and possible action regarding of Carroll & Blackman, Inc.'s Monthly Status Report concerning ongoing District projects.

Mr. Viator read the agenda item.

Mr. Davis presented the report regarding Project A is virtually complete, with a few punch list items remaining.

Project B is nearing completion, with the demolition of Cloverleaf Treatment Plant and sludge removal are remaining.

Project C is complete with most sewer mains. This month the Contractors concentrated on manhole replacements and repair. FM 105 is the last large piece of the Project to be completed. Mr. Davis informed the Board that Mr. Blackman, Mr. LeJune, Mr. Scogin and himself met with TxDOT engineers regarding the pavement replacement issue. The plan is to have a ride test prior to the work beginning and do

the work and then do a ride test at the end of the project. The permit should be granted this week and work will begin shortly after that. The initial 1000' to 1500' of the contract are going to be done, including the pavement repair. At that time we will meet with TxDOT to inspect the progress and hopefully get an official approval of that completed portion of FM 105. If the work does not meet with TxDOT standards, the District may bring in more experienced pavement contractors. TxDOT has required the contractors to replace lane width and at least 10' for each cut. Mr. Davis wanted the Board to be aware that there will probably be a cost increase because of the TxDOT requirement.

Mr. Viator asked for a motion

A motion was made by Mr. Groves and seconded by Mr. Beard to approve Carroll & Blackman, Inc.'s Monthly Status Report concerning ongoing District projects, as presented. Motion carried. See attachments.

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

Invoice No 20951 Contract C – Sanitary Sewer Collection System Rehabilitation in the amount of \$21,790.00; and Invoice No. 20973 for GIS and Database Systems in the amount of \$2,890.00. This is a total of \$24,680.00.

Mr. Viator read the agenda item.

Mr. Blackman recommended payment of the invoices.

Mr. Viator asked for a motion

A motion was made by Mr. Beard and seconded by Mr. Haney to approve the Carroll and Blackman, Inc., monthly invoices for District projects as listed:

Invoice No 20951 Contract C – Sanitary Sewer Collection System Rehabilitation in the amount of \$21,790.00; and Invoice No. 20973 for GIS and Database Systems in the amount of \$2,890.00. This is a total of \$24,680.00. Motion carried. See attachments.

6. Consideration and possible action to accept, amend or approve the following documents necessary to facilitate the completion and closure of Construction Contract TWDB No. 72129-SRF-3358-02, Contract A – 3.0 MGD Wastewater Treatment Plant:

Mr. Viator read the agenda item.

Mr. Davis presented all the following closing documents.

- A. Change Order No. 9 (FINAL) in the amount of \$36,125.56

Mr. Davis informed the Board that this is a final reconciliation on the bid items and allowances not used. When the contract was completed the difference was a credit of \$36,125.56.

A motion was made by Mr. Groves and Mr. Beard to approve Change Order No. 9 (FINAL) in the amount of \$36,125.56 reduction to the contract amount, as presented. Motion carried.

- B. Contractor's Payment Request No. 44 for a credit to the District in the amount of \$44,236.33. No payment will be made back to the District. This amount will be reconciled with the release of retainage in a later item.

A motion was made by Mr. Haney and Mr. Groves to approve Payment Request No. 44 for a **credit** to the District in the amount of \$44,236.33. No payment will be made back to the District. This amount will be reconciled with the release of retainage in a later item

- C. Certificate of Construction Completion.

A motion was made by Mr. Beard and Mr. Groves to approve the Certificate of Construction Completion, contingent on Allco, Ltd resolving the deficiencies discussed by Engineer Toby Davis, and to authorize the Board President, Robert Viator, to sign the Certificate only after such resolution of deficiencies is completed to the satisfaction of Mr. Davis and Mr. Viator, at which time the Certificate will be signed and submitted to the Texas Water Development Board for approval. Motion carried.

- D. Contractor's Payment Request No. 45, the Final Payment and Release of Retainage, in the amount of \$234,336.02. Approval and release of construction retainage should be made contingent upon approval and authorization to do so by the Texas Water Development Board.

A motion was made by Mr. Haney and Mr. Groves to approve Payment Request No. 45, the Final Payment and Release of Retainage, in the amount of \$234,336.02, approval made contingent upon Texas Water Development Board's approval and authorization to release the construction retainage. Motion carried.

- E. Certificate of Acceptance.

A motion was made by Mr. Beard and Mr. Haney to approve Certificate of Acceptance, contingent on Allco, Ltd. resolving all the deficiencies discussed by Engineer Toby Davis. Motion carried.
See attachments.

7. Consideration of and possible action regarding request for payment on Estimate No. 22 from Allco, Ltd., in the amount of \$73,007.55 for Construction Contract TWDB No. 72129-SRF-3358-02 – Contract B - Cloverleaf & Tiger Lake Lift Stations and Force Mains.

Mr. Viator read the agenda item.

Mr. Davis presented the invoice, he informed the Board that Contract B should come in slightly under the original bid. Mr. Blackman pointed out that generators for both Cloverleaf and Tigerlake were added to the contract at a cost of \$170,000, so the contract would have come in under bid without the generators.

Mr. Viator asked for a motion.

A motion was made by Mr. Groves and seconded by Mr. Beard to approve payment on Estimate No. 22 from Allco, Ltd., in the amount of \$73,007.55 for Construction

Contract TWDB No. 72129-SRF-3358-02 – Contract B - Cloverleaf & Tiger Lake Lift Stations and Force Mains, as presented. Motion carried. See attachments.

8. Consideration of and possible action regarding request for payment on Estimate No. 11 from T. Construction LLC., in the amount of \$91,602.90 for Construction Contract TWDB No. 72129-SRF-3358-02 – Contract C – Sanitary Sewer Rehabilitation Project.

Mr. Viator read the agenda item.

Mr. Davis presented the invoice and a progress map showing N Tannahill and Main Streets remaining to have the sewer lines rehabilitated. Mr. Viator complimented T Construction on the exemplary job they have done.

Mr. Viator asked for a motion

A motion was made by Mr. Groves and seconded by Mr. Haney to approve payment on Estimate No. 11 from T. Construction LLC., in the amount of \$91,602.90 for Construction Contract TWDB No. 72129-SRF-3358-02 – Contract C – Sanitary Sewer Rehabilitation Project. Motion carried. See Attachments.

9. Consideration of and possible action regarding authorizing Carroll & Blackman, Inc. to assist with data collection during the smoke testing of the rehabilitated sewer lines by T-Construction at an estimated cost of \$15,000 - \$20,000. This work would initially be performed under a General Services contract, but could be eligible to be paid through Bond Project Sewer Engineering Contract with appropriate Change Order.

Mr. Viator read the agenda item.

Mr. Blackman informed the Board that smoke testing was in the contract, and is done as proof that the completed rehab has no leaks. We had planned for a District employee to be onsite when the testing was done to document all the private sewer lines that showed to be in need of repair. At this time the District cannot spare an employee to be away from their current job duties. Mr. Blackman is recommending the Board consider hiring a Carroll & Blackman, Inc. employee to film the entire smoke testing procedure, so that in the future the District can identify the sewer leaks in the property owner's lines. The smoke testing will take 1 to 2 months and will begin in the next two weeks.

A motion was made by Mr. Haney and seconded by Mr. Groves to approve authorizing Carroll & Blackman, Inc. to assist with data collection that will be beneficial to the District in identifying the private lines in need of repair during the smoke testing of the rehabilitated sewer lines by T-Construction at an estimated cost of \$15,000 - \$20,000. This work would initially be performed under a General Services contract, but could be eligible to be paid through Bond Project Sewer Engineering Contract with appropriate Change Order. Motion carried.

10. Consideration and possible action regarding payment to Carroll & Blackman, Inc for additional engineering services provided throughout the Bond Issue Project as unforeseen issues outside the original scope of Engineering services developed. The individual engineering tasks and amounts are detailed in the invoices listed as a through k.

a. CBI Invoice 20952A in the amount of \$7,488.00

- b. CBI Invoice 20953B in the amount of \$3,105.00
- c. CBI Invoice 20954C in the amount of \$23,399.00
- d. CBI Invoice 20955D in the amount of \$9,917.00
- e. CBI Invoice 20956E in the amount of \$6,708.00
- f. CBI Invoice 20957F in the amount of \$10,015.00
- g. CBI Invoice 20958G in the amount of \$3,280.00
- h. CBI Invoice 20959H in the amount of \$16,518.00
- i. CBI Invoice 20960I in the amount of \$16,001.00
- j. CBI Invoice 20961J in the amount of \$7,395.00
- k. CBI Invoice 20962K in the amount of \$5,676.00

Mr. Viator read the agenda item.

Mr. Viator advised the Board that all this work had been done outside the contracted engineering fees provided for in the Bond Issue. There were many unexpected engineering costs to Carroll & Blackman, Inc. The invoices were not submitted for payment at the time the work, due to Contract A coming in 4 million over the estimated cost. The work had to be done in order for the project to continue. The additional two contracts had not been bid at the time most of the additional engineering work took place, and the Carroll & Blackman, Inc. felt it was a bad time to ask for additional engineering fees. Mr. Davis commended the District and the Board on securing Bond funds to cover the added expense on the Wastewater Treatment Plant project. It is now nearing the end of the entire project and seeing that there is funds left in the Bond, Mr. Davis is asking for the invoices to be considered for payment. Mr. Blackman stated that this happens often in projects, unexpected engineering that is not covered in the scope of work identified in the contract. Mr. Viator assured the Board that the work had been done and he felt the invoices should be paid. Mr. Beard stated that the work predates his tenure on the Board and felt Mr. Viator is a good custodian of the District's funds and would defer to his recommendation to pay the invoices.

Mr. Viator asked for a motion

A motion was made by Mr. Beard and seconded by Mr. Groves to approve payment to Carroll & Blackman, Inc for additional engineering services provided throughout the Bond Issue Project as unforeseen issues outside the original scope of Engineering services developed. The individual engineering tasks and amounts are detailed in the invoices listed as a through k, in the amount of \$109,502.00, as presented. Motion carried. See attachments.

11. Board Members comments.

Mr. Viator read the agenda item.

Mr. Beard had a question regarding the additional air conditioning at the blower building at the Wastewater treatment plant. Mr. Beard also asked about the additional Bond issue projects. Mr. Viator asked about the drinking water on W Railroad. Mr. LeJune informed the Board that he had installed some dead ends in the water lines to allow for hard flushing. The oldest portion of the District has water lines installed in the 1950's which are galvanized water pipes, this causes the rust problems. We are hoping to use some of the unspent bond funds to replace these lines. The dead ends on the water lines allow the District to control the direction and velocity of the water.

We do waste water when we flush the lines, but it is a necessary part of clearing discolored water. The Board was polled as to keeping the Board Comments item on the agenda. The decision was to continue to have this item on the agenda each month.

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

Mr. Blackman presented the GM report. Mr. Blackman went over the ongoing topics listed on his report, there was no new information regarding these topics.

New topics to report are some properties that have been left off the tax roll. The Appraisal District did not have the correct boundaries of the District. The Appraisal District is correcting this problem by including the code for OCWC & ID#1 taxes. These properties will be assessed taxes this year. Our GIS system was used in identifying these non-taxed properties. Mr. Blackman is pleased with the progress of the entire GIS system. Mr. Viator stated that he apologizes when he is wrong, and he was wrong about the GIS, he feels that the GIS will pay for itself. There are approximately 250 properties identified so far.

Mr. Blackman reported the water line extension on Brightwood Street is complete.

The sewer only issue is progressing with the first reading of the Enforcement Policy for Collection of Past Due Sewer Only Accounts on the agenda tonight.

Mr. Haney asked if any property owner could petition their land into the District. Mr. Blackman stated that anyone could ask to petition, but the Board had to approve the petition. Mr. Blackman reported the billing and financial personnel have discovered some properties have been billed with incorrect rate codes. It is possible when the corrections are complete it will significantly increase our revenues.

Mr. Blackman has some communication with the representatives of Auburn Square. It was discovered that two of the apartment buildings are in the District and the rest are out of the District. Mr. Blackman feels that they will petition the whole complex into the District.

New topics reported on are an expansion to Gasaway's Mobile Home Park at Connell & Carla Streets; Mr. Blackman stated that we have a water and sewer line crossing the property, so the capability to serve this expansion is available. The new expansion would have to be done with a master water meter serving all the new mobile homes. Mr. Blackman has an update on Cloverleaf Lift Station problems with the unsightly look of the lift station, noise, odor control and road issues. Mr. Blackman has quotes for a fence, noise reduction material, an ozone-generator based equipment and paving the road. There is a possibility that we could coordinate with Orange County to pave the road for the cost of materials. The bids total \$62,707.00. This cost could be less if the County does the paving. Mr. Blackman wanted to get this information to the Board so it can be considered as a future agenda item.

Ms. Serres presented the financial reports. Mr. Haney questioned the overage in payroll and overtime, Ms. Serres replied that it was due to the 5 payrolls in the month of July. Mr. LeJune presented the Field Report and the LPSS report. Mr. Blackman informed the Board that the County had some LPSS grants for the District to install.

Mr. Viator asked if all the properties had water service.

Mr. Viator asked for a motion, if there were no more questions.

A motion was made by Mr. Groves and seconded by Mr. Beard to approve the General Manager's monthly status and financial report, as presented. Motion carried. See attachments.

13. Consideration and possible action regarding payment of the District's monthly bills.
Mr. Viator read the agenda item.
Mr. Viator asked for a motion, if there were no questions.
A motion was made by Mr. Beard and seconded by Mr. Groves to approve the payment of District's monthly bills, as presented. Motion carried. See attachments.
14. Consideration of the first reading of the proposed Enforcement Policy for Collection of Past Due Sewer Only Accounts.
Mr. Viator read the agenda item.
Mr. Blackman read the proposed policy for the Board.
Mr. Viator asked for a motion.
A motion was made by Mr. Haney and seconded by Mr. Groves to adopt Enforcement Policy for Collection of Past Due Sewer Only Accounts, as presented. Motion carried. See attachments.
15. Consideration of calling a Public Hearing regarding the Tax Rate for fiscal year 2014.
Mr. Viator read the agenda item.
Mr. Haney asked why the rate went up; Ms. Serres explained that the rate is based on the amount of the bond payments and the valuation of the taxable properties.
Mr. Viator asked for a motion.
A motion was made by Mr. Groves and seconded by Mr. Haney to approve calling a Public Hearing, to begin at 5:30 P.M. on September 15, 2014, regarding the Tax Rate for fiscal year 2014. Motion carried. See attachment.
16. Consideration of certified appraised tax value totals for 2014, as presented by Orange County Appraisal District.
Mr. Viator read the agenda item.
The Board asked if we were confident with the numbers presented by the Appraisal District. Ms. Serres stated that the valuation of the properties is what sets the tax rate to collect the needed amount to fund the payment of our bond issue notes.
Mr. Viator asked for a motion.
A motion was made by Mr. Haney and seconded by Mr. Beard to approve certified appraised tax value of \$410,500,063 totals for 2014, as presented by Orange County Appraisal District. Motion carried. See attachment.
17. Consideration of and possible action regarding pursuing back taxes on In-District properties that were inadvertently left off the tax roll.
Mr. Viator read the agenda item.
Mr. Viator stated that he was not in favor of going back on our citizens to collect on back taxes, he will be happy if we start collecting from this point forward. Mr. Haney was of the opinion that the District should not pursue back taxes. Mr. Haney asked what the District's options are regarding Auburn Square's not following through with

petitioning their property into the District. Mr. Blackman informed the Board of his communication with representatives of Auburn Square and Boomtown RV park his feelings are that they will both file the paperwork to petition their property into the District by the deadline of October 1, 2014. If they do not file the paperwork we will inform them that their water and sewer costs will be changed to reflect Out of District rates.

Mr. Viator asked for a motion

A motion was made by Mr. Beard and seconded by Mr. Haney to approve the District not pursuing back taxes on In-District properties that were inadvertently left off the tax roll. Motion carried.

18. Consideration of and possible action regarding the temporary employment of an experienced TxDOT trained specialist to serve as an advisor to T-Construction on Sewer Rehabilitation Contract C for the final patching of the asphalt surface of FM 105 to TxDOT specifications, or in the alternative, authorize Carroll & Blackman, Inc. to employ and furnish said advisor via an engineering contract amendment.

Mr. Viator read the agenda item.

Mr. Blackman informed the Board that he and the engineers had met with TxDOT engineers. The concern of TxDOT has always been the ride quality of FM 105 after the rehab is completed. If the ride quality deteriorates too drastically, the District will be required to participate monetarily in the repaving of the entire length of the rehab scope of work. Mr. Blackman advises that we have an onsite advisor that is familiar with TxDOT pavement requirements. He suggests we complete an initial 1000' to 1500' of the pavement repair. At that time we will meet with TxDOT to inspect the progress and hopefully get an official approval of that completed portion of FM 105. At that time we may not need to keep an advisor onsite.

Mr. Viator asked for a motion.

A motion was made by Mr. Groves and seconded by Mr. Haney to approve Mr. Blackman gathering information regarding the cost of employing of an experienced TxDOT trained specialist to serve as an advisor to T-Construction on Sewer Rehabilitation Contract C for the final patching of the asphalt surface of FM 105 to TxDOT specifications. Motion carried.

19. Adjournment.

A motion was made by Mr. Beard and seconded by Mr. Haney to adjourn the meeting. Motion carried.

Meeting adjourned at 9:40 P.M.



Robert Viator, President



Tim Beard, Secretary