



Meeting Minutes

November 17, 2014– 5:30 pm

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

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

Norman Blackman..... General Manager
David LeJune Operations Manager
Karen Sampson..... Office Manager
ChrisSerres.....Financial Director

Others present: Toby Davis and Jeff Scogin, Carroll & Blackman Consulting Engineers, Inc.; Calvin Prosen Arceneaux & Gates Consulting Engineers, Inc.; Larry Hunter, Provost & Umphrey, LLP; Chuck Reed, Chuck E. Reed & Associates, PC; George Garza, Vidor Vidorian; 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

Mr. Inzer offered the invocation and Mr. Haney led the pledges.

MEETING AGENDA

1. Citizen comments.
No citizen's comments.

2. Consideration of and possible action to approve the **2013-2014 Audit**.
Mr. Viator read the agenda item.
Mr. Reed presented the audit to the Board. Mr. Reed started by reading the opinion paragraph stating that the auditors had completed a clean or unqualified audit opinion. He went on to state that the District's books and records were in good shape, and he had received full cooperation from the management and staff of the District. Mr. Reed briefly went over the audit and asked if the Board had any questions. Mr. Reed pointed out the difference in the expenditures and the revenues to be \$578,000.00.
Mr. Reed also pointed out that Chris Serres, the District's financial director had discovered some properties in the District not represented on the tax roll. In further research, using the District's GIS system, a total of 250 properties were found to be left off the tax roll. This was a total of over \$13 million dollars in values. When added to the tax roll next year the valuation will generate over \$60 thousand dollars for future tax calculations.
Mr. Reed concluded his presentation, and asked if the Board had any questions. There were no questions.
Mr. Viator asked for a motion.
A motion was made by Mr. Beard and seconded by Mr. Inzer to approve the 2013-2014 Audit, as presented. Motion carried.

3. Consideration of and possible action regarding **Carroll & Blackman, Inc.'s Monthly Status Report** concerning ongoing District projects.
Mr. Viator read the agenda item.
Mr. Scogin presented the report. Mr. Scogin stated that Project A was completed and closed out. Project B is completed and the contractors are currently completing punch list items. Project C is ongoing and the contractors completed 3,392' of pipe bursting of 6" and 8" sewer lines on Hwy 105. The contractors are currently on the west side of Hwy 105 toward IH-10. They will be doing the test repair on Hwy 105 for TXDOT inspection. They will begin work on the south side of Hwy 105. The Board praised the contractors regarding the work on Hwy 105.
Mr. Haney questioned the status on Project B, asking if all the demolition work was complete. Mr. Scogin stated that the project was virtually complete. Mr. Blackman clarified that the punch list items were small issues with lift stations or pavement repair.
Mr. Viator asked for a motion.
A motion was made by Mr. Inzer and seconded by Mr. Haney to approve **Carroll & Blackman, Inc.'s Monthly Status Report** concerning ongoing District projects, as presented. Motion carried. See attachment.

4. Consideration of and possible action regarding approval of **Carroll and Blackman, Inc., monthly invoices** for District projects as listed:
Invoice No.21154 for Contract B – Cloverleaf and Tiger Lake Lift Station/Force Main in the amount of \$2,865.00; Invoice No. 21155 Contract C – Sanitary Sewer Collection System Rehabilitation in the amount of \$13,074.00. This is a Grand Total of \$15,939.00.
Mr. Viator read the agenda item.
Mr. Blackman recommended payment of this invoice.
Mr. Viator asked for a motion
A motion was made by Mr. Beard and seconded by Mr. Inzer to approve **Carroll and Blackman, Inc., monthly invoices** for District projects as listed:
Invoice No.21154 for Contract B – Cloverleaf and Tiger Lake Lift Station/Force Main in the amount of \$2,865.00; Invoice No. 21155 Contract C – Sanitary Sewer Collection System Rehabilitation in the amount of \$13,074.00, for a Grand Total of \$15,939.00, as presented. Motion carried. See attachment.
5. Consideration of and possible action regarding request for payment on **Estimate No. 24** from **Allco, Ltd.**, in the amount of \$47,836.50 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. Scogin presented the invoice stating the majority of this invoice dealt with the demolition of Cloverleaf Wastewater Treatment Plant. The remainder of the contract will be releasing retainage and closing the project.
Mr. Viator asked for a motion
A motion was made by Mr. Inzer and seconded by Mr. Haney to approve payment on **Estimate No. 24** from **Allco, Ltd.**, in the amount of \$47,836.50 for Construction Contract TWDB No. 72129-SRF-3358-02 – **Contract B** - Cloverleaf & Tiger Lake Lift Stations and Force Mains, as presented. Motion carried. See attachment.
6. Consideration of and possible action regarding request for payment on **Estimate No. 14** from **T. Construction LLC.**, in the amount of \$226,634.65 for Construction Contract TWDB No. 72129-SRF-3358-02 – **Contract C** – Sanitary Sewer Rehabilitation Project.
Mr. Viator read the agenda item.
Mr. Scogin presented the invoice.
Mr. Viator asked for a motion
A motion was made by Mr. Beard and seconded by Mr. Inzer to approve payment on **Estimate No. 14** from **T. Construction LLC.**, in the amount of \$226,634.65 for Construction Contract TWDB No. 72129-SRF-3358-02 – **Contract C** – Sanitary Sewer Rehabilitation Project. Motion carried. See attachment.

7. Consideration of and possible action regarding **Arceneaux, Wilson & Cole, L.L.C. Monthly Status Report** on Water Well, Elevated Tank, and Transmission Lines Projects.
Mr. Viator read the agenda item.
Mr. Prosen presented the report. Mr. Prosen stated that the road bore on Hwy 12 is complete and the entire project is completed.
Mr. Viator asked for a motion
A motion was made by Mr. Inzer and seconded by Mr. Haney to approve regarding **Arceneaux, Wilson & Cole, L.L.C. Monthly Status Report** on Water Well, Elevated Tank, and Transmission Lines Projects, as presented.
See attachment.
8. Consideration of and possible action regarding **Change Order No. 2** for the FM 1132/Hwy 12 Water Line Extension Project in the amount of \$18,344.23 requested by McInnis Construction, Inc. for the **8" bored water line under Hwy. 12**.
Mr. Viator read the agenda item.
Mr. Prosen presented the Change Order. This change order has been approved earlier and this is the formal change order to be signed.
Mr. Viator asked for a motion.
A motion was made by Mr. Haney and seconded by Mr. Inzer to approve **Change Order No. 2** for the FM 1132/Hwy 12 Water Line Extension Project in the amount of \$18,344.23 requested by McInnis Construction, Inc. for the **8" bored water line under Hwy. 12**, as presented. Motion carried. See attachment.
9. Consideration of and possible action regarding **Invoice No. 11** in the amount of \$22,148.51 for **McInnis Construction, Inc.**, regarding the FM 1132/Hwy 12 **Water Line Extension Project**. This represents final progress payment prior to release of retainage.
Mr. Viator read the agenda item.
Mr. Prosen presented the invoice. This invoice will bring this Project to a close. This invoice includes the road bore and some items still to be paid on the original contract.
Mr. Viator asked for a motion.
A motion was made by Mr. Beard and seconded by Mr. Inzer to approve **Invoice No. 11** in the amount of \$22,148.51 for **McInnis Construction, Inc.**, regarding the FM 1132/Hwy 12 **Water Line Extension Project**, as presented. Motion carried. See attachment.
10. Consideration of and possible action regarding the **release of retainage** and **Invoice No. 12** for the **payment of retainage** in the amount of \$27,110.62 for **McInnis Construction, Inc.**, regarding the FM 1132/Hwy 12 **Water Line Extension Project**.
Mr. Viator read the invoice.
Mr. Prosen presented the invoice.
Mr. Blackman recommended payment of the retainage.

Mr. Viator asked for a motion.

A motion was made by Mr. Inzer and seconded by Mr. Haney to approve **release of retainage and Invoice No. 12** for the **payment of retainage** in the amount of \$27,110.62 for **McInnis Construction, Inc.**, regarding the FM 1132/Hwy 12 **Water Line Extension Project**, as presented. Motion carried. See attachment.

11. Consideration of and possible action regarding the following elements of the **close-out documents** for the FM 1132/Hwy 12 **Water Line Extension Project** constructed by **McInnis Construction, Inc.:**
- A. Engineers Certificate of Completion
 - B. Contractor's Certificate and Release
 - C. Contractor's Certificate of Guarantee

Mr. Viator read the agenda item.

Mr. Prosen presented these close out documents.

Mr. Viator asked for a motion.

A motion was made by Mr. Beard and seconded by Mr. Inzer to approve the following elements of the **close-out documents** for the FM 1132/Hwy 12 **Water Line Extension Project** constructed by **McInnis Construction, Inc.:**

Engineers Certificate of Completion, Contractor's Certificate and Release
Contractor's Certificate of Guarantee, contingent on receiving an All Bills Paid Affidavit from McInnis construction, Inc., prior, to releasing payment. Motion carried. See attachment.

12. Consideration of and possible action regarding Invoice No. 15065 from Arceneaux, Wilson & Cole, L.L.C. for **additional engineering work** incurred on the Water Well and Transmission Lines Projects. The additional work elements are as follows:

- A. Water Line Construction within easement @ Burt Street in the amount of \$13,826.90.
- B. Highway 12 Bore in the amount of \$3,537.00
- C. Ground Storage Tank Leaks in the amount of \$6,707.63

The grand total of request is **\$24,071.53**.

Mr. Viator stated at the beginning of this item that he had something to say about it. He addressed Mr. Prosen and stated that he believed that the District owed the \$3,537.00 regarding the Hwy 12 bore, even though you let it set on your desk for 7 weeks and caused a 1 week delay in having Well #7 online. Mr. Viator continued addressing the invoice amount for \$13,826.90 for the Burt Street & Hwy 12 easement. Mr. Viator started by quoting Mr. Prosen's description of the work done on that project. The previous General Manager had instructed that all water lines should be in the TxDot, City or County Right-of-Way, but that was not set in stone. It was Mr. Viator's opinion that it was Mr. Prosen's job to see if that was possible. Mr. Viator stated that it was not possible at that site, and, Mr. Prosen should have designed the water line the way it ended up being designed by the District's General Manager, Mr. Blackman. Mr. Prosen stated that it was possible to continue with the original design, citing the pipeline in question was 6 to 12 inches lower than originally

reported by the pipeline company. Again Mr. Prosen stated he did not want to get into it, but did state it would have been possible to continue as planned, the District chose not to have the water line at the depth that would have been required to go below the existing pipelines. Mr. Viator stated that he felt as if the District could work something out on paying a partial amount of this invoice amount. Mr. Viator then asked Mr. Blackman if he had reviewed the invoices and had any recommendations as to what the District may owe to Mr. Prosen. Mr. Prosen declined to discuss the particulars of the invoices.

Mr. Viator then went on to address the invoice of \$6,707.63 regarding the leak in the ground storage tank. Mr. Viator stated that he agreed that the leak was the contractor's fault. He went on to state that the District had paid for an inspector to be on the job to make sure the contractors did their job, and the inspector failed to do his job, so he was of the opinion that the engineers were as much to blame as the contractors and did not feel that the District owed any money on that invoice amount. Mr. Prosen said again that he did not want to go into it. Mr. Viator stated that he didn't care if he wanted to get into it or not. Mr. Prosen again reiterated there is more to it than that, when Mr. Viator countered that there was always more to anything. Mr. Viator stated that personally he did not feel the District owed any money on the invoice pertaining to the ground storage tank leak.

Mr. Blackman presented his recommendation, while trying to wear his manager's hat and trying to keep his engineer hat off, coming from that field. There are always time that a project incurs extra money, engineers often times have to spend extra money on a project, whether you can bill for it or not is another question. Mr. Blackman recommends payment of \$9,080.00 of the \$13,826.90 billed on the Burt Street easement engineering invoice. Mr. Blackman stated that his recommendation was based on the engineering costs as opposed to the inspection costs. The project was still ongoing in several areas that required the inspector to be on duty inspecting different portions of the project, in the same time frame that the decisions regarding Burt Street were being made, and he did not feel that paying double inspection costs were in the best interest of the District. Mr. Blackman recommends the full amount of \$3,537.00 for the Hwy 12 bore and no dollars on the Ground Storage Tank leak repair, for a total of \$12,617.00.

Mr. Viator asked if there were no questions, he would entertain a motion. Mr. Beard indicated he had some questions, Mr. Viator said he would go ahead and ask for a motion to pay the \$12,617.00 recommended by Mr. Blackman, and they would discuss the item after that.

Mr. Beard stated that he understood not wanting to air out what may or may not have happened, but he had no concept of what these values are for, other than there were some services rendered. Mr. Beard has no way of quantifying these numbers and assumes that Mr. Blackman has done the due diligence in regards to recommending no payment on the Ground Storage Tank Leak invoice of \$6,707.53. Mr. Viator interjected that he would tell him the answer to that question. Mr. Viator stated that the compaction under the tank was the reason for the leak, and he feels that the inspector did not do his job, so the District

does not owe anything for further inspection on the repair on the ground storage tank. There were other costs listed on the invoice, but all costs submitted were all related to the foundation failure. There were some problems on both the construction and the engineering side of that issue. The contractor paid all the repair costs and he cannot recommend paying any further costs to the engineer. In my experience that is exactly what I would have done if I was the engineer. Mr. Inzer interjected that whether the contractor and/or engineering oversight, or a flaw in the initial engineering, that contributed to the foundation not supporting the tank and it is not the District's place to compensate for further engineering costs.

Mr. Viator said he had a motion on the table.

A motion was made by Mr. Beard and seconded by Mr. Haney to approve Invoice No. 15065 from Arceneaux, Wilson & Cole, L.L.C. for **additional engineering work** incurred on the Water Well and Transmission Lines Projects. The additional work elements are as follows: Water Line Construction within easement @ Burt Street in the amount of \$9,080.00, Highway 12 Bore in the amount of \$3,537.00, Ground Storage Tank Leaks in the amount of \$0, for a total of **\$12,617.00** to be paid to Arceneaux, Wilson and Cole, L.L.C. Motion carried. See attachment.

13. Consideration of and possible action regarding approval/amendments to the **minutes** of the October 20, 2014 regular meeting.

Mr. Viator read the agenda item.

Mr. Viator asked for a motion.

A motion was made by Mr. Inzer and seconded by Mr. Beard to approve the **minutes** of the October 20, 2014 regular meeting, as presented. Motion carried.

14. Board Members **comments**.

There were no comments.

15. Consideration of and possible action regarding **General Manager's Monthly Status and Financial Report**.

Mr. Viator read the agenda item.

Mr. Blackman presented the General Manager's monthly status report

Ms. Serres presented the financial monthly status report.

Mr. LeJune presented the Field and LPSS monthly status report

Mr. Viator asked for a motion.

A motion was made by Mr. Haney and seconded by Mr. Beard to approve the **General Manager's Monthly Status and Financial Report, as presented. Motion carried. See attachment.**

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

Mr. Viator read the agenda item.

Mr. Viator asked for a motion.

A motion was made by Mr. Inzer and seconded by Mr. Beard to approve payment of the **District's monthly bills**, as presented. Motion carried. See attachment.

17. Consideration of and possible action to approve the **2014 Current Tax Roll** in the amount of \$1,743,294.77 for the Orange County Water Control and Improvement District No. 1 as certified and submitted by Lynda Gunstream, Orange County Tax Assessor/Collector.

Mr. Viator read the agenda item.

Mr. Viator asked for a motion.

A motion was made by Mr. Beard and seconded by Mr. Inzer to approve the **2014 Current Tax Roll** in the amount of \$1,743,294.77 for the Orange County Water Control and Improvement District No. 1 as certified and submitted by Lynda Gunstream, Orange County Tax Assessor/Collector. Motion carried. See attachment.

18. Consideration of and possible action to approve the **2014 Delinquent Tax Roll** in the amount of \$378,418.71 for the Orange County Water Control and Improvement District No. 1 as certified and submitted by Lynda Gunstream, Orange County Tax Assessor/Collector.

Mr. Viator read the agenda item.

Mr. Viator asked for a motion.

A motion was made by Mr. Inzer and seconded by Mr. Beard to approve the **2014 Delinquent Tax Roll** in the amount of \$378,418.71 for the Orange County Water Control and Improvement District No. 1 as certified and submitted by Lynda Gunstream, Orange County Tax Assessor/Collector. Motion carried. See attachment.

19. Consideration of and possible action to approve the 2014 Amended and Restated Information and Designation of **Boundaries of O.C.W.C. No. 1**.

Mr. Viator read the agenda item.

Mr. Viator asked for a motion.

A motion was made by Mr. Beard and seconded by Mr. Inzer to approve the 2014 Amended and Restated Information and Designation of **Boundaries of O.C.W.C. No.1**, as presented. Motion carried. See attachment.

20. Consideration and possible action regarding approval of a one-year extension of the **Interlocal Agreement** between the City of Vidor, Texas and the Orange County Water Control & Improvement District No. 1 for the continued participation in an application seeking **BP Deepwater Horizon Restoration funding** for water, sewer, and drainage improvements.

Mr. Viator read the agenda item.

Mr. Blackman presented this

Mr. Viator asked for a motion.

A motion was made by Mr. Inzer and seconded by Mr. Haney to approve a one-year extension of the **Interlocal Agreement** between the City of Vidor, Texas

and the Orange County Water Control & Improvement District No. 1 for the continued participation in an application seeking **BP Deepwater Horizon Restoration funding** for water, sewer, and drainage improvements, as presented. Motion carried. See attachment.

21. Consideration and possible action regarding the future disposition of the District's **existing 100,000 gallon elevated water storage tank** relative to either, rehabilitation and continued use of the tank or abandonment and demolition of the tank.
Mr. Viator read the agenda item.
Mr. Blackman presented
Mr. Viator asked for a motion.
A motion was made by Mr. Beard and seconded by Mr. Inzer to take no action on this agenda item. Motion carried.
22. Consideration and possible action regarding preliminary planning and engineering for the **replacement of old cast iron water lines** with the District to be funded out of remaining bond fund accounts.
Mr. Viator read the agenda item.
Mr. Blackman presented
Mr. Viator asked for a motion.
A motion was made by Mr. Haney and seconded by Mr. Beard to take no action on this agenda item. Motion carried.
23. Consideration and possible action regarding seeking **TCDBG grant funds** for sewer improvements, including consultation with the City of Vidor and/or the City of Pine Forest and/or the City of Rose City and/or the County of Orange, as appropriate, for sponsorship of grant(s). Projects identified for potential grant funds include the replacement of private sewer service lines for reduction of I/I. Grant projects would likely require matching funds from the District in amounts from \$35,000 to \$70,000 per grant.
Mr. Viator read the agenda item.
Mr. Blackman presented.
Mr. Viator asked for a motion.
A motion was made by Mr. Inzer and seconded by Mr. Haney to approve authorizing Mr. Blackman to seek **TCDBG grant funds** for sewer improvements, including consultation with the City of Vidor and/or the City of Pine Forest and/or the City of Rose City and/or the County of Orange, as appropriate, for sponsorship of grant(s). Projects identified for potential grant funds include the replacement of private sewer service lines for reduction of I/I. Grant projects would likely require matching funds from the District in amounts from \$35,000 to \$70,000 per grant, as presented. Motion carried.
24. Adjournment
Mr. Viator asked for a motion to adjourn.
A motion was made by Mr. Inzer and seconded by Mr. Haney to adjourn the meeting. The meeting adjourned at 8:45 P.M.

Robert Viator, President

Tim Beard, Secretary