



Meeting Minutes

March 19, 2012– 5:30 pm

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

Robert Viator President
Billy Perkins Vice-President
Tim Beard Secretary
Percy Foreman Director
Frank Inzer Director

Orange County Water Control Staff Present:

Darlene Jackson General Manager
David LeJune Operations Manager
Karen Sampson Office Manager
Chris Serres Financial Director

Others present: Larry Hunter, Provost Umphrey Law Firm;
Toby Davis and Phillip Hotzen, Carroll & Blackman Consulting
Engineers, Inc.; Calvin Prosen, Arceneaux & Gates Consulting
Engineers, Inc.; George Garza, Vidor Vidorian; Kenneth
Wiemers, Soutex Surveyors.

Citizens present: Kenneth R. Young, Johnny Page,
Kay Richter, Art Shafer and Elaine Schroeder

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 5:35 p.m., with a quorum present.

INVOCATION & PLEDGE OF ALLEGIANCE

Invocation was offered by Tim Beard, and the pledges were led by Frank Inzer.

CITIZEN COMMENTS

1. Citizens comment

**Kenneth R. Young, of 380 Concord, Vidor, Texas, presented the Board members and the District Manager with a written request for "names, addresses, and phone numbers of all those homeowners who are being taxed without having neither or only one of the two services you offer".
The Board President thanked Mr. Young.**

2. Consideration of approval/amendments to the minutes of the February 20, 2012, regular meeting.

Motion by Tim Beard and seconded by Billy Perkins, to approve the minutes of the February 20, 2012, regular meeting, as presented. Motion carried.

For: Tim Beard, Billy Perkins, Percy Foreman, Frank Inzer and Robert Viator.

Opposed: None

3. Johnny Page, 1520 Willowbend, Vidor, Texas, discussion of sewer service.

Mr. Page approached the Board requesting sewer service at his residence of 1520 Willowbend, Evergreen Park Sub-Division in Vidor, Texas. The Board advised Mr. Page that the area in which he resides is within the service territory of Kelly Brewer's certificate of convenience and necessity (CCN). This means that Mr. Brewer owns the water system that supplies water to the sub-division. The policy of the District is not to provide service within another CCN. There is also a District policy in place that the District does not supply sewer service without having water service. Mr. Page stated that his options were limited to an aerobic system or a drip system. He then asked the Board if there were any other options available to him. The Board had nothing more to offer Mr. Page. He then thanked the Board for their time.

4. Consideration of re-design of plat for Pirates Cove I Sub-Division.

Kenneth Wiemers, of Soutex Surveyors, approached the Board regarding an alteration in the original minor plat, that was approved by the Board. The Board stated that all lots in the Pirates Cove I would be served on the streets the lots faced, there would be no lines put in the easement through the middle of the sub-division.

Motion by Frank Inzer and seconded by Tim Beard to approve the alteration in the minor plat for Pirates Cove I Sub-Division, as presented, with the stipulation, and understanding that there will be no utilities put in the easements, that all water and sewer lines will be on the roadway utility easements, the motion further states this approval is contingent that the City of Vidor has no objections to the alterations of the minor plat for Pirates Cove I Sub-Division. Motion carried.

For: Frank Inzer, Tim Beard, Billy Perkins, Percy Foreman, and Robert Viator.

Opposed: None

5. Mark McLiney, Southwest Securities, discussion of selling 2010 Tax Bonds.

Tabled by Legal Counsel, Larry Hunter.

6. CONSIDERATION OF BIDS RELATING TO THE SALE OF OBLIGATIONS DESIGNATED AS "ORANGE COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 UNLIMITED TAX BONDS, SERIES 2012"; CONSIDERATION AND APPROVAL OF FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THIS MATTER; AND OTHER MATTERS IN CONNECTION THEREWITH

Mark McLiney of Southwest Securities, met with the Board to apprise them of the sale of the Series 2012 Tax Bonds. Mr. McLiney stated that when selling 0 coupon bonds, it is required, by Texas Commission on Environmental Quality (TCEQ), that the sale be put out for bid. There were three bidders BMO Capital Markets of Chicago; Samco Capital Markets of Dallas; and Hutchinson &, Shockey, Erley & Co., of Chicago. The bid was awarded to BMO Capital Markets, with a net cost bid of \$21,599,068.67. The funds from the sale will be in our account at Orange Savings Bank on the 25th of March, 2012.

Mr. McLiney stated that our 0 coupon sale was the first of its kind in the State of Texas.

Mr. McLiney went on to report that Standard and Poors had lowered the District's credit rating from an A to an A-. Mr. McLiney stated that he was upset when he first heard this, but after reading the letter of explanation, he felt it really did no harm to the District. The rating change is due to our overall debt burden, which the District incurred for necessary improvements to comply with TCEQ requirements.

A MOTION BY DIRECTOR TIM BEARD AND SECONDED BY DIRECTOR PERCY FOREMAN THAT THE BOARD OF DIRECTORS ACCEPT THE FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE ACCEPTANCE OF BIDS RELATING TO THE SALE OF OBLIGATION DESIGNATED AS "ORANGE COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 UNLIMITED TAX BONDS SERIES 2012". MOTION CARRIED.

FOR: TIM BEARD, PERCY FOREMAN, BILLY PERKINS, FRANK INZER AND ROBERT VIATOR.
OPPOSED: NONE

- 7. CONSIDERATION AND APPROVAL OF AN ORDER BY THE BOARD OF DIRECTORS OF THE ORANGE COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 AUTHORIZING THE ISSUANCE OF "ORANGE COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 UNLIMITED TAX BONDS, SERIES 2012"; PROVIDING FOR THE PAYMENT OF SAID BONDS, BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE DISTRICT; PROVIDING THE TERMS AND CONDITIONS OF SAID BONDS AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; COMPLYING WITH THE PROVISIONS OF THE LETTER OF REPRESENTATIONS WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING AN EFFECTIVE DATE**

A MOTION BY DIRECTOR PERCY FOREMAN AND SECONDED BY A DIRECTOR FRANK INZER THAT THE BOARD OF DIRECTORS ADOPT AN ORDER AUTHORIZING THE ISSUANCE OF "ORANGE COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 1 UNLIMITED TAX BONDS, SERIES 2012" PURSUANT TO A COMPETITIVE SALE. MOTION CARRIED.

FOR: PERCY FOREMAN, FRANK INZER, TIM BEARD, BILLY PERKINS, AND ROBERT VIATOR.
OPPOSED: NONE

- 8. Consideration of Order of Cancellation of General Election of May 12, 2012, for unopposed candidates for directors.**

Motion by Billy Perkins and seconded by Frank Inzer to approve the Cancellation of General Election of May 12, 2012, for unopposed candidates for directors, as presented. Motion carried.

For: Billy Perkins, Frank Inzer, Percy Foreman, Tim Beard and Robert Viator.
Opposed: None

- 9. Consideration of District Manager's monthly status and financial report.**

Motion by Percy Foreman and seconded by Tim Beard to approve the District Manager's monthly status and financial report, as presented by Darlene Jackson, David LeJune and Chris Serres. Motion carried.

For: Percy Foreman, Tim Beard, Billy Perkins, Frank Inzer, and Robert Viator.

Opposed: None

10. Consideration of payment of the District's monthly bills.

Motion by Billy Perkins and seconded by Frank Inzer to approve payment of the District's monthly bills, as presented. Motion carried.

For: Billy Perkins, Frank Inzer, Percy Foreman, Tim Beard, and Robert Viator.

Opposed: None

11. Consideration of amending Personnel Policies Section 2, 2.04 Initial Six Month Period of Employment and Section 7, 7.04(d) Sick Leave.

Motion by Billy Perkins and seconded by Percy Foreman, to table this agenda item, awaiting further information. Motion carried.

For: Billy Perkins, Percy Foreman, Frank Inzer, Tim Beard, and Robert Viator.

Opposed: None

12. Consideration of Carroll & Blackman, Inc.'s monthly status report concerning ongoing District projects.

Mr. Viator asked about the problem with Rose City Force Main in connection with the concrete rip rap required at the entrance to the existing TXDOT culvert. The elevations were taken today, and the engineers will have to analyze the information regarding adjustments that may have to be made. When asked how many days remain on the work contract for the Wastewater Treatment Plant, Toby replied there are 130 working days left. When asked the approximate completion date, he replied, the weather will be a big factor, but, he predicted completion by the end of the year. Phillip briefed the Board on the progress on the Wastewater Treatment Plant construction through a series of pictures.

Motion by Percy Foreman and seconded by Frank Inzer, to approve Carroll & Blackman, Inc.'s monthly status report, as presented by Phillip Hotzen and Toby Davis, concerning ongoing District projects. Motion carried.

For: Billy Perkins, Percy Foreman, Frank Inzer, Tim Beard, and Robert Viator.

Opposed: None

- 13. Consideration of approval of Carroll & Blackman, Inc.'s monthly invoices for District projects as listed:
Invoice #19027 for Wastewater Treatment plant in the amount of \$13,542.00; Invoice #19028 for Cloverleaf & Tiger Lake Lift Station/Force Main in the amount of \$12,200.00; and Invoice #19029 for Sanitary sewer collection system rehabilitation, in the amount of \$11,940.00 for a total of \$37,682.00.**

Motion by Billy Perkins and seconded by Frank Inzer to approve **Carroll & Blackman, Inc.'s** monthly invoices for District projects as listed, in the amount of \$37,982.00, as presented. Motion carried.

For: Billy Perkins, Frank Inzer, Percy Foreman, Tim Beard, and Robert Viator.

Opposed: None

- 14. Consideration of Change Order #5 regarding 2009 Sanitary Sewer Improvements Contract A – 3.0 MGD Wastewater Treatment Plant. TWDB No. 72129 – SRF No. 3358-0, in the amount of \$7,011.00.**

Motion by Tim Beard and seconded by Percy Foreman to approve the Change Order #5 regarding 2009 Sanitary Sewer Improvements Contract A – 3.0 MGD Wastewater Treatment Plant. TWDB No. 72129 – SRF No. 3358-0, in the amount of \$7,011.00, as presented. Motion carried.

For: Tim Beard, Percy Foreman, Billy Perkins, Frank Inzer And Robert Viator.

Opposed: None

- 15. Consideration of request for payment on Estimate #16 from Allco, Ltd., in the amount of \$163,157.08, for Construction Contract TWDB No. 72129-SRF-3358-02 – Waste Water Treatment Plant.**

Motion by Percy Foreman and seconded by Frank Inzer, to approve the payment on Estimate #16 from Allco, Ltd., in the amount of \$163,157.08, for Construction Contract TWDB No. 72129-SRF-3358-02 – Waste Water Treatment Plant, as presented. Motion carried.

For: Percy Foreman, Frank Inzer, Tim Beard, Billy Perkins, And Robert Viator.

Opposed: None

- 16. Consideration of Arceneaux & Gates Consulting Engineers, Inc. monthly status report on water well project.**

Motion by Billy Perkins and seconded by Tim Beard, to approve Arceneaux & Gates Consulting Engineers, Inc. monthly status report on water well project, as presented by Calvin Prosen. Motion carried.

For: Billy Perkins, Tim Beard, Percy Foreman, Frank Inzer, and Robert Viator.

Opposed: None

17. Consideration of Arceneaux & Gates Consulting Engineers, Inc. monthly invoices: Invoice #13517, in the amount of \$16,400.00, for Water Well #7 Project.

Motion by Percy Foreman and seconded by Frank Inzer, to approve the Arceneaux & Gates Consulting Engineers, Inc. monthly invoices: Invoice #13517, in the amount of \$16,400.00, for Water Well #7 Project, as presented. Motion carried.

For: Percy Foreman, Frank Inzer, Tim Beard, Billy Perkins, And Robert Viator.

Opposed: None

18. Consideration of purchasing 3.181 acres on Highway 12, Vidor, Orange County, Texas, from Joaquin and Marco Soto as site for new water well tract for the District.

Motion by Tim Beard and seconded by Billy Perkins, to approve the purchase of 3.181 acres on Highway 12, Vidor, Orange County, Texas, from Joaquin and Marco Soto as site for new water well tract for the District, for the price of

19. Adjournment.

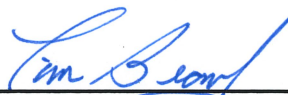
Motion by Billy Perkins and seconded by Tim Beard to adjourn the meeting. Motion carried.

For: Billy Perkins, Tim Beard, Percy Foreman, Frank Inzer, and Robert Viator.

Opposed: None



Robert Viator, President



Tim Beard, Secretary