



Meeting Minutes

October 20, 2014– 5:30 pm

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

Robert ViatorPresident
Frank InzerVice-President
Tim BeardSecretary
Trey Haney-absentDirector
Guy GrovesDirector

Norman BlackmanGeneral Manager
David LeJuneOperations Manager
Karen Sampson.....Office Manager
Chris Serres.....Financial Director

Others present: Jeff Scogin, Carroll & Blackman Consulting
Engineers, Inc.; Calvin Prosen Arceneaux & Gates Consulting
Engineers, Inc.; Terry Johnson, T Johnson Construction, LLC;
Billy Perkins, Former Board Member.

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, Board President, called the meeting to order at 5:30 P.M., with a quorum present.

INVOCATION & PLEDGE OF ALLEGIANCE

Invocation was offered by Mr. Beard and the pledges were led by Mr. Groves.

MEETING AGENDA

1. Citizen comments.
No Citizen comments.
2. Consideration and possible action regarding of Carroll & Blackman, Inc.'s Monthly Status Report concerning ongoing District projects.
Mr. Viator read the agenda item.
Mr. Scogin presented the reports. Mr. Scogin informed the Board that the contractor had received a letter from the generator manufacturer stating that they were committed to resolving the generator issue. All the closing documents have been sent to the Texas Water Development Board and when we receive their approval, the Board can entertain releasing the remainder of the retainage to Allco, Ltd. Mr. Blackman interjected that the generator in question had started on time Monday October 20, 2014, without any problems. All four generators started in the correct sequence. The problem generator will be under a longer warranty from the manufacturer than the other three generators, citing the ongoing issues associated with that generator.
Reporting on Contract B, Mr. Scogin informed the Board that the contractors have continued the completion of the demolition of Cloverleaf Wastewater Treatment Plant. The contractors have been given a preliminary punch list to address.
Contract C is ongoing. The contractors have completed the smoke testing and are testing the new manholes that were installed in the project. The contractor is currently conducting the post TVing of the new lines installed. They compare the TVing done prior to starting construction to make sure all the taps were done correctly, with no leaks.
Mr. Viator asked if the Board had any questions, if not, he would entertain 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 attachment.
3. Consideration and possible action regarding approval of Carroll and Blackman, Inc., monthly invoices for District projects as listed:
Invoice No. 21129 for Contract B – Cloverleaf and Tiger Lake Lift Station/Force Main in the amount of \$2,865.00; Invoice No. 21130 Contract C – Sanitary Sewer Collection System Rehabilitation in the amount of \$21,790.00; Invoice No. 21101 for GIS and Database Systems, in the amount of \$1,294.00. Invoice No. 21128 for Smoke Testing Documentation Assistance, in the amount of \$6,096.00. This is a Grand Total of **\$32,045.00**.
Mr. Viator read the agenda item.
Mr. Blackman recommended payment of all the invoices. He did point out to the invoicing on the smoke testing came in under the estimated cost.
Mr. Viator asked if the Board had any questions, if not, he would entertain a motion. A motion was made by Mr. Beard and seconded by Mr. Groves to approve Carroll and Blackman, Inc., monthly invoices for District projects as listed:

Invoice No. 21129 for Contract B – Cloverleaf and Tiger Lake Lift Station/Force Main in the amount of \$2,865.00; Invoice No. 21130 Contract C – Sanitary Sewer Collection System Rehabilitation in the amount of \$21,790.00; Invoice No. 21101 for GIS and Database Systems, in the amount of \$1,294.00. Invoice No. 21128 for Smoke Testing Documentation Assistance, in the amount of \$6,096.00. This is a Grand Total of **\$32,045.00**.

Motion carried. See attachment.

4. Consideration of and possible action regarding request for payment on Estimate No. 13 from T. Construction LLC., in the amount of \$76,086.00, 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 regarding this project. Mr. Blackman pointed out that the project is still about 2% under the estimated costs.

Mr. Viator asked if the Board had any questions, if not, he would entertain a motion.

A motion was made by Mr. Inzer and seconded by Mr. Beard to approve payment on Estimate No. 13 from T. Construction LLC., in the amount of \$76,086.00, for Construction Contract TWDB No. 72129-SRF-3358-02 – Contract C – Sanitary Sewer Rehabilitation Project, as presented. Motion carried. See attachment.

5. 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 progress pictures to the Board. The pictures showed the floor of the tank, after the flow fill was completed and the tank floor reinstalled. Mr. Prosen informed the Board the ground storage tank at Well site #7 is up and working. The District is still working with tweaking the SCADA system. A few start-up issues were addressed under warranty by the contractors. Mr. Johnson expressed his appreciation to the District for working with him on the repair of the ground storage tank. He stated that he would use the technique on all his future tank installations.

Mr. Viator asked if the Board had any questions, if not, he would entertain a motion.

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

6. Consideration and possible action on request for payment of Estimate No. 15 and FINAL for Contract No. 2 - Water Well No. 7 in the amount of \$81,812.49 to T. Johnson Industries, Inc. This final payment represents 100% contract payment, including release of all retainage.

Mr. Viator read the agenda item.

Mr. Prosen presented this payment request.

Mr. Blackman stated that this amount includes the remaining retainage.

Mr. Viator stated that 1.5 million gallons of water were dumped because of the failure of the ground tank. Mr. Viator asked that the contractor repay the cost of the water, in the amount of \$7,500.00, to the District for the water that was wasted. Mr. Johnson replied that even in a normal installation there would have been about half that amount of water drained off because of over chlorination. Mr. Beard stated that Mr. Viator had a valid point, citing that water is our stock in trade. Mr. Groves asked if Mr. Viator is suggesting that the Board deduct the amount of the water from the invoice in question. Mr. Johnson pointed out that the water was not chlorinated with the District chlorine system. Mr. Beard calculated the water loss at \$3 per thousand might be a compromise on the cost to the contractor. That amount would be \$4,500.00 Mr. Inzer agreed with Mr. Beard's analysis.

Mr. Viator asked if the Board had any questions, if not, he would entertain a motion.

A motion was made by Mr. Beard and seconded by Mr. Groves to approve payment of Estimate No. 15 and FINAL for Contract No. 2 - Water Well No. 7 in the amount of \$77,312.49, reflecting a deduction of \$4,500.00 to cover the cost of lost water due to the leak in the ground storage tank, to T.Johnson Industries, Inc. This final payment represents 100% contract payment, including release of all retainage. Motion carried. See attachment.

7. Consideration and possible action regarding approval/amendments to the minutes of the September 15, 2014 regular meeting.

Mr. Viator read the agenda item.

Mr. Viator asked if the Board had any questions, if not, he would entertain a motion.

A motion was made by Mr. Inzer and seconded by Mr. Groves to approve the minutes of the September 15, 2014 regular meeting, as presented. Motion carried. See attachment.

8. Board Members comments.

Mr. Viator read the agenda item.

No Board comments

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

Mr. Viator read the agenda item.

Mr. Blackman went over his ongoing topics. He informed the Board that there is a representative of the Governor conducting a meeting in Orange on Tuesday October 21, 2014, that he will be attending. The District is trying to get 7.5 million in wastewater upgrades. On the unspent bond funds, we are hoping to fund new water lines in the older parts of the District. This is a fairly extensive project.

The Sewer only delinquent accounts are still ongoing, we are waiting on our legal counsel, Mr. Hunter, to complete our letters and start with a small number to see how everything progresses.

The GIS system is ongoing and Rick Masters has almost completed the system and in house training is the next step. The handheld GPS unit is a possibility in the future. Boomtown RV did add their property to the District as did Auburn Square. The RV parks cannot be billed per unit, in the same way we bill mobile home parks. This has

been addressed in House Bill #2015. Norman suggested that we may want to restructure our RNP to be billed according the usage at each account.

The road at Cloverleaf has been completed by Orange County at a much lower rate than any other way we could have constructed a road. The fence will be started this week or next. The fence may be enough to cut down on the noise, if it is not sufficient, we may add the quilted panel on the fence to reduce the noise even further.

The odor control ozone generator unit has been ordered to help with the sewer gas odor.

Kenwood Street de-annexation update. The District will be installing water and sewer services to 1170 and 1180 Kenwood in the near future.

Another item, that is not on the list. The Railroad Commission has sent us a letter includes an assessed fine. The rule includes that the District is required to call the 811 number within two hours of the incident, and to send in a report within 10 days. This is our second incident, and there may possibly be more incidents that occurred before the District was aware of the new rules.

Ms. Serres gave the financial reports. Mr. Viator questioned the balance in the Contingency account and the Revenue Note Reserve - 2011 Account. Ms. Serres stated the money had been transferred to fully fund the Contingency fund to the 3 million the Board voted to transfer. The Revenue Note Reserve - 2011 Account will be fully funded when there are sufficient funds to pay the last bond payment. This will take the District about another two years to fund.

Mr. LeJune presented the Field Reports and LPSS. Mr. Beard asked about the lower number of water and sewer jobs on his report. Mr. LeJune stated that he would have all the work orders accounted for on his next report.

Mr. Viator asked if the Board had any questions, if not, he would entertain a motion. A motion was made by Mr. Groves and seconded by Mr. Inzer to approve General Manager's monthly status and financial report, as presented. Motion carried. See attachment.

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

Mr. Viator read the agenda item.

Mr. Viator asked if the Board had any questions, if not, he would entertain 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.

11. Consideration and possible action regarding the Wastewater Improvements Projects dedication scheduled for October 23, 2014 at 11 a.m.

Mr. Viator read the agenda item.

Mr. Blackman stated that he put this item on the agenda to inform the Board of the plans for the dedication.

12. Consideration and possible action regarding reversing the revision to water and sewer billing rate structure including the assessment and collection of Revenue Note Payment fees, and the method of billing for RV parks approved by the Board at the July 7, 2014 Board Meeting.

Mr. Viator read the agenda item.

Mr. Viator stated that in September 2013, HB 2152 was passed addressing RV parks that are master metered. The bill states that these parks cannot be billed as separate connections, they are considered one connection. This contradicts the revision passed by the Board.

Mr. Viator asked if the Board had any questions, if not, he would entertain a motion.

A motion was made by Mr. Groves and seconded by Mr. Beard to approve reversing the revision to water and sewer billing rate structure including the assessment and collection of Revenue Note Payment fees, and the method of billing for RV parks approved by the Board at the July 7, 2014 Board Meeting, as presented. Motion carried. See attachment.

13. Consideration of approval of petitions and orders to add land to the Water District from the following landowners, to-wit:

- a. Blane A. Neeb, concerning a 1.94 acre single tract of land located at 2510 N. Sutton, Vidor, Orange County, Texas.
- b. Willis F. Midkiff, Sr. and wife, Gloria A. Midkiff, concerning a single tract of land known as Lot 10, Winfrey Addition, located at 698 Windmill Way, Vidor, Orange County, Texas.
- c. Bradley Safer and wife, Ashley Safer, concerning a single tract of land being parts of Lots 8 and 9, Block 2, Brook Hollow Subdivision Section One, located at 4560 Meadowbrook Lane, Orange County, Texas.

Mr. Viator read the agenda item.

Mr. Viator asked if the Board had any questions, if not, he would entertain a motion.

A motion was made by Mr. Beard and seconded by Mr. Inzer to approve petitions and orders to add land to the Water District from the following landowners, to-wit:

- a. Blane A. Neeb, concerning a 1.94 acre single tract of land located at 2510 N. Sutton, Vidor, Orange County, Texas.
- b. Willis F. Midkiff, Sr. and wife, Gloria A. Midkiff, concerning a single tract of land known as Lot 10, Winfrey Addition, located at 698 Windmill Way, Vidor, Orange County, Texas.
- c. Bradley Safer and wife, Ashley Safer, concerning a single tract of land being parts of Lots 8 and 9, Block 2, Brook Hollow Subdivision Section One, located at 4560 Meadowbrook Lane, Orange County, Texas, as presented. Motion carried. See attachment.

14. Adjournment.

A motion was made by Mr. Inzer and seconded by Mr. Groves to adjourn the meeting.

The meeting adjourned at 7:20 P.M.

A handwritten signature in blue ink, reading "Robert L. Viator, Sr.", written over a horizontal line.

Robert L. Viator, Sr., President

A handwritten signature in blue ink, reading "Tim Beard", written over a horizontal line.

Tim Beard, Secretary