



Meeting Minutes

February 15, 2016– 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 BlackmanGeneral Manager
David LeJune Operations Manager

Staff present:

Karen Sampson.....Office Manager
Chris Serres.....Financial Director

Others present: Larry Hunter, The Ferguson Law Firm; Toby Davis and Jeff Scogin, Carroll & Blackman Consulting Engineers, Inc.; Robert Viator, Jr. Mayor of City of Vidor, Mike Kunst, City Manager, City of Vidor.

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

Mr. Davis offered the invocation and Mr. Beard led the pledges.

MEETING AGENDA

1. Citizen comments.

There are no citizens present.

2. Consideration of and possible action regarding participation by the Water District in the City of Vidor's proposed tax abatement program for those areas of the Water District lying within the City's designated residential investment zones for the purpose of residential tax abatement (tax abatement) to promote residential development/redevelopment within the designated areas of the City of Vidor (the City).

Mr. Viator read the agenda item.

Mr. Viator, Jr. presented this item. Mr. Viator, Jr. thanked the Board for allowing the City to attend the meeting and present the tax abatement. Mr. Viator, Jr. informed the Orange County Water Control & Improvement District No. 1 (the District) Board of the purpose of the tax abatement. The City is planning to address blighted and underdeveloped. The City is contacting owners of the blighted properties and having them torn down. The City has committed over \$64,000 to this endeavor. The City will provide a roll off dumpster to aid in tearing down blighted houses.

The proposed City of Vidor's Pride and Progress Project aims to clean up dilapidated structures and to give contractors an incentive to build in Vidor.

How do we get people to build in Vidor? In working on this program, the City representative interviewed local contractors regarding why there was not more construction in Vidor. The comments they heard was that the contractors can make more money per home in areas other than Vidor. This is where the program will hopefully entice new construction in Vidor.

The Port of Orange has expressed the willingness to cooperate in working with the City of Vidor in their tax abatement plan, pending legal consultation.

The Orange County Drainage District has expressed the willingness to cooperate in working with the City of Vidor in their tax abatement plan, pending legal consultation.

VISD cannot abate their taxes due to statutes prohibiting this action, but they are on board with the concept. The School District will possibly be able to provide a sports package to families that take advantage of the tax abatements. VISD will participate in welcoming new families in whatever capacity allowed.

The City has presented to the Orange County Emergency District (OCED). The OCED has committed to welcoming the new residents as well as directions on home safety and safety plans for emergencies.

Vidor Chamber of Commerce will also join in the welcoming of new residents.

The City will approach the County of Orange (the County) with the tax abatement program information. The knowledge that all the taxing entities in Orange County, have voted to cooperate with the City's program will go a long way in convincing the County to vote to yes to abatement.

The tax abatement allows for up to 2 years of construction, with 100% tax abatement. The next 7 years will have tax abatement as follows:

Year 1 & 2 will have 100% tax abatement. Year 3 will be 90% tax abatement, year 4 will be 75% tax abatement, year 5 will be 60% tax abatement; year 6 will be 45% tax abatement; and year 7 will be 20% tax abatement.

The City is waiving permit fees for the homes being built to take advantage of the tax abatement. The homes will have to be built to code and have all the required inspections. The City will also provide a roll off dumpster for each construction. Each property will be considered on its own merit, each will come before the City of Vidor City Council for approval.

Cities are the only entity able to set up tax abatement. The City is hoping for a united community effort and asks the District participate in the tax abatement program.

Mr. Hunter informed the Board that the concept is new and not all the answers are in place yet. His information is that the City will be the lead in the approval of abatements, and the Board will follow the City's lead. Mr. Hunter informed the Board that in actuality the District will not be giving anything, the current tax base will remain in place, any new construction will only add to the District's tax base. Mr. Hunter suggested a uniform resolution to all the taxing entities willing to join the tax abatement based on the City's terms.

Mr. Viator asked for a motion.

A motion was made by Mr. Haney and seconded by Mr. Inzer to approve the intent of the Board to move forward with the proposed tax abatement program for those areas of the Water District lying within the City's designated residential investment zones for the purpose of residential tax abatement to promote residential development/redevelopment within the designated areas of the City of Vidor, following the City's terms. Motion carried. See attachment.

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

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 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. 22267 Project 6560C Surplus Funds Water System Improvements, in the amount of \$1,285.00; Invoice No. 22268 Project 6560 D Surplus Funds Sewer System Improvements, in the amount of \$1,399.00; Invoice No. 22269 Project 6560E Surplus Funds Water and Sewer Service Extensions, in the amount of \$6,985.00; Invoice No. 22271 Project 6282-General Services regarding TTHM issues in the amount of \$2,237.50; Invoice No. 22270 Project 6200C-Sanitary Sewer Collection System Rehabilitation, in the amount of \$2,516.00. The total of all invoices is **\$14,422.50.**

Mr. Viator read the agenda item.

Mr. Blackman asked Mr. Davis to find out a timeline on the District's Grant request from the Hazard Mitigation Funds. The question to be answered is if the District installs the generators before the grant is awarded, will the money still be viable to come to the District as a reimbursement to funds spent to purchase those generators outlined in the Grant request.

Mr. Blackman recommended payment of the invoices presented by Carroll & Blackman, Inc.

Mr. Viator asked for a motion.

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

Invoice No. 22267 Project 6560C Surplus Funds Water System Improvements, in the amount of \$1,285.00; Invoice No. 22268 Project 6560 D Surplus Funds Sewer System Improvements, in the amount of \$1,399.00; Invoice No. 22269 Project 6560E Surplus Funds Water and Sewer Service Extensions, in the amount of \$6,985.00; Invoice No. 22271 Project 6282-General Services regarding TTHM issues in the amount of \$2,237.50; Invoice No. 22270 Project 6200C-Sanitary Sewer Collection System Rehabilitation, in the amount of \$2,516.00. The total of all invoices is **\$14,422.50**, as presented. Motion carried. See attachment.

5. Consideration of and possible action regarding Invoice No. 1602-001 to Anthony Bennett for Drinking water regulatory and water quality consultation, in the amount of \$2,082.50

Mr. Viator read the agenda item.

Mr. Blackman recommended payment for this invoice.

Mr. Viator asked for a motion.

A motion was made by Mr. Haney and seconded by Mr. Inzer to approve Invoice No. 1602-001 to Anthony Bennett for Drinking water regulatory and water quality consultation, in the amount of \$2,082.50 as presented. Motion carried. See attachment.

6. Consideration of and possible action regarding approval/amendments to the minutes of the January 18, 2015 regular meeting and the January 28, 2016 special 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 approval/amendments to the minutes of the January 18, 2015 regular meeting and the January 28, 2016 special meeting, as presented. Motion carried.

7. Board Members comments.

There were no Board Member comments.

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

Mr. Viator read the agenda item.

Mr. Blackman updated the Board on the ongoing research to reduce the trihalomethanes (TTHM). Mr. Blackman is recommending the STAT Low Profile Air Stripper as the best option for the removal of TTHM. A possible 90% reduction could be achieved. This STAT Low Profile Air Stripper unit has a capacity of 1100 gallons per minute. The cost currently quoted is on a six tray system. The District may want to have a quote for a four tray unit. The Quote is approximately \$180,000 to \$190,000 plus installation for a six tray unit. The District will have to be advertised for bids to

install this unit. There are two companies, Carbonair & H2K Technologies, Inc. that manufacture the units recommended by Mr. Blackman.

Ms. Serres presented the District's financial reports.

Mr. Blackman presented the Field and LPSS reports.

Mr. Viator asked for a motion.

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

9. 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. Haney and seconded by Mr. Inzer to approve payment of the District's monthly bills, as presented. Motion carried. See attachment.

10. Consideration of and possible action regarding seeking proposals for conducting the District's 2015-2016 fiscal year audit.

Mr. Viator read the agenda item.

The Board chose to send out proposals to prospective auditing firms to engage a new auditor for the 2015-2016 fiscal year audit.

Mr. Viator asked for a motion.

A motion was made by Mr. Haney and seconded by Mr. Inzer to approve seeking proposals for conducting the District's 2015-2016 fiscal year audit.

For: Mr. Haney, Mr. Inzer, and Mr. Viator

Abstained: Mr. Beard

Motion carried.

11. Consideration and possible action regarding Assignment and Consent Agreement by and between the District, Carroll & Blackman, Inc. and LJA Engineering, Inc. for assignment of existing engineering contracts between the District and Carroll & Blackman, Inc. as a result of the merger of said engineering firm with LJA Engineering, Inc.

Mr. Viator read the agenda item.

Mr. Davis had submitted a letter to the Board requesting the assignment of all contracts Carroll & Blackman, Inc., currently held with the District to LJA Engineering, Inc. The District's legal counsel, Larry Hunter, has reviewed the documents. Mr. Hunter informed the Board that this is just a formal notice of the merger of

Mr. Viator asked for a motion.

A motion was made by Mr. Haney and seconded by Mr. Beard to approve the Assignment and Consent Agreement by and between the District, Carroll & Blackman, Inc. and LJA Engineering, Inc. for assignment of existing engineering contracts between the District and Carroll & Blackman, Inc. as a result of the merger of said engineering firm with LJA Engineering, Inc., as presented. Motion carried. See attachment.

A motion was made by Mr. Haney and seconded by Mr. Beard to adjourn out of regular session and go into Executive Session. Motion carried. Regular session adjourned at 7:55 P.M.

12. **EXECUTIVE SESSION:** Deliberation concerning the employment, compensation, and employment benefits of the District Manager in closed session as provided under § 551.074(a)(1) of the Texas Government Code.

The Board returned to regular session.

13. **OPEN SESSION:** Consideration and possible action concerning the compensation and employment benefits for the District Manager, including the enrollment of the District Manager in the Texas County and District Retirement System, as required by law, and ratification of the Employer Request for Error Correction Calculation submitted for such purpose.

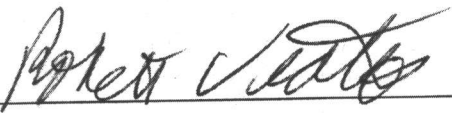
A motion was made by Mr. Haney and seconded by Mr. Beard to approve the enrollment of the General Manager, Norman Blackman, in the Texas County and District Retirement System (TCDRS) as required by laws, ratification of the Employer's Request for Error Correction Calculation submitted for such purpose, the payment of \$27,812.81 to TCERS to properly fund the required retirement account balance for Mr. Blackman, and the reduction of Mr. Blackman's annual salary for 2016 by one-half of that amount, to be prorated over the balance of the 2016 calendar year, after which time Mr. Blackman's salary will return to its original amount. Motion carried.

14. Adjournment.

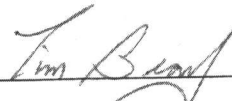
Mr. Viator read the agenda item.

Mr. Viator asked for a motion.

A motion was made by Mr. Inzer and seconded by Mr. Beard to adjourn meeting. Motion carried. Meeting adjourned at 9:00 P.M..



Robert Viator, President



Tim Beard, Secretary