



Meeting Minutes

April 18, 2016– 5:30 pm

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

Robert Viator President
Frank Inzer Vice-President
Tim Beard Secretary
Trey Haney Director
Guy Groves Director

Norman Blackman General Manager
David LeJune Operations Manager

Staff present:

Karen Sampson Office Manager
Chris Serres-absent Financial Director

Others present: Larry Hunter, The Ferguson Law Firm; Toby Davis, LJA Engineering, Inc.; Pat O'Neill, Wathen, DeShong & Junckner, L.L.P., Certified Public Accountants; Cathy Blackman, 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, Board President, called the meeting to order at 5:30 P.M., with a quorum present.

INVOCATION & PLEDGE OF ALLEGIANCE

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

MEETING AGENDA

1. Citizen comments.

There were no citizens present.

2. Consideration of and possible action to select the external audit firm of Wathen, DeShong & Junckner, LLP to perform the District's annual audit for the fiscal year ending June 30, 2016.
Mr. Viator read the agenda item.

Mr. Blackman introduced Mr. O'Neill to the Board. Mr. Blackman reminded the Board that they were interested in changing auditors. Mr. Blackman tasked Chris Serres with compiling and sending Request for Proposals to several auditing firms. In this endeavor they found that not all firms conduct Governmental audits. After some research, Ms. Serres found that Wathen, DeShong & Junckner, LLP did conduct governmental audits.

Pat O'Neill presented the proposal outlining their professional auditing services for the District to consider. There will be a three person team working on site with the District to complete the audit in the 120 day timeframe.

Mr. Blackman pointed out that there are two kinds of audits, one being a normal financial audit and the other is a governmental audit. Mr. Blackman pointed out to the Board how the District would benefit having a governmental audit. A governmental audit is required if at any time the District were to be the recipient of Federal monies.

The biggest difference in the audits is the governmental audit has two written opinions, as opposed to one. The governmental audit has opinions on financial, as well as internal controls.

Mr. Viator asked for a motion.

A motion was made by Mr. Groves and seconded by Mr. Beard to approve the audit firm of Wathen, DeShong & Junckner, LLP to perform the District's annual audit for the fiscal year ending June 30, 2016, as presented. Motion carried. See attachment.

3. Consideration of and possible action regarding approval of LJA Engineering, Inc. Monthly Status Reports concerning ongoing District projects.

Mr. Viator read the agenda item.

Mr. Davis presented the report on the Sanitary Sewer Collection System Rehabilitation. The Contractors are currently working on the punchlist items and expect to be finished within the month.

Mr. Davis then reported on the Surplus Funds Water Systems Improvements Project cast iron water lines that will be replaced in the project. The utility locates have been ongoing and the surveys are being updated as more locates are completed for the 2" water lines.

The preliminary plans will be ready shortly for District review. Mr. Davis reported that electrical engineering has begun regarding the individual water well sites.

Mr. Viator asked for a motion.

A motion was made by Mr. Haney and seconded by Mr. Inzer to approve LJA Engineering, Inc. Monthly Status Reports concerning ongoing District projects, as presented. Motion carried. See attachment.

4. Consideration of and possible action regarding approval of LJA Engineering, Inc., monthly invoices for District projects as listed:

Invoice No. 201603377 Project B877-6282 General Services, in the amount of \$3,292.00; Invoice No. 201603567 Project 6560 C Surplus Funds Water System Improvements Project, in the amount of \$19,730.00 for a total of **\$23,022.00**.

Mr. Viator read the agenda item.

Mr. Blackman recommended payment for LJA Engineering, Inc. monthly invoices.

Mr. Viator asked for a motion.

A motion was made by Mr. Inzer and seconded by Mr. Groves to approve LJA Engineering, Inc., monthly invoices for District projects as listed:

Invoice No. 201603377 Project B877-6282 General Services, in the amount of \$3,292.00; Invoice No. 201603567 Project 6560 C Surplus Funds Water System Improvements Project, in the amount of \$19,730.00 for a total of **\$23,022.00**, as presented. Motion carried. See attachment.

5. Consideration and possible action regarding the District's participation with the City of Vidor in the cost of adding a casing for the waterline to be relocated as part of the reconstruction of the Schoolhouse Ditch crossing at F.M. 105 (South Main) in the amount of \$14,416.08, and the development by the District of a Memorandum of Understanding (MOU) between the District and the City of Vidor to set out the terms and responsibilities of both parties regarding the funding, installation, operating, and maintenance of the relocated line.

Mr. Viator read the agenda item.

The Schoolhouse Ditch reconstruction is being paid by a grant received by the City of Vidor. The relocation of the District's water line is will be paid in the grant budget. Mr. Blackman explained that the District had several meeting regarding the plans for this project. On the set of plans first seen by the District the water line was moved further east and would be directionally drilled at a depth of 17'. The District approved this placement and did not require a casing, due to the accessibility of the water line. Later when the final plans were made available to the District, this placement of the water line had been left in the current position, which is going to be outside the box culverts by approximately 1 1/2'-3'. This position will put the water line under the concrete liner paving poured in the ditch. This will make any repairs to the line much more difficult, unless the water line is encased in a casing pipe. The casing will cost \$14,416.08.

Mr. Hunter suggested entering into an Interlocal Agreement with the City of Vidor to set terms and responsibilities for each entity.

Mr. Viator asked for a motion.

A motion was made by Mr. Inzer and seconded by Mr. Haney to approve the District's participation with the City of Vidor in the cost of adding a casing for the waterline to be relocated as part of the reconstruction of the Schoolhouse Ditch crossing at F.M. 105 (South Main) in the amount of \$14,416.08, and the development by the District of a Memorandum of Understanding (MOU) or an Interlocal Agreement between the District and the City of Vidor to set out the terms and responsibilities of both parties regarding the funding, installation, operating, and maintenance of the relocated line.

6. Consideration of and possible action regarding approval/amendments to the minutes of the March 21, 2016 regular board meeting.
Mr. Viator read the agenda item.
Mr. Viator asked for a motion.
A motion was made by Mr. Groves and seconded by Mr. Inzer to approve the minutes of the March 21, 2016 regular board meeting, as presented. Motion carried.
7. Board Members' comments.
No Board Members' comments
8. Consideration of and possible action regarding General Manager's monthly status and financial report.
Mr. Viator read the agenda item.
Mr. Blackman presented the monthly status report. Mr. Blackman reported the District has found another vendor for the low profile air stripper. This has slowed down the momentum of completing the purchase of the equipment. Mr. Blackman is convinced the District would be better served to include both vendors for the bidding on the required equipment.
Mr. Blackman reported on the TTHM issue. He was happy to report that all four (4) TCEQ quarterly testing sites resulted in numbers within their allowed limits of 80 ppb. This further proves that Well #7 is the culprit in the high numbers of TTHM's found in previous testing results. The District has kept Well #7 off line and Mr. Blackman feels we can concentrate all our resources on this site to reduce the TTHM's in our water.
Mr. Blackman added this information in our quarterly TTHM letter to our consumers.
Mr. Blackman reported on the District's I & I Reduction and SSO Initiative Agreement. TCEQ has notified the District that this agreement has been transferred to the Enforcement Division to monitor compliance of the plan that began in 2008. Mr. Blackman feels this agreement is nearing the end of its term and TCEQ may put more focus on the District's I & I Reduction efforts. Mr. Blackman brought this to the Board's attention to make them aware of the possibility of budgeting more resources for I & I Reduction in the future.
Mr. Blackman informed the Board he had a customer requesting a written explanation of the multiplier of the out-of-district rates.
Mr. Blackman reminded the Board of the District Picnic on April 23.
Mr. Blackman presented the financial reports. The Board noticed the budget comparison was not in color, Mr. Blackman pointed out that the color is more expensive, if the Board does not require the color, the Monthly booklet will be copied in black & white.
Mr. LeJune presented the field and LPSS reports.
Mr. Viator asked for a motion.
A motion was made by Mr. Beard and seconded by Mr. Groves 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. Blackman recommended payment of District's monthly bills.

Mr. Viator asked for a motion.

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

10. Consideration of and possible action regarding the District's policy for financing of LPSS grinder pump stations as it relates to commercial customers or multi-unit residential sites where duplex pump stations are required.

Mr. Viator read the agenda item.

Mr. Blackman reported there had been a question posed if the District would finance commercial LPSS units. Mr. Blackman wanted to make the Board aware and get their views on this subject. He did point out that commercial dual pump systems cost \$9000 to \$10000. Mr. Blackman's opinion was that the District may not want to finance those larger dollars. The Board's view was not to finance for commercial or multi-unit residential duplex.

Mr. Viator asked for a motion.

A motion was made by Mr. Haney and seconded by Mr. Groves to **not** approve amending the current District policy regarding financing of LPSS grinder pump stations as it relates to commercial customers or multi-unit residential sites where duplex pump stations are required. Motion carried.

11. Consideration of and possible action regarding waiving District water/sewer, and LPSS tap fees in connection with the District's participation in the City of Vidor's Tax Abatement Program.

Mr. Viator read the agenda item.

Mr. Blackman informed the Board that we had inquiries regarding waiving the water and sewer tap fees in conjunction with the City of Vidor's Tax Abatement Program (COVTAP). The District did not authorize waiving water and sewer tap fees when approving the (COVTAP).

Mr. Viator asked for a motion.

A motion was made by Mr. Beard and seconded by Mr. Inzer to **not** approve waiving District water/sewer, and LPSS tap fees in connection with the District's participation in the City of Vidor's Tax Abatement Program.

12. Consideration of and possible action regarding setting a date and time for a Budget Committee meeting and/or Budget Workshop to review preliminary budget development for the fiscal year July 1, 2016 to June 30, 2017.

Mr. Viator read the agenda item.

Mr. Viator asked for a motion.

A motion was made by Mr. Inzer and seconded by Mr. Haney to approve a Budget Committee meeting and/or Budget Workshop to review preliminary budget development for the fiscal year July 1, 2016 to June 30, 2017. A time and date to be set after all participants are polled. Motion carried.

13. Consideration and possible action regarding adopting local option property exemptions for the 2016 Tax Year.

Mr. Viator read the agenda item.

Mr. Viator asked for a motion.

A motion was made by Mr. Haney and seconded by Mr. Beard to approve adopting local option property exemptions for the 2016 Tax Year, reflecting a \$10,000 portion of value approved for 65 or older exemption and a \$5,000 portion of value for disabled exemption, as presented by Lynda Gunstream, Orange County Tax Assessor-Collector. Motion carried. See attachment.

14. Consideration of and possible action regarding a proposal to sell the Tax Trust Property located at 460 Oak Lane, Vidor, Texas, Tax case #A130036-T.

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 proposed sell of Tax Trust Property located at 460 Oak Lane, Vidor, Texas, Tax case #A130036-T, as presented by Lynda Gunstream, Orange County Tax Assessor-Collector. Motion carried. See attachment.

15. Adjournment.

Mr. Viator read the agenda item.

Mr. Viator asked for a motion.

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

Meeting adjourned at 7:50 P. M.



Robert Viator, President



Tim Beard, Secretary