

ORANGE COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

MINUTES OF THE REGULAR MEETING HELD MARCH 09, 2015.

The Board of Directors of the Orange County Water Control and Improvement District No. 2 met at 4:00pm on March 09, 2015 in the Districts office on Western Avenue, West Orange, Texas.

The following directors were present: Mr. Woolley, Mr. Foreman, Mr. Curran and Ms. Premeaux. Also present were: Daniel Tatum, Superintendent; Joel Steirman, Independent Auditor; Alan Sanders, District's Legal Counsel, Nester Barroeta of Schaumburg and Polk, District Engineer, and April Lombardo, Office Manager.

ITEM #1 OPENING OF MEETING: Mr. Woolley opened the meeting at 4:04 PM.

ITEM #2 RECOGNIZE GUESTS: No Guests in attendance.

ITEM #3 OPEN THE FLOOR FOR COMMENTS: None.

ITEM #4 CUSTOMER COMPLAINTS OR REQUESTS FOR WATER LEAK ADJUSTMENTS: No complaints, however Mr. Woolley brought up the limit of time that is allowed someone complaining about an issue. Mr. Sanders let the board know that the time is dependent upon the board. It can last as long or as short as the board chooses, they can then tell the customer what they decide and be done.

ITEM #5 MINUTES FOR ANY PREVIOUS MEETINGS NOT APPROVED: Minutes for the meetings in February were approved by a motion by Linda Premeaux, second Jerry Foreman, and pending correction in reference to Item 4a to read "This payment is in full satisfaction of all claims out of this residence through February 9, 2015".

ITEM #6 CORRECTED ORDER ADMITTING PROPERTY INTO DISTRICT (STI): Mr. Sanders referenced the STI publication, Notice of Public Hearing that was published said that "exhibit A attached to the notice of public hearing" will be corrected to read "noticed attached hereto" on the "Order accepting the petition". Linda Premeaux made a motion to approve order admitting property into district, second Glen Curran. The motion passed with all yeas, and no nays.

ITEM #7: ATTORNEY'S REPORT:

1. Mr. Sanders made the board aware of the special provisions of the RadioShack Bankruptcy in reference to termination of service, new bills, past due bills and future notices.
2. Mr. Sanders referenced the deadline for Walmart to pay the Al Peterson bill for the clean out of the grease that Walmart dumped into the system. If the bill isn't paid by the deadline the District will turn off the water to the store.

ITEM #8 ENGINEER'S REPORT: Mr. Barroeta submitted his written report for the month.

TWDB 2012 CWSRF: Mr. Barroeta said that the plans for the civil portion are complete, and once he receives the electrical he will bring the district a complete set of plans.

West Orange 2013-2014 TCDBG Project: Mr. Barroeta said that the plans are ready. He has talked to the city and the grant administrator to get dates for the bidding. Mr. Barroeta has requested Daniel Tatum to be at the pre-construction meeting.

West Orange 2015-2016 TCDBG Project: Project has been submitted to the state and we should hear something about their scoring in the middle to the end of September.

Status Report on STI- Water has been installed and they have been using it for the last month. The sewer lift station was scheduled to be installed, once that's done they will be ready to be connected.

TCEQ Required Repairs: Tom Woolley asked Daniel Tatum about the last remaining thing that we need to repair to satisfy the violation by TCEQ, which is mixed liquids splashing out of the orbal onto the ground. Mr. Tatum stated that he has a bid to replace the bearings and to fix the opening. (continued in Superintendent's Report)

ITEM #9 SUPERINTENDENT'S REPORT:

Mr. Tatum said that the copper reading was .0041, which means we are under on copper for this past month. Mr. Tatum said that the better readings could be attributed to using the auto-sampler for the last few months, and actually getting true readings at the times they are suppose to be taken.

Linda Premeaux stated that we have sold 97% of the water pumped. Daniel Tatum attributed that to getting to the leaks and repairing in a timely manner.

TCEQ Required Repair (continued from Engineer's Report): Daniel Tatum stated that he has a bid from PLACO for the replacement of two of the North side orbal bearings along with repairing the splashguard where the water is spilling out on the ground. If PLACO uses the parts that we already have it would be \$26,940, if they buy the parts it would be \$25,020. Glenn Curran made a motion to approve the \$25,020 bid for PLACO, Jerry Foreman seconded it. Motion passed all yeas, no nays.

Copper Testing: Testing will continue and if it stays low, we might not test as much for a couple months.

- 1507 Buffalo we had a .0498, which is over the limit for the sewer. That is one of the areas that we are changing out the water lines in the 2016 Grant.
- 1311 Delano was .0549
- South street lift station came in at .029

Daniel Tatum mentioned a letter from Mr. Barroeta for the next budget year for \$180,000 in reference to the sludge/grit. Mr. Tatum said that the bearings on the orbals keep failing because they are getting wet, because of the water level in the orbal. Mr. Barroeta said that the volume of the orbal is reduced because it has never been cleaned since it was put into operation. They have measure the sludge/grit at about 4 feet that needs to be taken out. When it rains it raises the level and it starts to hit the bearings. They can't just shut it down to clean out. Mr. Barroeta reminded

the board that this is a project that they will have to bid out and pay out as the work is done. The water has warped the orbals and makes them possibly wear unevenly, and replacing the shafts is another project that needs to be done, but this project of removing the sludge has to happen first. The intent on the sludge removal is to drain the orbal, convert one of the clarifiers to an aeration basin and bypass, similar to the digester. Once it is dry and empty, we will go in use a water hose to break up the sand and suck it up and take it away, or a bobcat to push all to one side and remove. Tom Woolley asked Nestor Barroeta what would prevent this after they are cleaned out. Mr. Barroeta's suggestion would be a Grit Removal Unit which costs upwards of \$320,000. Tom Woolley said that this issue will be tabled until the next meeting, when we can get some bids/estimates and more information.

Website/Online Payments: Mr. Tatum discussed the new website that Mrs. Lombardo has been working on (www.OCWCID2.com), and explained the purpose and the site with future online payments. The cost would be approx. \$300 for the website and emails and then \$800 for the setup of the online payments. Linda Premeaux made a motion to approve website/email purchase, seconded by Jerry Foreman. Motion approved all yeas no nays. The matter of the \$800 online bill pay will be tabled until next meeting.

Mrs. Lombardo asked the board if they could clarify their past motion on the policy in reference to the Missing bill \$2.00 fee to include "anyone that does not bring their bill, whether it's in person, by mail or in the drop box". Linda Premeaux makes a motion to clarify the past motion, seconded by Glen Curran. Motion passed with all yeas and no nays.

Mrs. Lombardo brought the issue of Harriet Jackson not being covered by insurance when the previous Office Manager expressed that she was. She asked that they covered her remaining medical bills for the month that she was not covered. Jerry Foreman made a motion to pay the medical bills for Ms. Jackson, Linda Premeaux seconded motion. Motion passed with all yeas and no nays. (UPDATE: Ms. Jackson said that it wasn't actually \$200, Medicare paid some of it and she requested that we change the check from \$200 to only \$100)

Next Year Budget Recommendations: Mr. Tatum presented a proposed budget for next fiscal year.

1. Mr. Tatum referenced the quotes for the new trucks for the district. The quotes were for two trucks from Silsbee Ford, Fleet Service. One quote was for two 2014 trucks for \$38,400 and another quote for two 2015 trucks for \$42,000 for budget for the new fiscal year.
2. Mr. Tatum gave the board some information and quotes in reference to a new sewer camera for a cost of \$8957. Second quote (#2592) is for the locator wand to find the camera head so that you can trace it for a cost of \$1715, (lower end, not upgradeable) and the third quote (#2593) is \$3713 which is has upgradeable attachments, and can help locate the whole lines, cleanouts, taps etc. These will also be in next fiscal year's budget.

ITEM #10 CAPITAL REPAIRS TO POTABLE WATER AND/OR WASTEWATER SYSTEMS: Discussed under Engineer's and Superintendent's report.

ITEM #11 REGULATORY ENFORCEMENT ACTIONS Mr. Sanders got notification from Emily Rogers, the environmental lawyer, that she attended the board meeting and they did approve the agreed final order. District will received signed order shortly.

ITEM #12 WASTEWATER TREATMENT FACILITIES PLANNING AND FINANCING: In reference to the BP settlement, Mr. Sanders said they are still trying to get the money finalized and determine how big the fine will be. The judge has determined that it is the maximum amount of the statutory fine, plus inflationary adjustments, which is around \$4300 a barrel. Mr. Woolley said that Texas looks to be getting a big chunk of the money, upwards of \$959,000,000.

ITEM #13 FINANCIAL MATTERS: Mr. Steirman stated that he helped Mr. Tatum with the projected budget for the next fiscal year.

ITEM #14 BILLS TO BE PAID:

Mr. Tatum discussed the bond payments with the board, stating that the last 96 bond payment for \$375,000 was paid. Another will be paid off in March 1, 2016, which will leave one loan that we are paying on.

Mr. Tatum reviewed some of the items on the proposed budget for the next fiscal year to be voted on in the next meeting.

- Capital Debt Service, increase meter budget by \$1000 to give district more meters.
- Water Model from Mr. Barroeta for \$40,000.
- The SSES expenditures for \$77,000.
- PAD Engineering
- New trucks for \$42,000
- Sewer camera
- District Website
- Cost of Living Raises across the board of 3%
- Loan Payments

Mr. Tatum notified the board of the counterfeit \$20 bill that we had received the previous day. At that time he asked to board to approve to order a currency/bill counter. The board decided that it could be approved by the superintendent without board action.

Mr. Tatum requested a monthly allowance for the use of his personal cell phone. Motion to approve monthly phone allowance of \$40 by Jerry Foreman and seconded by Glen Curran. Motion passed with all yeas and no nays.

Motion to pay the submitted bills in the total of \$57,033.99 by Jerry Foreman and seconded by Glen Curran. Motion passed with all yeas and no nays.

ITEM #15 CLOSED SESSION REGARDING SUPERINTENDENT, STAFF, LEGAL AND FISCAL ADVISORS:
NO closed session.

ITEM #16 CHANGING THE START TIME OF THE MEETING: No change in start time of meetings.

ITEM #17 CONSIDER ANY SPECIAL MEETING BEFORE THE NEXT REGULAR MEETING: The Board agreed that such a meeting was not necessary and no action was taken.

ITEM #19 ADJOURNMENT: A motion to adjourn was made by Jerry Foreman seconded by Linda Premeaux to adjourn. Motion passed without exception. Meeting ended at 6:04 P.M.

Linda Premeaux
Secretary