

ORANGE COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

MINUTES OF THE REGULAR MEETING HELD AUGUST 10, 2015

The Board of Directors (the "Board") of the Orange County Water Control and Improvement District No. 2 (the "District") met beginning at 4:00 pm on August 10, 2015 in the District's office at 2526 Western Avenue, West Orange, Texas, 77630.

The following Directors were present: Mr. Tom Woolley, Mr. Jerry Foreman, Mrs. Lisa Bukowsky, Mr. Glenn Curran and Ms. Linda Premeaux. A quorum was present at all times during the meeting. Also present were: Mr. Daniel Tatum, Superintendent; Mr. Joel Steirman, Independent Auditor; Mr. Alan Sanders, District's Legal Counsel; Mr. Nestor Barroeta of Schaumburg and Polk, District Engineer; and Mrs. April Lombardo, Office Manager.

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

ITEM #2 RECOGNIZE GUESTS: Jerry Stanley

ITEM #3 OPEN THE FLOOR FOR COMMENTS: None at this time.

ITEM #4: CUSTOMER COMPLAINTS AND/OR REQUEST FOR ADJUSTMENTS:

MR. STANLEY (EXTENSION): Mr. Stanley requested an extension because he lost his wallet, which had cash in it, and he won't get another retirement income check until the 3rd of September. Mr. Tatum provided a copy of his billing history to the Board. Mr. Curran made a Motion to give him an extension until September 4th, and waive his late charge so long as he paid both the extended bill and also his current bill by that date. Mr. Foreman seconded the Motion. The Motion passed with no exceptions.

MRS. ISHMAEL (LETTER): Mrs. Lombardo read a letter from a customer (Sherry Ishmael) to the Board, just to inform them of the situation with that customer.

ITEM #5: APPROVAL OF MINUTES: Mrs. Premeaux made a Motion to approve the Minutes for the July 13 & 27 Meeting, with changes to the start time, and Mr. Foreman seconded the Motion. The Motion passed without exception.

ITEM #6: ATTORNEY'S REPORT: Mr. Sanders provided information about our sewer use ordinance, together with state and federal regulations it requires that a customer must have a system on "their side" of the wastewater collection system and the potable water distribution system that is sufficient to receive the service that we are providing. The Board should come up with a procedure in place that provides specific steps that the District would take to get the customers to repair any damages to their private lines, such as incremental notices with increasing penalties for non-compliance up to and including termination of service.

ITEM #7 ENGINEER'S REPORT: Mr. Barroeta submitted his written report for the month, and conducted the following discussion.

TCEQ PERMIT (MIXING ZONES): Mr. Barroeta discussed TCEQ's raising the issue of the mixing zones in the Sabine River that will overlap with our currently planned point of discharge, causing us to have to discharge further down the river. Mr. Barroeta discussed the permit situation with TCEQ, regarding our new permit request being on an administrative hold and the need to revert back to the old permit. Flood mitigation will still have to be done to move the key equipment in the wastewater treatment plant to a higher elevation in case of another flooding situation, in order to facilitate FEMA funding or reimbursement. Mr. Barroeta was requested to obtain verification from TCEQ how much further downstream our discharge point would have to be, and to make an Engineer's Estimate of the additional cost (design and engineering, construction cost, etc.) of relocating the discharge point to a location that would be acceptable to TCEQ.

ITEM #8 SUPERINTENDENT'S REPORT:

Copper limit (.0098) was over our limit this past month, for the fourth month in a row.

District pumped 10,258,000 gallons of water, we sold 7,431,000 gallons. We sold 72% of the water we pumped. District was able to account for 81% of the water that we pumped.

Orbal cleanup bids are presented from Polston \$40,000 and Dredgeit \$86,200. Board gave Mr. Tatum and Mr. Barroeta permission to negotiate a better price. Mr. Curran made a Motion to proceed with the Polston Bid not to exceed the quoted price, seconded by Mrs. Premeaux. The Motion passed without exception.

ITEM #9 REGULATORY ENFORCEMENT ACTIONS No additional comments at this time.

ITEM #10 CAPITAL IMPROVEMENTS, REPAIRS, MODIFICATIONS OR REPLACEMENTS TO THE DISTRICT'S POTABLE WATER AND/OR WASTEWATER SYSTEMS:

Mr. Tatum requested to buy the two trucks funding for which was included in the Budget for this fiscal year. The two trucks are on order from Cowboy in Silsbee. Mrs. Premeaux made a Motion to approve the purchase of the two trucks, Mr. Curran seconded the Motion. The Motion passed without exception.

Mr. Tatum asked for the purchase of a sewer camera that the funding for which was also proposed in this fiscal year's budget. Mrs. Premeaux made a Motion to purchase the sewer camera and locator wand for \$12,670, the Motion was seconded by Mrs. Bukowsky. The Motion passed without exceptions.

ITEM #11 FINANCIAL MATTERS:

A. Auditors Report: Mr. Steirman submitted the corrected audit. Mr. Foreman made a Motion to approve the audit, Mr. Curran seconded the Motion. The Motion passed without exception.

ITEM #12 BILLS TO BE PAID: Motion to pay the submitted bills in the total of \$78,096.19 by Mrs. Premeaux and seconded by Mr. Curran. The Motion passed without exception.

ITEM #13 CLOSED SESSION REGARDING SUPERINTENDENT, STAFF, LEGAL AND FISCAL ADVISORS:

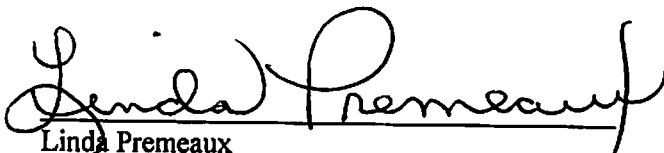
No closed session was taken as contemplated by the Agenda.

ITEM #14 SANITARY SEWER OVERFLOW ("SSO") AGREEMENT: This topic was covered in Attorney's Report and Engineer's Report.

ITEM #15 BOARD OF DIRECTORS VACANCY: At the beginning of the Meeting, following Agenda Items 1 and 2, Mr. Sanders ceremonially swore in Mrs. Lisa Bukowsky as a Director of the Orange Co. Water CID #2 District Board of Directors. She had earlier completed the required documentation (Oath and Loyalty Statement) and had been added to the District's Directors' Bond.

ITEM #16 SPECIAL MEETING OR FUTURE REGULAR MEETING MATTERS REGARDING DATE/TIME/PLACE: No change at this time is presently anticipated.

ITEM #17 ADJOURNMENT: A Motion to adjourn was made by Mrs. Bukowsky, seconded by Mrs. Premeaux. The Motion passed without exception. The Meeting adjourned at 6:09 P.M.


Linda Premeaux
Secretary