

ORANGE COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 2

MINUTES OF THE REGULAR MEETING HELD , AUGUST 08, 2016

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 08, 2016 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 Mrs. Linda Premeaux. A quorum was present at all times during the meeting. Also present were: Mr. Russell Love, Interim Superintendent; Mr. Mike Porter, Assistant Superintendent; Mr. Alan Sanders, District's Legal Counsel ; Mr. Nestor Barroeta, District's Engineer; and Mrs. April Lombardo, Office Manager.

ITEM #1 OPENING OF MEETING: Mr. Woolley opened the meeting at 4:00 PM.

ITEM #2 RECOGNIZE GUESTS: Sandip Bhakta (Economy Inn); Jason Lawson

ITEM #3 OPEN THE FLOOR FOR COMMENTS:

Mr. Woolley acknowledged that Mr. JR Higgins resigned and is no longer employed. The Superintendent hiring committee has spoken to Mr. Sanders and agreed that they would recommend to the Board that it just hire out of the pool of employees that were vetted in April. They asked Mr. Jason Lawson one of the candidates to introduce himself to the Board. Mr. Lawson explained his qualifications, his background and reason for still wanting to take the position.

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

Mr. Bhakta was requesting that his service availability fees for 30 units be pro-rated. However, upon closer inspection he was not charged for usage which would have made his bill \$1204 more than it currently was. Mr. Foreman made a motion to start the corrected billing for the next cycle to be billed at the end of August and pro-rate the customer, which brings his amount due to \$263, the remainder of the bill to be credited to his account since he has already paid the bill. Also, the billing system has been adjusted to correct the error of failing to bill for usage, and his bills in future months will be higher than those incurred in the past for this facility. Mrs. Premeaux seconded the motion. Motion passed without exception.

ITEM #5: APPROVAL OF MINUTES: Mr. Foreman made a Motion to approve the Minutes with changes for the July 11, 2016 Meeting, and Mrs. Premeaux seconded the Motion. The Motion passed without exception.

ITEM #6: ATTORNEY'S REPORT: Nothing that is not on the agenda.

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

- **2015-2016 TCDBG Project** – TDA is working on the contract with the city.
- **2017-2018 TCDBG Project** – We had a short meeting with TDA, we are waiting on the city to select an engineer.
- **Replacing air piping at the Waste Water Treatment Plant:** I have received 3 quotes from \$35,400 to \$45,000. Mr. Barroeta recommends MK Construction. Mrs. Premeaux made a motion to proceed with MK Construction not to exceed \$35,400. Mrs. Bukowsky seconded the motion. Motion passed without exception.

ITEM #8 SUPERINTENDENT'S REPORT:

6/15/16 – 7/15/16

BOD	3	mg/L	Permit Requirement	10	mg/L
TSS	5	mg/L	“ “	15	mg/L
COPPER	.0018	mg/L	“ “	0.0087	mg/L

From June 15, 2016 to July 15, 2016 we pumped 9,518,000 gallons of water. We sold 7,754,000 gallons of water. We sold 81% of the water we pumped. We billed 1627 customers for a total \$137,437.35. The sewer plant/flushed/leaks/fire dept/bulk meters have used 990,090 gallons for the month. We are able to account for 88% of the water pumped as being sold, flushing or known leaks.

ITEM #9 REGULATORY ENFORCEMENT ACTIONS: Nothing at this time.

ITEM #10 CAPITAL IMPROVEMENTS, REPAIRS, MODIFICATIONS OR REPLACEMENTS TO THE DISTRICT'S POTABLE WATER AND/OR WASTEWATER SYSTEMS: Nothing at this time.

ITEM #11 FINANCIAL MATTERS: Nothing at this time.

ITEM #12 BILLS TO BE PAID: Motion to pay the submitted bills in the total of \$43,549.21 by Mrs. Bukowsky and seconded by Mr. Foreman. The Motion passed without exception.

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

Entered into close session at 5:47pm, resumed open session at 6:31pm.

Mr. Foreman made a motion to accept JR Higgins' resignation, Mrs. Premeaux seconded the motion. Motion passed without exception.

Mr. Foreman made a motion that we hire Jason Lawson as the new Superintendent, and that the research committee can gather and implement all the details of the hire information. Mrs. Premeaux seconded it. Motion passed without exception.

ITEM #14 BILLING SYSTEM CALCULATION ERROR: Mrs. Lombardo explained the billing calculation error, and that the customers with multiple units haven't been charged usage in the past: and explained process of correcting it with the billing software company. The Board is leaving it up to Mrs. Lombardo to notify the customers of the billing situation and let them know that their bills will be going up to account for the actual usage of water and sewer.

ITEM #15 POSITIVE PAY ON CHECKING: Mrs. Lombardo explained a case of fraud on the District's bank account that occurred prior to this meeting. The bank gave her the option to close out all checking accounts or start using positive pay system, through our bank; the office would upload all checks and only those checks would be paid. Mrs. Lombardo chose to go with the positive pay system until the Board could decide what action to take. Mrs. Lombardo recommended going with the positive pay system, at least for the current time period. Mr. Curran made a motion to continue with the positive pay system until District staff recommended a different procedure to the Board and which is accepted by the Board. Mrs. Premeaux seconded the motion. Motion passed without exception.

ITEM # 16 PUBLIC HEALTH SERVICE FEE: Tabled until the next regular meeting so that additional information could be obtained.

ITEM #17 CONTRACT APPROVAL: BUY BOARD: Tabled to a future meeting, to let the new Superintendent decide whether this is an option that he might want to consider.

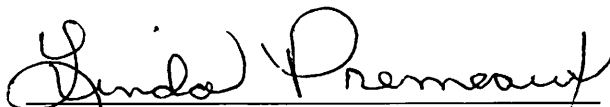
ITEM #18 EQUIPMENT REPAIR/REPLACEMENT:

- a. TRACTOR FOR SEWER PLANT: Mr. Love presented several quotes for a new tractor, and made a recommendation for the John Deere Tractor. Mrs. Bukowsky made a motion to purchase the John Deere tractor at a cost not to exceed \$20,000; Mrs. Premeaux seconded the motion. Motion passed without exception.
- b. AIR CONDITIONING UNIT FOR OFFICE: Mrs. Lombardo presented invoices for repair/replacement of the administrative building's air conditioning unit, and made a recommendation to use Innovative Air Solutions based upon responsiveness to her request for a proposal and to the detailed inquiry made by this vendor related to its proposal. Mr. Curran made a motion to accept Mrs. Lombardo's recommendation and authorize Innovative Air Solutions to handle the air conditioning issues; Mrs. Bukowsky seconded the motion. Motion passed without exception.

ITEM #19 DEVELOPMENT OF COMPREHENSIVE DOCUMENTATION FOR FEES, SERVICE & OPERATIONS: Mrs. Lombardo, Mr. Love and Mr. Sanders will continue to work on documentation for fees, services, policies, procedures, etc.

ITEM #20 SPECIAL MEETING OR FUTURE REGULAR MEETING MATTERS REGARDING DATE, TIME OR PLACE: A Special Meeting is scheduled for September 6th, 2016 at 4pm to review and possibly approve the 2015 – 2016 fiscal year audit, in addition to any other matters properly included in the Agenda for that meeting.

ITEM #21 ADJOURNMENT: A Motion to adjourn was made by Mrs. Premeaux, seconded by Mrs. Bukowsky. The Motion passed without exception. The Meeting adjourned at 6:32 P.M.


Linda Premeaux
Secretary