WOSSSC BOD Minutes meeting 01-17-15 approved 2/7/2015

WHITEOAK SHORES SEWER SERVICE CORPORATION

MINUTES OF MEETING

BOARD OF DIRECTORS

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Date: 01/17/2015

Place of Meeting: WOS Park Office

Meeting Time: 9:00 A.M.

In Attendance: Lois Compton, President, Ed Homan, Vice President, Wanda Hammons, Secretary/Treasurer, Tom Belcher and Jerry Kennedy.

Absent: Bruce Coleman and Benny Jackson

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President Lois Compton explained the meeting is between the WOSOA Board and the WOSSSC Board. The WOSSSC Board would proceed first with the items listed on their agenda followed by President Jeff Hodgson with the WOSOA Board.

1. Meeting called to order by President Lois Compton.
2. President Compton declared a quorum is established. All Board Members present except Bruce Coleman and Benny Jackson.
3. Motion was made by Tom Belcher and seconded by Jerry Kennedy to approve the November 15, 2014 with correction under old business, page two, a, ii last sentence, changing “got” to “get” a fine.

All Board members present approved.

1. WOSOA President of the Board of Directors called their meeting to order and conducted their business.

Items discussed between both Boards.

1. Discussion of the ongoing billing and collections by WOSOA for WOSSSC - This billing is for the Convenience Fee and Special (Loan) Assessment voted on at the annual meeting in 2007 by the WOSOA member/owners to charge owners not connected to the sewer and doesn’t have water. These member/owners cannot be charged by WOSSSC as they are not members of the Sewer Corporation. President Lois Compton requested a list of those delinquent owners being charged the Convenience Fee and Special (Loan) Assessment that the WOSOA Board is in the process of foreclosing on their property. It was also explained there are a few owners on the original invoice that were delinquent and some sold their property in which outstanding dues, assessments, convenience fee and loan payment were owed. These should have been collected from the purchasing owner. These monies should be paid to WOSSSC by WOSOA.
2. Lease Agreement – President Jeff Hodgson asked for clarification of the lease agreement amended in 2009. He asked if the Sewer Corporation had to get right away agreement or permission from the members adjacent to the sewer plant or a buffer zone. President Compton explained WOSSSC was only required to get one and it was the owner with lots located south of the plant. WOSSSC talked about getting waivers from WOS and the owners across from the park office but WOSSSC wasn’t legally required to do so. WOSSSC was doing this as a courtesy and file it at the court house for documentation in the event the owners sold their property. She also explained this was a waiver and not a lease agreement.
3. Jeff Hodgson also addressed the lease agreement for the office. He explained that the WOSOA Board was only collecting $100.00 a year from WOSSSC for office rent and the WOSOA Board only used the office when they had a board meeting. He stated the WOSOA Board conducts most of the Board’s business at the Junction Management Office. He explained WOSOA was paying all the utility bills. Rick Reagan, WOSOA board member, stated the WOSOA Board was ok with the lease rent of $100.00 per year for office rent. Rick also brought up WOSOA was paying for the internet. It was explained by the WOSSSC board that the sewer service corporation has and has paid for their own internet for a couple of years. After further discussion Lois Compton asked what the WOSOA board wanted from WOSSSC Board. What she was hearing is the WOSOA Board is asking for WOSSSC to pay half the electric bill and half the expense on all repairs done on the office trailer. President Compton explained the Sewer budget is tight and would have to check the budget to see if these expenses can be met. She also explained if the WOSSSC budget couldn’t handle the expenses, then these cost will have to be passed on to the Sewer Corp.’s members. President Jeff Hodgson explained if the Sewer Corp. didn’t have the money then WOSOA wouldn’t expect them to pay. Wanda Hammons informed the WOSOA Board that the Sewer Corp. already pays for the lawn maintenance around the office and the lots the lift stations are on. Lois Compton asked John with Junction Management to send us some prices of the expenses and WOSSSC will check with its budget and to see what can be done. The electricity was manageable but the cost of repairs to the office is different.
4. WOSOA question the violation received on the condition of the plant after products were put down the sewer and disrupted the plant. Lois explained several letters and posting on the web site have been sent out on what can and cannot be put into the sewer. There will be another letter sent to the Sewer members in their packet for the annual meeting. Also, the lower lift station was tampered with. The gate is locked but the electricity in the electrical control box was turned off. Tom Belcher, WOSSSC Board member explained that the people in the park must be trusted to make sure this sewer plant is protected and every annual meeting Lois puts out what can or cannot be put down the sewer. With this being a small plant it can’t handle certain things put into it. Ed Homan also stated leaving sewer in a holding tank for a long time can become septic and that can disrupt the plant.
5. Rick Reagan stated some of the rumbling in the park was about agreement WOSSSC has with Lake Fork Water. If a member doesn’t pay the sewer and pays the water will Lake Fork Water cut off the water? Lois explained WOSSSC has an agreement with Lake Fork Water that is a member doesn’t pay the sewer and even though they pay their water, WOSSSC notifies Lake Fork Water to shut off their water. This is in the contract between Lake Fork Water and WOSSSC.
6. Rick Reagan also asked what the procedure is for WOSSSC Board of Directors meeting minutes. Lois explained after the minutes are approved they are posted on the WOS web site.
7. Rick Reagan asked about an audit for WOSSSC. Lois responded one is in progress because WOSSSC is applying for a grant. Rick asked if the grant is to offset the plant expenses. Lois said yes but they usually don’t do waste treatment plants but the person she spoke to said to send it in anyway. They weren’t guaranteeing anything but it could be up to $10,000.00.
8. Rick Reagan question the permit with TCEQ for 11,000 gpd and only a 5,500 gpd plant was put in and how did that happen. Lois explained she had all the e-mails from the WOSOA Board where the decision was made to install the 5,500 gpd plant based on sewer usage at that time. With growth and when the 75% flow was reached an upgrade to the 11,000 gpd plant would be required. Documentation shows Tex Tech stated they have implemented plants in phases. He also asked why the engineer wasn’t liable for the violation. Lois explained it was the WOSOA Board that made the decision to install the 5,500 gpd instead of the 11,000 gpd plant not the engineer. Documentation further shows that the engineer questioned the WOSOA Boards decision on this issue. When the plant operator reported the plant was at the 75%, the current WOSSSC Board started planning the expansion.
9. Old Business
10. Review Official TCEQ violation letter and our response – WOSSSC has received the official certified letter from TCEQ for the violations. Basically it is telling us of some action items. Lois with the help of the engineer has put together the appeal letter. The appeal letter has been sent back to Randy O’Neal with TCEQ in the Tyler office. The packet containing a letter of response to the violations, form of certification of inspection of the backflow prevention assembly and pictures of the progress of the plant installation.
11. Discussion between the Boards on errors and admission on the engineering company for renewing the permit for 11,000 gpd when the plant was a 5,500 gpd. Lois and other Board members explained to obtain a permit for less gpd it would cost $4,000.00 to $5,000.00. With the plant expansion another permit would have to be applied for with another cost of $4,000.00 to $5,000.00. Lois explained it would not have been allowed to apply for a permit of 5,500 gpd plant after there was a permit in place for 11,000 gpd, you can’t go back. Jeff Hodgson said basically TCEQ in Austin after finding out this was a 5,500 gpd and not 11,000 gpd as the permit states, then there is no other choice the plant has to be extended to the 11,000 gpd plant. Lois replied that is right. Jeff said then in the beginning wouldn’t it have been better to inform the members that we have to and there was no choice but to put in the 11,000 gpd plant? Tom Belcher replied no because the Board didn’t know this until the plant was inspected. With months of gathering information by the Board in preparing for expanding the plant and at the time of the inspection the Board had passed the approval of the plant expansion, got the financing and start the process of installing the plant expansion and if the WOSSSC Board had four or five more months we wouldn’t have had any problems or violations because we would have had an 11,000 gpd plant and we were doing all we could do to get caught up.
12. Ed Grimsley again brought up the E & O Insurance and the errors falling back on the engineer or Tex Tech for the violation on the plant size and Lois explained she had the e-mail where the engineer stated with the information the Board gave him on the 33 members using the sewer and 2,200 gallons of sewage usages, he didn’t see that putting in the 5,500 gpd plant as long as with growth the next phase would be started.
13. Jeff Hodgson asked what would be the worst case scenario on what it will cost the members for these violations. The Board couldn’t answer because with the appeal it could be less but the minimum is $25,000.00 per violation but the Board is hopeful for less. For Actual Violation there is two and on the Preventive Violations they have been corrected. That could be a total of $50,000.00 and on the Sewer Corp. budget that is not obtainable.
14. Nick Garner asked it the contractor is responsible for the damage to the fence. Lois responded the Sewer Corp. will be taking care of that.
15. Jeff Hodgson requested that both Boards begin working together. Lois explained each Board could meet and Jeff suggested every six months.
16. Review fence diagrams from Bruce – Tabled
17. New Business
18. Motion by Ed Homan and seconded by Jerry Kennedy to approve replacing the internal piping on the upper lift station for $3,231.03 which includes labor materials and taxes.

All Board member present approved.

1. Board discussed the procedures for the Annual Meeting on March 21, 2015. Letters with application for volunteers to run for the Board of Directors were mailed and are required to be in the office by February 3, 2015. The Board will vote to approve the applications at the Board meeting on February 7, 2015.
2. Open Forum – Nothing
3. Next Meeting – February 7, 2015 at 9:00 A.M.
4. Motion by Tom Belcher and seconded by Ed Homan to adjourn the meeting.

All Board members present approve.

Respectfully submitted,

Wanda Hammons

WOSSSC Secretary