

Port O'Connor Improvement District
P.O. Box 375
Port O'Connor, Texas 77982

Pursuant to notice duly posted on July 28, 2017, a **SPECIAL** meeting of the Port O'Connor Improvement District was called to order on Wednesday, August 2, 2017 at 1:00 p.m. in the District's office located at 39 Denman Drive, Port O'Connor, Texas.

A. CALL TO ORDER

President Leon Brown called the meeting to order and established that a quorum was present and welcomed everyone.

DIRECTORS PRESENT: Leon Brown, Marshall Bradford, and Bobby Raybon

DIRECTORS ABSENT: Nathan O'Neil and James Martin

ALSO PRESENT: Katherine Turner, Municipal Accounts & Consulting, L.P., Bookkeeper
Kaye Townley, Municipal Accounts & Consulting, L.P., Bookkeeper
Ronald Kettelman, USW Utility Group, Personnel
Callie Stafford, USW Utility Group, Personnel

MEMBERS OF THE PUBLIC PRESENT: None

B. ITEMS FOR CONSIDERATION AND TAKE APPROPRIATE ACTION IF NEEDED: *

1. "Presentation of information for upcoming budget by Carol Morrison of Municipal Accounts"
Katherine Turner and Kaye Townley of Municipal Accounts & Consulting, L.P. gave the presentation of information for the districts upcoming budget. They explained the process of purchasing bonds, after purchasing said bonds it can take up to a year to receive funds. Director Brown requested that any new project that has a loan or bond and does not come out of Operating Funds be named and provide a description. Municipal Accounts let the board know that Compass Bank requires \$41,000 reserved on account for funds. Director Brown requests that TWDB Project 21750 be put next to Account Balance for Compass Bank. The board also requests that on bookkeepers report for Capital Projects Money Market Funds that Compass Bank and Bank of New York refer to TWDB Project 21750. A check for Lester Contracting was voided for \$86,226.12 which left the districts final balance at \$92,276.62. Municipal Accounts will check with banks to see required amount of monies that need to be in account at all time, Director Brown requests that whatever amount in bank needs to be noted on bookkeepers report. The Debt Service section of the bookkeeping report shows an account balance of \$3,694.81; Director Brown requested that there be a break down on report of where funds came from. Director Brown requested that all funds for debt go toward First National Bank funds. Municipal Accounts let the board know that anytime there is parenthesis around a dollar amount in the budget that it is revenue for the district. The Board of Directors requested that the miscellaneous section on report be removed; they want report detailed so they know where funds are coming and going.

Director Brown requested that every quarter there be a meeting to go over and see where Port O'Connor is on their budget. Municipal Accounts went over the Summary of Pledged Securities with the Board of Directors. Bank of New York has a total of \$187,500.31 in CDs, and does not require any FDIC coverage, because they provide their own coverage. Compass Bank has a total of \$1,730,914.99 in CDs and MM with FDIC coverage of \$250,000.00 and \$2,100,000.00 of total

pledged securities. First National Bank has a total of \$7,041,754.98 in CDs, MM and Checking accounts with FDIC coverage of \$250,000.00 and \$7,147,411.99 in total pledged securities. The Board of directors requests that Series/21750 be on the next bookkeepers report. Director Brown called for recess at 2:18 p.m. and called the meeting back to order at 2:30 p.m. The board of Directors and Municipal Accounts discussed the upcoming budget meeting. Director Brown would like if possible to do the meeting in one day and schedule it for the beginning of September. Director Brown requested that USW Utility Group contact all board members to make sure September 6, 2017 works good for all board members.

2. "Water Well Permit Application from Todd Preiss at 141 Heather in Port O Connor, Texas."
Todd Preiss from 141 Heather has filled out an application for water well.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve water well permit application for 141 Heather

Motion approved: 3-0

3. "Authorize a Service Exchange agreement with Bush Pumps to utilize pump out program and to install vac pump on Vac Station #1 pump #4."

The board was provided a copy of a service agreement for a pumps program; Bush Pumps will remove old unit and install new unit, motor, and pump at plant with a one year warranty.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve a service exchange agreement with Bush Pumps to utilize pump out program and to install vac pump on vac station #1 pump #4.

Motion approved: 3-0

4. "Authorization to purchase 4 six inch check valves for vacuum stations due to failure of valves."
Information on six inch check valves was provided to the board. Ron let the board know that due to failure of valves, vacuuming system is not operating correctly and needs maintenance.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve the purchase of 4 six inch check valves for vacuum stations.

Motion approved: 3-0

5. "Review Financial Advisors and financial services with First Southwest."

Director Brown discussed with the other board members that he would prefer having a financial advisor that works specifically with MUD districts and not Municipal districts.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve switching from a municipal financial advisor to a financial advisor who works for MUD Districts.

Motion approved: 3-0

6. "Change of the regular meeting date on August 17, 2017 to August 24, 2017"

General Counsel would like the President to be at the board meeting.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve changing regular date of board meeting on August 17, 2017 to August 24, 2017.

Motion approved: 3-0

C. EXECUTIVE SESSION ***

No Executive Session

The Port O'Connor Improvement District may consider in Executive Session any of the identified items posted on the agenda pursuant to the following exceptions:

Texas Government Code Ann. § 551.071: Consultation with Attorney

Texas Government Code Ann. § 551.072: Real Property

Texas Government Code Ann. § 551.074: Personnel Matters

1. Consultation with General Counsel pursuant to Texas Government Code Section 551.071, Consultation with Attorney, on pending or contemplated litigation; or a settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Texas Government Code Chapter 551 for the purpose of receiving legal advice concerning status of pending projects, including but not limited to:

D. ACTION AS A RESULT OF EXECUTIVE SESSION

No Executive Session

- E. "ITEMS FROM BOARD MEMBERS" (Note: Board members may request specific factual information, recitation of existing policy, or placement of items on the Agenda for discussion at a later meeting.)
The board has nothing to report at this time.

F. ADJOURN

MOTION: Marshall Bradford

SECOND: Bobby Raybon

Motion approved: 3-0

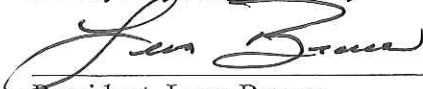
The meeting adjourned at 3:01 p.m.

Minutes Approved by the Board of Directors on the ____ day of August, 2017.

ATTEST:



Bobby Raybon, Secretary



President, Leon Brown