

PORT O'CONNOR IMPROVEMENT DISTRICT
P.O. BOX 375
PORT O'CONNOR, TX 77982

Pursuant to notice duly posted on December 7, 2015, a Regular meeting of the Port O'Connor Improvement District was called to order on Thursday, December 10, 2015, at 7:00 p.m. in the District's office located at 39 Denman Drive, Port O'Connor, Texas.

CALL TO ORDER

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

DIRECTORS PRESENT: Allen Junek, Joe Newsome, Bryan Redding, Leon Brown and Marshall Bradford

DIRECTORS ABSENT: None

ALSO PRESENT: Victor Leach, District Manager
Donna Grafe-Tucker, General Counsel
Jody Weaver, G&W Engineers
Matt Froehlich, Brown & Gay Engineers
Kelli Schmidt, District Personnel
Darel Ball, GBRA
Stephanie Shelly, GBRA

MEMBERS OF THE PUBLIC PRESENT:

Dennis Thomas	Donna Thomas
Erny McDonough	Bobby Raybon
Susan Raybon	Larry Weaver
Kayla Meyer	Mary Jo Walker
Karen Lewis	Nathan O'Neill

PUBLIC COMMENTS:

Erny McDonough addressed the Board.

APPROVAL OF MINUTES:

Minutes of Regular Meeting November 12, 2015

MOTION: Marshall Bradford

SECOND: Leon Brown

To accept the minutes from the November 12, 2015 Regular meeting.

Motion approved: 5-0

APPROVAL OF MINUTES:

Minutes of Special Meeting November 16, 2015

MOTION: Bryan Redding

SECOND: Joe Newsome

To accept the minutes from the November 16, 2015 Special meeting.

Motion approved: 3-2

Abstained: Leon Brown and Marshall Bradford

APPROVAL OF MINUTES:

Minutes of Special Meeting November 19, 2015

MOTION: Bryan Redding

SECOND: Joe Newsome

To accept the minutes from the November 19, 2015 Special meeting.

Motion approved: 4-1

Abstained: Marshall Bradford

APPROVAL OF PAYABLES:

MOTION: Bryan Redding

SECOND: Joe Newsome

To approve the payables.

Motion Approved: 5-0

REPORTS AND RELATED ITEMS FOR CONSIDERATION**DISTRICT STATUS**

Victor Leach presented the District Manager Report and updated the Board on the district status, work in progress, water production report, coliform samples, wastewater treatment plant summary, and effluent monitoring samples. There was discussion among the Board regarding accountability. There was discussion among the Board regarding the amount billed to customers and the software program. Victor Leach will report back to the board the number of meters that are above one million gallons on the reads and the software issue.

REPORT OF G&W ENGINEERS

Jody Weaver with G&W Engineers presented the District Engineer's Report. There was discussion among the Board to redo the current odor control beds for the vacuum stations and replace the rotted cross-ties, bark, and gravel. Replacement costs will be reported back to the Board. There was discussion among the Board regarding the prospective firms chosen for the operating company and contract terms. The Board was advised that the company Aqua Services is interested in coming and meeting with the Board. There was discussion among the Board regarding the Well being taken offline due to ammonia levels.

REPORT OF BROWN & GAY ENGINEERS

Matt Froehlich with Brown & Gay Engineers presented the District Progress Reports and updated the Board on the water distribution upgrades, chloramines disinfection at Denman Rd Water Plant, and TWDB Loan Application. Two storm shutter proposals for the chemical buildings and the water system model proposal with the requested revisions from the Board were included for consideration.

ITEMS FOR CONSIDERATION

1. PROPOSAL FROM FELDMAN & FELDMAN FOR SPECIAL COUNSEL SERVICES

A proposal was presented to the Board for discussion. The proposal is based on an hourly fee with no retainer. Mr. Feldman will give his advice to the Board on issues that arise with Open Meetings Act, Public Information Act and Executive Session. There was discussion among the Board.

MOTION: Allen Junek

SECOND: Marshall Bradford

To accept the proposal from Feldman & Feldman for Special Counsel Services.

Motion Approved: 5-0

2. APPROVAL OF SERVICES BY DIRECTOR OWNED BUSINESS

Joe Newsome was requested to perform electrical maintenance services for the District. There was discussion among the Board. Joe Newsome recused himself from discussion among the Board.

MOTION: Allen Junek

SECOND: Bryan Redding

To approve services by Director, Joe Newsome to perform business for the District.

Motion Failed: 2-1

Opposed: Marshall Bradford

Abstained: Leon Brown

Joe Newsome recused himself from voting.

3. LASALLE INTERLOCAL AGREEMENT

A draft of the Amended and Restated Contract for Financing, Operation, and Maintenance of Regional Water and Sanitary Sewer Facilities was presented to the Board for review. General Counsel and ABHR recommended that a Special Meeting be scheduled to review the Contract. There was discussion among the Board.

MOTION: Allen Junek

SECOND: Leon Brown

To table this item until after the first of the year.

Motion Approved: 5-0

4. PRESENTATION FROM DAREL BALL WITH GBRA

Darel Ball with GBRA made a presentation to the Board of the history of GBRA. GBRA presented the District with a refund check in the amount of \$19,324.43 for operating expenses that were overcharged to the District. GBRA has contracted with a consultant to study the pipeline capacity to the District. Data is being gathered from the water treatment plant and the pipeline. There was discussion among the Board regarding gallons per minute. The consultant should produce his findings and recommendations within 6 months.

5. REVIEW AND CONSIDER FOR APPROVAL CONTRACTOR PROPOSALS
FOR INSTALLING STORM SHUTTERS ON THE CHLORAMINE DISINFECTION
BUILDINGS AT THE DENMAN WATER PLANT

MOTION: Leon Brown

SECOND: Marshall Bradford

To table this item until a Special Meeting is held to amend the budget.

Motion Approved: 5-0

6. CONSIDER CONTRACTING WITH BROWN & GAY ENGINEERS TO
PREPARE A HARDY-CROSS COMPUTER MODEL OF THE POCID WATER
SYSTEM FOR ANALYZING PIPE FLOW AND PRESSURE LOSS

MOTION: Leon Brown

SECOND: Marshall Bradford

To table this item until a Special Meeting is held to amend the budget.

Motion Approved: 5-0

7. DRUSCILLA WATER LINE EXTENSION

MOTION: Allen Junek

SECOND: Leon Brown

To table this item.

Motion Approved: 5-0

8. REVIEW AND CONSIDER APPROVAL OF INFRASTRUCTURE DEVELOPMENT PLAN FOR FISHERMAN'S CHOICE RV PARK

Jody Weaver advised that this item is not ready for approval and recommended to table this item until the next meeting.

MOTION: Leon Brown

SECOND: Marshall Bradford

To table this item.

Motion Approved: 5-0

9. BOND FOR CALHOUN COUNTY APPRAISAL DISTRICT CONTRACT

The Board previously voted on a \$100,000.00 Bond for a \$300 charge. The County offered a \$50,000 Bond with no additional \$300 charge to the District.

MOTION: Leon Brown

SECOND: Marshall Bradford

To amend the Calhoun County Appraisal District Contract from \$100,000 to \$50,000.

Motion Approved: 5-0

10. CITY OF SEADRIFT INTERLOCAL COOPERATION AGREEMENT FOR PERSONNEL & SERVICES

Allen Junek advised the Board that he spoke with the Mayor of Seadrift and the Agreement is still valid should the District need assistance. No action taken.

11. OBJECTIVE AND GOALS FOR RATE STUDY

Phillip Givens requested a list of objectives and goals from the Board for the Rate Study being conducted. Goals from the town hall meeting were presented to the Board. The six items listed were fairness of funding, financial stability = service, fund master plan, promote conservation, customer comprehension, and administrative implementation. An additional request was made to provide quality drinking water and sewer to customers at reduced rates. There was discussion among the Board to consider the master plan, capital improvements, surplus earnings, and the reserve account. Office personnel will draft a letter to Phillip Givens listing the objectives and goals.

12. UNDER HB 3357 AMEND DISTRICT POLICY TO POST MEETING NOTICES ON THE WEBSITE INSTEAD OF PROVIDING NOTICE TO THE COUNTY CLERK

MOTION: Leon Brown

SECOND: Bryan Redding

To accept the new changes under HB 3357 to amend the District Policy to post meeting notices on the District website instead of at the Calhoun County Courthouse and to continue posting at the post office and the District office.

Motion Approved: 5-0

13. IMAGINATION MONKEY CONTRACT

Marshall Bradford addressed the Board with his concerns of funding for the contract. There was discussion among the Board.

MOTION: Leon Brown

SECOND: Marshall Bradford

To rescind the Contract with Imagination Monkey.

Motion Failed: 2-3

Opposed: Allen Junek, Joe Newsome, Bryan Redding

14. FLASHDRIVE WITH EMAILS SEALED AT DISTRICT OFFICE

A Director request was made for the sealed flash drive held in safekeeping at the District Office. There was discussion among the Board regarding the difference of making requests as a "Director". General Counsel produced a flash drive and privilege log pursuant to a Director request. There was discussion among the Board.

MOTION: Marshall Bradford

SECOND: Leon Brown

To release the sealed flash drive held at the District Office.

Motion Failed: 2-3

Opposed: Allen Junek, Joe Newsome, Bryan Redding

MOTION: Joe Newsome

SECOND: Bryan Redding

To release the privilege log to Feldman & Feldman for an opinion on releasing the emails listed in the privilege log.

Motion Approved: 5-0

15. 2015 – 2016 BUDGET

Leon Brown expressed his concerns to the Board regarding making expenditures without amending the budget and the Board voting on items that are not specifically itemized on the budget. There was discussion among the Board. No action taken.

16. DISCIPLINARY ACTIONS OF DISTRICT MANGER, MISPRESENTATION OF FACTS, FAILURE TO PROVIDE REQUESTING DIRECTOR DISTRICT INFORMATION

EXECUTIVE SESSION.

Board members Junek, Newsome, Redding, Brown and Bradford entered into a Closed Session for consultation with the District's attorney under §551.071 and §551.074 of the Texas Government Code. The Board entered into the session at 9:45 p.m. The meeting reconvened at 10:09 p.m.

MOTION: Leon Brown

SECOND: Marshall Bradford

To give a written warning to the District Manager for failure to respond to a Director and the written warning to be signed by Victor Leach and placed in his personnel file.

Motion Approved: 5-0

17. AGENDA POSTING PROCEDURAL ISSUES

Leon Brown requested the procedure for creating the Agenda and approval of the Agenda. General Counsel advised the Board of the process. There was discussion among the Board. No action taken.

RULES, REGULATIONS AND POLICY STATEMENTS

No action was taken. This item was passed.

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ITEMS FROM BOARD MEMBERS

No items were presented.

ADJOURNMENT

MOTION: Leon Brown

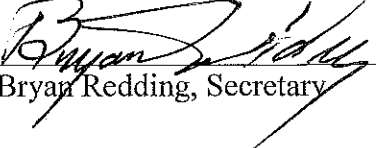
SECOND: Bryan Redding


To adjourn the meeting.

The meeting adjourned at 10:10 p.m.

Minutes APPROVED by the Board of Directors on the 18 day of January, 2016.

ATTEST:


Bryan Redding, Secretary


Allen Junek, President