

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

Pursuant to notice duly posted on January 11, 2016, a Regular meeting of the Port O'Connor Improvement District was called to order on Thursday, January 14, 2016, 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, Leon Brown and Marshall Bradford

DIRECTORS ABSENT: Bryan Redding

ALSO PRESENT: Jody Weaver, G&W Engineers
Kelli Schmidt, District Personnel
John Kelly, Wavenet Wireless
Shane Dworaczyk, Wavenet Wireless

MEMBERS OF THE PUBLIC PRESENT:

Mary Jo Walker	Doug Walker
Dennis Thomas	Marilyn Miller
Becky Haynes	Bobby Raybon
Susan Raybon	Scott Spidle
Kayla Meyer	Nathan O'Neill
Larry Weaver	

PUBLIC COMMENTS:

None.

APPROVAL OF MINUTES:

Minutes of Regular Meeting December 10, 2015

MOTION: Joe Newsome

SECOND: Allen Junek

To accept the minutes from the December 10, 2015 Regular meeting.

Abstained: Leon Brown and Marshall Bradford

Motion Failed: 2-2

APPROVAL OF MINUTES:

Minutes of Special Meeting January 6, 2016

MOTION: Leon Brown

SECOND: Joe Newsome

To accept the minutes from the January 6, 2016 Special meeting.

Motion approved: 4-0

APPROVAL OF MINUTES:

Minutes of Special Meeting January 7, 2016

MOTION: Joe Newsome

SECOND: Leon Brown

To accept the minutes from the January 7, 2016 Special meeting.

Motion approved: 4-0

APPROVAL OF PAYABLES:

MOTION: Leon Brown

SECOND: Joe Newsome

To approve the payables.

Motion Approved: 4-0

REPORTS AND RELATED ITEMS FOR CONSIDERATION

DISTRICT STATUS

The District Manager's Report was presented to the Board for review.

REPORT OF G&W ENGINEERS

Jody Weaver with G&W Engineers presented the District Engineer's Report. It was reported to the Board that the vacuum station autodialer replacement was put on hold. The current vacuum station autodialers were reprogramed and are currently working. There was discussion among the Board to further discuss the work order activity at a Special meeting. There was discussion among the Board regarding Brown & Gay Engineers' decision not to continue as project engineers and G&W Engineers will submit a bid to the Board to continue as project engineer through the bid and construction phases.

REPORT OF BROWN & GAY ENGINEERS

Brown & Gay Engineer Reports were presented to the Board for review.

ITEMS FOR CONSIDERATION

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

Brown & Gay Engineers will complete this project.

MOTION: Leon Brown

SECOND: Joe Newsome

To accept the proposal submitted by John's Shutters & Repair and G&W Engineers to follow up with Brown & Gay Engineers on what additional costs are associated to complete this project.

Motion Approved: 4-0

2. 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

Brown & Gay Engineers will not continue with this project. There was discussion among the Board and a request for G&W Engineers to submit a proposal for a network flow analysis.

MOTION: Marshall Bradford

SECOND: Joe Newsome

Not to consider Brown & Gay Engineers for this project and for G&W Engineers to prepare a proposal and report back to the Board.

Motion Approved: 4-0

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

Jody Weaver presented discussion to the Board on this project. Construction contract payment was made. The plans for the line extension will be completed and quotes will be submitted to the customer and the construction contract will be provided to the Board for approval.

MOTION: Leon Brown

SECOND: Joe Newsome

To approve the infrastructure development plan for Fisherman's Choice RV Park.

Motion Approved: 4-0

4. REVIEW AND CONSIDER APPROVAL OF PAYMENT REQUEST NO. 2 FROM LESTER CONTRACTING FOR THE 2015 WATER IMPROVEMENT PROJECT

MOTION: Leon Brown

SECOND: Marshall Bradford

To approve Payment Request No. 2 from Lester Contracting for the 2015 Water Improvement Project.

Motion Approved: 4-0

5. RESOLUTION FROM FIRST NATIONAL BANK OF PORT LAVACA ALLOWING THE INVESTMENT OFFICERS AT MUNICIPAL ACCOUNTS & CONSULTING, LP TO PROCESS WIRES TO AND FROM DISTRICT ACCOUNTS, INCLUDING PAYING BOND PAYMENTS

MOTION: Joe Newsome

SECOND: Leon Brown

To adopt the Resolution from First National Bank of Port Lavaca allowing the investment officers at Municipal Accounts & Consulting, LP to process wires to and from District accounts, including paying bond payments.

Motion Approved: 4-0

6. DISCUSSION OF DEFINED AREA NO. 1 / CARACOL QUARTERLY REIMBURSEMENT AGREEMENT AND THE NEED TO HAVE A PROPOSAL FROM MUNICIPAL ACCOUNTS

The Defined Area No. 1 / Caracol quarterly reimbursement was discussed among the Board.

MOTION: Leon Brown

SECOND: Marshall Bradford

To request a proposal from Municipal Accounts in regards to Defined Area No. 1.

Motion Approved: 4-0

MOTION: Allen Junek

SECOND: Joe Newsome

To authorize Cherrilyn Henneke to (1) annually release all remaining funds in the bank account as of September 30, less the \$3,000.00 reserve amount; and (2) release 25% of the bank balance from monies received each remaining quarter(s) less the \$3,000.00 reserve amount. Monies will be released upon the receipt of the reporting requirements.

Motion Approved: 4-0

7. DISCUSSION OF SOAH ORDER NO. 6 REGARDING PRESIDENT'S STATEMENTS OF SUCH ORDER

Leon Brown addressed the Board to clarify "abandoned" and "dismissed" verbiage of such Order. There was discussion among the Board regarding the dismissal of the rate appeal. It was determined that the District filed a request for dismissal of the case on April 23, 2015. SOAH Docket No. 473-15-1454-WS; PUC Docket No. 42910 was entered into record. No action taken.

8. DISCUSSION REGARDING ATTORNEY GENERAL LETTER RULING
OR2015-19988

Leon Brown tabled this item until General Counsel is present.

9. SECOND REQUEST FOR DISCIPLINARY ACTION OF DISTRICT MANAGER FOR
FAILURE TO RESPOND TO DIRECTORS REQUEST

Leon Brown addressed the Board regarding the disciplinary letter being placed in the District Manager's file. To date no response has been received. This item was tabled.

10. HANDLING OF DIRECTORS MAIL DELIVERED TO THE DISTRICT OFFICE

Marshall Bradford addressed the Board regarding his concern of District personnel opening director's mail that was delivered to the District office. There was discussion among the Board regarding making a policy based on General Counsel's guidance. This item will be placed on the next Regular meeting Agenda.

MOTION: Marshall Bradford

SECOND: Leon Brown

All mail delivered to the District Office addressed to a Director will be held for that Director and not opened.

Motion Failed: 2-2

Opposed: Allen Junek and Joe Newsome

11. PRESENTATION FROM WAVENET WIRELESS

Shane Dworaczyk and John Kelly presented discussion to the Board and requested permission to install antennas to the water tower to bring their service to Port O'Connor. A detailed sketch and contract will be provided to the Board. The District Engineer will review the detailed sketch and General Counsel will review the contract prior to Board approval. No action taken.

12. DISCUSSION OF HARDSHIP APPLICATIONS

Allen Junek requested this item be tabled until General Counsel is present.

13. DISCUSSION OF WATER AND SEWER RATES

Leon Brown requested part of this item be tabled and be placed on the next upcoming Special meeting Agenda pending questions addressed to General Counsel.

MOTION: Leon Brown

SECOND: Marshall Bradford

To reduce the water and sewer rates by 17% effective March 1, 2016 for a period of six months.

Opposed: Joe Newsome and Allen Junek

Motion Failed: 2-2

14. DISCUSSION OF A NEW PUBLIC INFORMATION POLICY

Allen Junek presented the Board with Public Information guidance from Special Counsel. There was discussion among the Board. This item was tabled to obtain additional Government Code Statute information from Special Counsel.

15. DISCUSSION OF THE RESIGNATION OF VICTOR LEACH

There was discussion among the Board regarding the resignation of the District Manager.

MOTION: Leon Brown

SECOND: Marshall Bradford

To immediately terminate Victor Leach.

Motion Failed: 2-2

Opposed: Joe Newsome and Allen Junek

16. APPROVAL OF IMAGINATION MONKEY RECOMMENDATIONS

Allen Junek addressed the Board regarding the Imagination Monkey recommendations. There was discussion among the Board regarding concerns of additional costs involved.

MOTION: Allen Junek

SECOND: Leon Brown

To table Imagination Monkey recommendations to clarify any additional costs to the District.

Motion Approved: 4-0

17. DISCUSSION ON IMAGINATION MONKEY CONTRACT FEES

Allen Junek addressed the Board regarding concerns of additional charges to the District. There was discussion among the Board regarding past and future engineer consultation fees. This item was tabled to get clarification on additional costs from Imagination Monkey.

18. CONSIDER AUTHORIZING BROWN & GAY ENGINEERS TO ADVERTISE FOR BIDS FOR THE TWDB LOAN FUNDED MASTER PLAN PROJECT AS SOON AS PRACTICAL FOLLOWING APPROVAL OF BID DOCUMENTS BY TWDB

Jody Weaver presented discussion regarding advertising for bids for the Master Plan project. Brown & Gay Engineers is no longer part of the bid phase. TWDB has been made aware of Brown & Gay's position. There was discussion among the Board.

MOTION: Leon Brown

SECOND: Marshall Bradford

To table this item and to be placed on a Special and/or Regular Meeting agenda and to consider G&W Engineers for this project.

Motion Approved: 4-0

19. DISCUSS OF THE INTERLOCAL AGREEMENT WITH SEADRIFT FOR PERSONNEL AND SERVICES AND PURSUE AGREEMENT WITH PORT LAVACA

Allen Junek addressed the Board regarding our current agreement with Seadrift and to consider pursuing an agreement with Port Lavaca.

MOTION: Joe Newsome

SECOND: Leon Brown

To give Jody Weaver approval to pursue an Interlocal Agreement with Port Lavaca.

Motion Approved: 4-0

20. UPDATE ON FLASHDRIVE WITH EMAILS HELD AT DISTRICT OFFICE

Allen Junek updated the Board that there has been no word yet from Mr. Feldman. No action taken.

21. DISCUSSION ON UPDATE OF RATE STUDY

Allen Junek addressed the Board regarding some clarifications made to the rate study. Municipal Accounts and Jody Weaver provided additional information to Phillip Givens. An updated rate study was provided to the Board. There was a request that Jody Weaver be given authority to provide additional information to Terrell Palmer and Phillip Givens to prepare a cost analysis using tax bonds. There was discussion among the Board. This item was tabled until further information is received.

22. CONSIDER AWARD OF ENGINEERING CONTRACT TO DUNHAM ENGINEERING, INC. TO PREPARE PLANS AND SPECIFICATIONS FOR SPOT REPAIRS TO THE ELEVATED AND GROUND STORAGE TANK

Jody Weaver provided a proposed Letter of Agreement from Dunham Engineering for rehabilitation of two (2) potable water storage tanks. There was discussion among the Board regarding putting this project on hold and to coordinate the need for the interior paint with the exterior paint. This project can be put on hold 3-5 years.

MOTION: Leon Brown

SECOND: Marshall Bradford

Opposed: Allen Juneke

To decline the award of engineering contract to Dunham Engineering, Inc. for spot repairs to the ground and elevated storage tanks at this time.

Motion Approved: 3-1

23. REVIEW COST ESTIMATE TO CONSTRUCT EXTENSION OF VACUUM SYSTEM FOR PROPOSED BEACON 44 RV PARK EXPANSION

Jody Weaver requested consideration from the Board to approve the Beacon 44 construction cost estimate for vacuum line extension. There was discussion among the Board regarding eliminating the testing costs and the District to pay the additional 300 feet.

MOTION: Leon Brown

SECOND: Joe Newsome

To eliminate the testing costs and approve the extension of vacuum system

Motion Approved: 4-0

RULES, REGULATIONS AND POLICY STATEMENTS

No action was taken. This item was passed.

EXECUTIVE SESSION.

There was no executive session.

ITEMS FROM BOARD MEMBERS

Phillip Givens was given approval to give the Reserve Account and Board training presentations requested from the Board. Mr. Givens requested January 26, 2016 at 1:00.

ADJOURNMENT

MOTION: Marshall Bradford

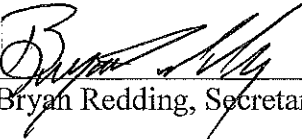
SECOND: Joe Newsome


To adjourn the meeting.

The meeting adjourned at 10:18 p.m.

Minutes APPROVED by the Board of Directors on the 11 day of February, 2016.

ATTEST:


Bryan Redding, Secretary


Allen Junek, President