

**Port O'Connor Improvement District
39 Denman Drive
Port O'Connor, Texas 77982**

**MINUTES
Workshop Meeting of Board of Directors
Tuesday, January 15, 2019 at 4:00 p.m.**

And

**MINUTES
Regular Meeting of Board of Directors
Tuesday, January 15, 2019 at 6:00 p.m.**

The Board of Directors of the Port O'Connor Improvement District held a WORKSHOP meeting on Tuesday, January 15, 2019, at 4:00 p.m. at the District Office, 39 Denman Drive, Port O'Connor, Texas.

- A. CALL TO ORDER - President McDonough called the meeting to order at 4:00 p.m. and announced that a quorum was present.

DIRECTORS PRESENT: David Randolph, Maria Denney, Mike Clifton, Danny McGuire, Erny McDonough

DIRECTORS ABESNT: None

OTHERS PRESENT: Dorothy Palumbo, General Counsel, Bojorquez Law Firm
Steve Baczewski- Presentation
Jeff Trinker -TML Presentation
Evangelina Trevino-Office Manager

- B. TMLIRP Presentation – A presentation was given by Jeff Trinker.

Discussion on the coverage and past claims of the district.

- C. Proposal for Informational Services by Steve Baczewski.

Steve Baczewski presented Newsletter and what information he could have put on Social Media. There was discussion and questions.

Costs of Rate Study requirements to update water and sewer rates. (Director McGuire)

Danny McGuire presented and stated that a rate study is needed to be done soon. The rate study would cost \$187 an hour. Discussion of the New GBRA Plant and how much it would cost us and to the customer. Discussion of Board Members going to a TRWA Meeting.

Adjourn: 5:41 p.m.

The Board of Directors of the Port O'Connor Improvement District held a Regular meeting on Tuesday, January 15, 2019, at 6:00 p.m. at the District Office, 39 Denman Drive, Port O'Connor, Texas.

- A. CALL TO ORDER – President McDonough called the meeting to order at 6:00 p.m. and announced that a quorum was present.

DIRECTORS PRESENT:	David Randolph, Maria Denney, Mike Clifton, Danny McGuire, Erny McDonough
DIRECTORS ABESNT:	None
OTHERS PRESENT:	Dorothy Palumbo, General Counsel, Bojorquez Law Firm Julia Houston, Orrick, Herrington, Sutcliffe, LLP John Mercer, District Engineer Wade Cheek, District Operator Evangeline Trevino, Office Manager Scott Mason- G&W Engineers

PARTICPATING BY PHONE: Andre Ayala, Hilltop Securities, Financial Advisor

- B. PUBLIC COMMENTS. At this time, any person with business before the Board not scheduled on the agenda may speak to the Board. No formal action can be taken on these items at this meeting.

Becky Haynes addressed the board on her issues with sewer for the month of December to January. Requested a Credit for the month of December.

Allen Junek questions for the board regarding pre-pays and fund availability.

Teddy Hawes-Asking if Air Vac was going to come for a tuning of the system. Also stated that he has invoices that have not been paid for the year of 2017

- C. CONSENT AGENDA: *The following items are anticipated to require little or no individualized discussion due to their nature being clerical, ministerial, mundane or routine. In an effort to enhance the efficiency of POCID Board meetings, it is intended that these items will be acted upon by the POCID Board with a single motion because no public hearing or determination is necessary. However, a POCID Board Member or citizen may request separate deliberation for a specific item, in which event those items will be removed from the consent agenda prior to the POCID Board voting on the consent agenda as a collective, singular item. Prior to voting on the consent agenda, the POCID Board may add additional items that are listed elsewhere on the same agenda.*

1. APPROVAL OF MINUTES

- a. Minutes of Regular Meeting December 13, 2018.
- b. Minutes of Special meeting of December 27, 2018.

2. APPROVAL OF PAYABLES

- a. Port O'Connor Improvement District – Municipal Accounts & Consulting, LP, Bookkeeper Report, including approval for payment by Office Manager for monthly bills for AT&T service, Republic Waste, Credit Card payments.
- b. Defined Area 1

3. CONSENT AGENDA ITEMS

- a. Revised Replat of Outlot 1 in Outblock 12, Port O'Connor, Texas to correct name changes for Judge and Commissioners and date of 2019.
- b. Change Order No. 1 to Disinfection Plant Improvement Contract with Mercer Controls, Inc. not to exceed \$3,950.
- c. Approve purchase of MUD pump not to exceed \$2,000.
- d. Approval of Air Vac training costs for 2 additional POCID employees selected by the District Operator.
- e. Approval of expenditures for time clock not to exceed \$321 and replacement of phone system by Office Manager not to exceed \$300.
- f. Approval of LaSalle reconciliation for 10/1/17-9/30/18 and authorize Office Manager to invoice LaSalle for the balance due.

DISCUSSION: Pulled check#10019 was incorrect amount and reissue To John Mercer for Payment.

LaSalle reconciliation in board packet. Balance due is \$999.61.

Motion to approved Consent Agenda Items by Danny McGuire

Second: Mike Clifton

Approved 5-0

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

1. Report of District Operator

- a. District Status
- b. Work in Progress
- c. Water Production Report; including Water Well Status Report
- d. Wastewater Treatment Plant Summary
- e. Training
- f. Report on Inventory Controls
- g. Approval of repairs, purchase and/or inventory including but not limited to Action Welding to submit a bid for the construction of a Trench Box

DISCUSSION: District Operator presented his report.

No action taken.

2. Report of District Engineer

- a. TWDB Project 21750 Updates
- b. Outstanding Items – Outstanding water and sewer connections
- c. Status of Standard Details on the assembly of standard details and drawings for the District. (Follow up report on AirVac and FloVac assessment)
- d. Discussion of District Engineer recommendation for line extension policy.
- e. District Engineer recommendation for Tracey Reed Request.
- f. Consider approving District Engineer to obtain a current inspection of the Elevated and Ground Storage Tanks as required to determine need and/or requirements for tank rehabilitation at a cost not to exceed \$1,000 to be funded from TWDB bond funds.
- g. Consider issuance of “Will Serve” letter to potential developer of Marina Del Mar Subdivision.

DISCUSSION: Scott Mason spoke before the board about Marina Del Mar.(g)

To Put The “Will Serve” letter on next agenda.

John Mercer gave update on his status. On sewer connections and water connections.

Rules and Regulations need to be reviewed and updated.

A motion authorizing District Engineer to obtain a current inspection of the Elevated and Ground Storage Tanks as required to determine need and/or requirements for tank rehabilitation at a cost not to exceed \$1,000 to be funded from TWDB bond funds.

MOTION: Maria Denney

SECOND: Danny McGuire

APPROVED: 5-0

E.CONSIDER AND TAKE APPROPRIATE ACTION ON THE FOLLOWING:

1. Resolution calling for the partial defeasance of a portion of the District’s outstanding Unlimited Tax Refunding Bonds, Series 2013 and directing the redemption of such bonds, including approving an escrow agreement.

DISCUSSION: Andre Ayala of Hilltop Securities explained the material in the Board Packet and the redemption process. Three attachments were provided including updated numbers, settlement letter and verification report. 2013 Bond Sale \$969,000.

Julia Houston, Bond Counsel, explained the Resolution, the redemption process and the escrow agreement. Bonds will be paid off 2020.

Motion to approve the resolution calling for the partial defeasance of a portion of the District’s outstanding Unlimited Tax Refunding Bonds, Series 2013 and directing the redemption of such bonds, including approving an escrow agreement.

MOTION: Danny McGuire
SECOND: Maria Denney
APPROVED: 5-0

2. Discuss Calhoun County ISD would like to dispute the current charges for the service period of November 20, 2018 - December 20, 2018.

DISCUSSION: Requested an adjustment because 265 gallons used. Change out meter.

Motion To approve 12 month average for the bill for December 2018 and to test the meter.

MOTION: Danny McGuire
SECOND: Mike Clifton
APPROVED: 5-0

3. TCEQ/Homeland Security Wastewater Treatment Plant Access

Discussion: Dotti Palumbo explained the security that was needed here at the plant, and no need for a twic card.

No Action Taken.

4. Workshop agenda items:

- a. TMLIRP Presentation recommendations
- b. Proposal for Information Services by Steve Baczeweki
- c. Costs of Rate Study requirements to update water and sewer rates. (Director McGuire).

No Action Taken.

F. EXECUTIVE SESSION ** The Board convened into Executive Session at 8:30 p.m. under the following provisions:

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

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:

1. *USW Utility Group v Port O'Connor Improvement District*: Cause No. 2018-CV-3268-DC, pending in the 24th Judicial District Court, Calhoun County, Texas.
2. Review legal options for operation of the Port O'Connor Improvement District including but not limited to employment of a District Manager.
3. Deliberate the appointment of an Interim District Manager from the current Port O'Connor employees including the District Operator; Operator Valle, Operator Lilley and Operator Raby.
4. TCEQ Enforcement Actions
5. Main pump motor on Lift Station Claim.
6. Consultation with General Counsel pursuant to Texas Government Code 551.071, for the purpose of receiving legal advice concerning status of past or pending projects, including but not limited to La Salle Water Control and Improvement District No. 1; Employment matters; PIA procedures, Rules of Procedure and legal requests.

G. TAKE ANY ACTION AS A RESULT OF EXECUTIVE SESSION.

The Board reconvened from executive session at 9:23 p.m.

Motion to appoint Operator Valle as District Manager and pay him \$32.00 a hour.

MOTION: Danny McGuire

SECOND: Mike Clifton

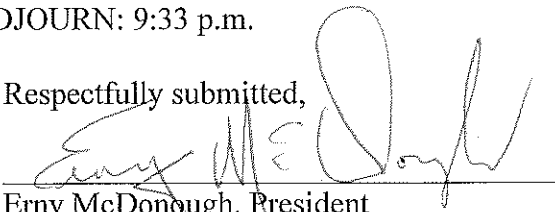
APPROVED: 5-0

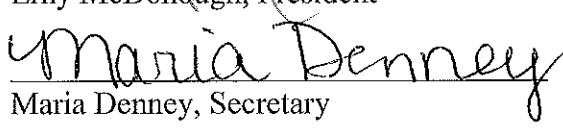
H. ITEMS FROM BOARD MEMBERS (Note: Board members may request specific factual information, recitation of existing policy, or placement of items on the Agenda for discussion at a later meeting.)

1. Danny McGuire would like to Request a town meeting on a Saturday. Twice a year.
2. Maria Denney Suggest Hire an employee to do part media.
3. President of the board is requesting that we change this to Improvement District to a Co-Op.

ADJOURN: 9:33 p.m.

Respectfully submitted,


Erny McDonough, President


Maria Denney, Secretary

Signed this 19th day of February 2019.

These minutes were approved on February 19th, 2019.