

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

Pursuant to notice duly posted on October 19, 2015, a **SPECIAL** meeting of the Port O'Connor Improvement District was called to order on Thursday, October 22, 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 Juneke called the meeting to order and established that a quorum was present and welcomed everyone.

DIRECTORS PRESENT: Allen Juneke, Joe Newsome, Bryan Redding, and Marshall Bradford

DIRECTORS ABSENT: Leon Brown

ALSO PRESENT: Donna Grafe-Tucker, General Counsel
Victor Leach, District Manager
Kelli Schmidt, District Personnel
Tim Austin, Special Bond Counsel

MEMBERS OF THE PUBLIC PRESENT:

Susan Raybon
Bobby Raybon

ITEMS FOR CONSIDERATION

1. APPROVE RESOLUTION AUTHORIZING THE ISSUANCE OF \$2,815,000
PORT O'CONNOR IMPROVEMENT DISTRICT WATER AND SEWER SYSTEM
REVENUE BONDS, SERIES 2015
2. APPROVE PLACEMENT MEMORANDUM
3. APPROVE ESCROW AGREEMENT WITH BANK OF NEW YORK
4. APPROVE PAYING AGENT AGREEMENT WITH BANK OF NEW YORK,
AUTHORIZE DIRECTORS AND OFFICERS OF THE DISTRICT, ALONG WITH
ATTORNEY AND FINANCIAL ADVISOR, TO EXECUTE SUCH CERTIFICATES
AND OTHER DOCUMENTS REASONABLY NECESSARY IN CONNECTION
WITH THE CLOSING OF THE TEXAS WATER DEVELOPMENT BOARD GRANT
AND LOAN TRANSACTION

Tim Austin, the District's Bond Counsel, presented a brief presentation on the process of the 2015 Bond Series recently approved by the Texas Water Development Board. He also presented a summary of the documents to be executed by the Board on Agenda Items 1-4. There is a closing date of December 1, 2015.

MOTION: Joe Newsome

SECOND: Brian Redding

To approve Agenda items 1 – 4.

Motion Approved: 3-1

Abstained: Marshall Bradford

5. APPROVE INDEPENDENT CONTRACTOR FORM

Donna Grafe-Tucker presented discussion and proposed revisions to the Independent Contractor forms. The short form will be used for small jobs and inspections and the long form will be an annual Master Agreement with separate Work Orders and Rate Charts attached as Exhibits for the large construction jobs. There was discussion among the Board.

MOTION: Brian Redding

SECOND: Joe Newsome

To approve the short form as it is currently written and approve the long form with the following modifications: (1) The insertion in section 1.0 to make the Master Agreement effective for one year and all work to be performed done pursuant to the individual work orders. Victor Leach will develop a work order for Exhibit A; (2) Exhibit B needs insurance amounts put in table form; and (3) In section 4.0 delete "the work orders" and insert "Exhibit C". Exhibit C will be a rate chart with all applicable pricing for any services that the COMPANY may perform for the District.

To approve Allen Junek executing the documents once they are finalized.

Motion Approved: 3-1

Opposed: Marshall Bradford

6. DISCUSS VEHICLE REPAIRS OR CONSIDER PURCHASING A NEW VEHICLE

Victor Leach presented discussion and additional new truck bids with the trade-in value of the current 2008 Ford F250 district work truck. There was discussion among the Board.

MOTION: Joe Newsome

SECOND: Brian Redding

To buy the truck listed No. 3 on the Truck Bid Comparison Chart from Atzenhoffer Chevrolet and to trade-in the 2008 Ford F250 district work truck.

Motion Approved: 3-1

Opposed: Marshall Bradford

7. AUTHORIZING RATE STUDY AND OTHER MANAGEMENT TRAINING THROUGH THE PUC FM ASSISTANCE PROGRAM

Allen Junek presented discussion and an FM Assistance Contract template form from the Public Utility Commission. Mr. Junek would like for the Board to consider having another rate study conducted. The Public Utility Commission offers free assistance programs to the District. Mr. Junek recommended signing up for at least 3 of the programs offered.

MOTION: Allen Junek

SECOND: Brian Redding

To authorize Allen Junek to enter into an agreement with PUC FM Assistance Program utilizing available tasks No. 10 the Rate Study, No. 11 Reserve Accounts, and No. 29 Board/Council Training

Motion Approved: 4-0

8. PROPOSED CONTRACT WITH IMAGINATION MONKEY FOR DISTRICT COMMUNICATION DEVELOPMENT SERVICES

Allen Junek presented discussion and a proposed contract with Imagination Monkey. He expressed his concerns with providing communication to the public, getting questions answered, and keeping the public informed. This company will provide a fact based service to the District. There was discussion among the Board.

MOTION: Allen Junek

SECOND: Joe Newsome

To accept the agreement with Imagination Monkey with the term of one year to better help the District convey facts to the public.

Motion Approved: 3-1

Opposed: Marshall Bradford

9. PROPOSED TAX COLLECTION CONTRACTS WITH CALHOUN COUNTY CENTRAL APPRAISAL DISTRICT FOR TAX COLLECTION SERVICES FOR THE DISTRICT AND THE DEFINED AREA NO. 1

Donna Grafe-Tucker presented discussion on the tax collection process. Donna advised the Board that there will have to be a bond put in place for the tax collections. The District has the option to provide the bond through its own bonding company or the Appraisal District can provide the bond. Donna informed the Board what entities are currently bonded through the

Appraisal District and the amounts of those bonds for each entity. The District had a previous bond of \$100,000 through the County. The bond amount will be written into the contract.

MOTION: Marshall Bradford

SECOND: Brian Redding

To leave the bond amount at \$100,000 through the Appraisal District and to authorize Allen Junek to sign the tax collection contracts for the District and the Defined Area No. 1.

Motion Approved: 4-0

EXECUTIVE SESSION.

There was no Executive Session.

ADJOURNMENT

MOTION: Brian Redding


SECOND: Joe Newsome

To adjourn the meeting.

The meeting adjourned at 8:25 p.m.

Minutes APPROVED by the Board of Directors on the 12 day of November, 2015.

ATTEST:



Brian Redding, Secretary



Allen Junek, President