



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

**MINUTES  
Special Meeting of Board of Directors  
Wednesday, March 28, 2018 at 1:00 p.m.**

- A. CALL TO ORDER. President Leon Brown called the Special Meeting on Wednesday, March 28, 2018, to order at 1:00 p.m. at the District Office, 39 Denman Drive, Port O'Connor, Texas, announcing that a quorum was present, and welcomed citizens and guests.

DIRECTORS PRESENT: Marshall Bradford, Bobby Raybon, Nathan O'Neill, David Randolph

DIRECTORS ABSENT: None

ALSO PRESENT: Royce Macha, District Project Manager  
Joel Valdez, District Engineer

- B. CONSIDER AND TAKE APPROPRIATE ACTION ON THE FOLLOWING:

1. Approve a Resolution Reviewing Procedures for Continuing Disclosure Compliance, Making No Changes to the Policy and Instructing Staff to Fulfill the Financial Reporting Obligations in the Policy. (General Counsel).

Discussion: General Counsel reviewed the Procedures for Continuing Disclosure. No changes were made to the policy. General Counsel recommended approving the Resolution for Continuing Disclosure Compliance and to instruct Staff to fulfill the financial reporting obligations in the policy.

MOTION: A motion was made by President Leon Brown to approve the Resolution Reviewing Procedures for Continuing Disclosure Compliance, Making No Changes to the Policy and Instructing Staff to Fulfill the Financial Reporting Obligations in the Policy

SECOND: Director Marshall Bradford seconded the motion.

APPROVED: The motion was approved unanimously by a vote of: 5 Ayes, 0 Nays.

2. Review and Approve the District's General Purpose Financial Statements for the Fiscal Year Ended September 30, 2017, audited by Goldman, Hunt & Notz, L.L.P and Direct Staff to file the Audited Financial Statements with the Texas Commission on Environmental Quality. (Auditor)

Don Goldman presented a clean opinion. He reviewed the financial Statements and highlighted the assets and liabilities of the District.

MOTION: A motion was made by President Leon Brown to approve the District's General Purpose Financial Statements for the Fiscal Year Ended September 30, 2017, audited by Goldman, Hunt & Notz, L.L.P and Direct Staff to file the Audited Financial Statements with the Texas Commission on Environmental Quality.

SECOND: Director Marshall Bradford seconded the motion.

APPROVED: The motion was approved unanimously by a vote of: 5 Ayes, 0 Nays.

3. Approve Annual Report and Authorize Filing of Same in Accordance with the District's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12.; including Hurricane Harvey disclosures. (General Counsel)

MOTION: A motion was made by President Leon Brown to Approve the Annual Report and Authorize Filing of Same in Accordance with the District's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12.; including Hurricane Harvey disclosures.

SECOND: Director Marshall Bradford seconded the motion.

APPROVED: The motion was approved unanimously by a vote of: 5 Ayes, 0 Nays.

4. Discuss and consider a Resolution authorizing amendments to the application to TCEQ Bond Issue No. 2.

This item was postponed to a single item special meeting.

5. Discuss and consider TWDB Project 21750 Construction Material Testing proposals (District Engineer).

Discussion: The District Engineer recommended the TSI proposal.

MOTION: A motion was made by President Leon Brown to authorize District Project Manager to execute the T.S.I. proposal for the TWDB Project 21750 construction material testing.

SECOND: Director Marshall Bradford seconded the motion.

APPROVED: The motion was approved unanimously by a vote of: 5 Ayes, 0 Nays.

6. Discuss and consider proposals for Migratory Bird compliance for TWDB 21750 and authorize the President to execute an agreement.

MOTION: A motion was made by President Leon Brown to authorize the President to sign a professional service agreement with Dr. Ortego for Migratory Bird Compliance.

SECOND: Director Marshall Bradford seconded the motion.

APPROVED: The motion was approved unanimously by a vote of: 5 Ayes, 0 Nay.

7. Discuss and approve payment for the March 2018 invoice for Billy Goode for water repair.

General Counsel recommended that Nathan file a conflict of interest affidavit since Billy Goode was his father-in-law.

MOTION: A motion was made by President Leon Brown to approve the payment, for the March 2018 invoice to Billy Goode for water repair.

SECOND: Director Marshall Bradford seconded the motion.

APPROVED: The motion was approved by a vote of: 4 Ayes, 0 Nays, 1 Abstain.

Director Nathan O'Neill abstained.

8. Discuss proposal for Clay Smith, Jr.'s water and sewer service request at Druscilla Road, Port O'Connor, and Texas and authorize the District Project Manager to execute an agreement after review by General Counsel.

Discussion: District Project Manager Macha explained that the LCI proposal was just to dead end the line and not to loop the line. He has contacted another contractor for an additional quote.

9. Discuss procedures for information requested by citizens.

General Counsel prepared a Citizen Comment form for citizen's to fill out prior to the meeting so the Board could track comments, citizen questions and request for information.

- D. EXECUTIVE SESSION. The Board convened into Executive Session at 1:43 p.m. under the authority contained in:

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

More specifically, 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 any agenda item listed above.

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 and authorize an agreement for the defense of the lawsuit with David Tuckfield of the AL Law Group, Austin, Texas.

2. Interlocal Agreement with Guadalupe-Blanco River Authority for services relating to the operation of POCID facilities; including operation, maintenance, repair laboratory and testing services.
3. Defined Area 1 Agreement for Maintenance and Operation for Port O'Connor Defined Area 1 between Port O'Connor Municipality Utility District and Caracol Community Association dated January 1, 2011; and amounts owed.
4. Interlocal Agreement between the Port O'Connor Improvement District and LaSalle Water Control and Improvement District No. 1A for Operations and Maintenance Services dated June 14, 2006, as amended and past due amounts owed to POCID.

The Board reconvened into open session at 2:51 p.m. No action was taken in executive session.

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

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 and authorize an agreement for the defense of the lawsuit with David Tuckfield of the AL Law Group, Austin, Texas.

MOTION: A motion was made by President Leon Brown to authorize the President to execute an agreement with David Tuckfield of the AL Law Group, Austin, Texas to represent the POCID in the lawsuit, *USW Utility Group v Port O'Connor Improvement District*: Cause No. 2018-CV-3268-DC,

SECOND: Director Marshall Bradford seconded the motion.

APPROVED: The motion was approved by a vote of: 4 Ayes, 1 Nay.

2. Interlocal Agreement with Guadalupe-Blanco River Authority for services relating to the operation of POCID facilities; including operation, maintenance, repair laboratory and testing services.

There was no action taken.

3. Defined Area 1 Agreement for Maintenance and Operation for Port O'Connor Defined Area 1 between Port O'Connor Municipality Utility District and Caracol Community Association dated January 1, 2011 and amounts owed.

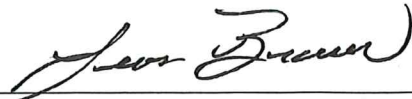
There was no action taken.

5. Interlocal Agreement between the Port O'Connor Improvement District and LaSalle Water Control and Improvement District No. 1A for Operations and Maintenance Services dated June 14, 2006, as amended and past due amounts owed to POCID.

There was no action taken.

- F. 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.) None
- G. ADJOURN. President Leon Brown adjourned the meeting at 3:37 p.m.

Respectfully submitted,

  
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Leon Brown, POCID President

  
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Bobby Raybon, POCID Secretary

Minutes were approved on the 19<sup>th</sup> day of April, 2018.