

Port O'Connor Improvement District
P.O. Box 375
Port O'Connor, Texas 77982

Pursuant to notice duly posted on September 25, 2017, a SPECIAL meeting of the Port O'Connor Improvement District was called to order on Tuesday, September 28, 2017 at 1:00 p.m. in the District's office located at 39 Denman Drive, Port O'Connor, Texas

A. CALL TO ORDER

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

DIRECTORS PRESENT: Leon Brown, Marshall Bradford, and Bobby Raybon

DIRECTORS ABSENT: Nathan O'Neil and James Martin

ALSO PRESENT: Dottie Palumbo, Bojorquez Law Firm
Joel Vazquez, CP&Y, Inc.
Don Rauschuber, DGRA, Inc.
Ronald Kettelman, USW Utility Group, Personnel
Callie Stafford, USW Utility Group, Personnel

MEMBERS OF THE PUBLIC PRESENT: None

B. 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 June 22, 2017
- B.) Minutes of Special Meeting September 8, 2017
- C.) Minutes of Special Meeting September 12, 2017

2. APPROVAL OF PAYABLES

- A.) Port O'Connor Improvement District
- B.) Defined Area No. 1
- C.) Reimburse LaSalle for credit cards payments

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve the three sets of minutes and payables.

Motion approved: 3-0

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

1. Report of US Water District Project Manager

The board called a Recess at 1:08 p.m. due to a loose light fixture the meeting preceded at 1:14 p.m. Ron Kettelman gave the Operations Report, Ron let the board know that the air compressor that was purchased will be billed back to LaSalle in October. Ron let the board know Port O' Connor is in compliance with Water and Wastewater. Ron informed the board that he spoke with Joe Newsome regarding setting poles at district. Joe Newsome gave a price of \$200 per pole for three poles equaling \$600 which included the poles, trenching, and running wire.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

Motion approved: 3-0

To authorize Joe Newsome to install poles and wiring at \$200 per pole.

2. Report of Engineers

Don Rauschuber gave the Engineers Report; Don asked if The Board of Directors would be willing to do a reimbursement or help pay with customer for line extension. Don requested that review of Rules and Regulations be put on the next regular meeting agenda.

D. CONSIDER AND TAKE APPROPRIATE ACTION ON THE FOLLOWING

1. Review and approval of water tower and ground storage tank inspections by Ron Perrin.

Ron Kettelman let the board know that there is debris and sediment in the ground and elevated storage tanks and Ron Perrin will clean out the tanks. Director Brown requested a copy of Ron Perrins insurance to be reviewed by General Counsel.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve cleaning debris out of elevated and ground storage tanks \$5,028.00

Motion approved: 3-0

2. Consider and discuss Texas Parks and Wildlife request for a 2 inch meter to be installed at entrance to Powder horn Ranch on east side of Highway 1289 about 0.5 miles north of Hwy 185.

Director Brown would like to know Texas Parks and Wildlife's future plans, if they will be needing sewer services, and how it will impact Port O' Connor. The board requested a report from the district engineer and for the district engineer to send a letter to Texas Parks and Wildlife regarding the questions the board has concerning current and future needs for the wastewater service..

MOTION: Leon Brown

SECOND: Marshall Bradford

To authorize interim district engineer to send Texas Park and Wildlife a letter requesting more information.

Motion approved: 3-0

2. **Authorize current investment officer to transfer funds from First National Bank to TexPool or Texas Class.**
MOTION: Bobby Raybon
SECOND: Marshall Bradford
To authorize current investment officer to transfer funds from First National Bank to TexPool or Texas Class.
Motion approved: 3-0
3. **Due to publication error, revise date of public hearing regarding tax rates for Port O'Connor Improvement District and Defined Area No. 1 for October 5, 2017 at 1:00 p.m.**
MOTION: Bobby Raybon
SECOND: Marshall Bradford
To revise public hearing date for Port O' Connor Improvement District and Defined Area No.1.
Motion approved: 3-0
4. **Discuss and approve adoption of fiscal year 2017/2018 budgets for Port O'Connor Improvement District and Defined Area No.1.**
MOTION: Leon Brown
SECOND: Marshall Bradford
To approve adoption of fiscal year 2017/2018 budgets for Port O' Connor Improvement District and Defined Area No.1
Motion approved: 3-0
5. **Establish procedures for purchases at POC Hardware.**
The Board of Directors requested that a certified letter be sent to POC Hardware to notify them that a purchase order needs to be given every time there is a purchase by a USW Utility Group employee.
MOTION: Marshall Bradford
SECOND: Bobby Raybon
To authorize USW Utility Group to send POC Hardware a Certified letter to notify them of procedures.
Motion approved: 3-0
6. **Review and possibly take action on Access Agreement for secure record retention services.**
General Counsel reviewed Access Agreement for secure record retention, is concerned that if no payment is received from the district that they could potentially destroy districts records. General Counsel will reach out to Access regarding contract. Agenda item will be postponed till October 19, 2017 board meeting.
8. **Port O'Connor Investment Policy annual review and approval of List of Qualified Brokers**
The board reviewed Investment Policy, no changes have been made.
MOTION: Leon Brown
SECOND: Bobby Raybon
Approval of Port O' Connor Investment Policy and list of qualified brokers
Motion approved: 3-0
9. **Update on \$6,000,000 Unlimited Tax Bonds and Adopt the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Extension of Time to Sell Bonds.**
MOTION: Marshall Bradford
SECOND: Bobby Raybon

To adopt a resolution authorizing application to the Texas Commission on Environmental Quality for extension time to sell bonds up to January 6, 2019.
Motion approved: 3-0

10. Authorize Engineering Services agreements with CP&Y, Inc. as applicant for District Engineer and for Texas Water Development Board 21750 project.

General Counsel requests to sending engineer agreement to CP&Y, Inc.

MOTION: Leon Brown

SECOND: Marshall Bradford

To authorize general counsel to provide the engineering service agreements to CP&Y, Inc. and to bring back to next regular board meeting if there are substantial changes.

Motion approved: 3-0

The board went into Recess at 2:04 p.m. and came out of recess at 2:11 p.m.

E. RULES, REGULATIONS AND POLICY STATEMENTS **

Review and discuss revisions and updates to existing Rules and Regulations, including, but not limited to Customer Service Agreement and Application Packet and Section 6.4 of rules regarding easements required as a condition of service.

F. EXECUTIVE SESSION ***

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. August 18, 2017 Lester Contracting Inc. /Port O' Connor Improvement District Supplemental Response to Notice and Demands contained in July 21, 2017 POCID Correspondence.
2. Operation, Maintenance & Customer Service Agreement between Port O'Connor Improvement District and USW Utility Group dated March 23, 2016.
3. Republic Contract for Waste Services
4. Order amending rules and regulations and amend rate order of October 13, 2016 for corrections for Basic Water \$ 33.05 and Basic Sewer \$ 22.80
5. Demand Letter to Pinnacle for Wastewater Treatment Plant Blower
6. Defined Area 1

ACTION AS A RESULT OF EXECUTIVE SESSION

The Board of Directors went into Executive Session at 2:13 p.m. and came out of Executive Session at 3:35 p.m. no action was taken.

1. August 18, 2017 Lester Contracting Inc. /Port O' Connor Improvement District Supplemental Response to Notice and Demands contained in July 21, 2017 POCID Correspondence.
MOTION: Leon Brown
SECOND: Marshall Bradford
To authorize the Board President to execute a letter and be sent by certified mail in regards to the notices and demands letter for Port O' Connor Improvement District to Lester Contracting Inc. dated June 21, 2017 for construction of the Improvement District and to authorize the President to sign it as prepared by the interim district engineer.
Motion approved: 3-0
2. Operation, Maintenance & Customer Service Agreement between Port O' Connor Improvement District and USW Utility Group dated March 23, 2016.
MOTION: Leon Brown
SECOND: Marshall Bradford
To authorize the President to review the contract with the compliance issues with USW Utility Group to be included but not limited to emergency and Non-emergency Street trenching SOP, equipment damage or loss, permanent District manager, will report to next meeting.
Motion approved: 3-0
3. Republic Contract for Waste Services
Amendment Republic Services sent Port O' Connor Improvement District was not consistent with the Board's action that was taken. General Counsel recommends sending a letter to Republic Services to notify them that the first amendment was not signed or consistent with board action.
MOTION: Leon Brown
SECOND: Marshall Bradford
Motion approved: 3-0
To approve general counsel sending a letter to Republic Services.
4. Order amending rules and regulations and amend rate order of October 13, 2016 for corrections for Basic Water \$ 33.05 and Basic Sewer \$ 22.80
MOTION: Leon Brown
SECOND: Marshall Bradford
Motion approved: 3-0
To approve the amended rate order for Basic water at \$33.05 and Basic sewer at \$22.08.
5. Demand Letter to Pinnacle for Wastewater Treatment Plant Blower
General counsel asked the board for authority to send a letter to Pinnacle to ask them to purchase the blower at half cost or to repair the blower that was inoperable after three months of purchase and board would pay half the cost.
MOTION: Leon Brown
SECOND: Marshall Bradford
Motion approved: 3-0
To approve general counsel sending a letter to Pinnacle.
6. Defined Area 1
MOTION: Leon Brown
SECOND: Marshall Bradford
Motion approved: 3-0
To approve general counsel preparing a certified termination letter to Defined Area No. 1 pursuant to the contract terms and for letter to be signed by the Board president.

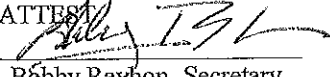
- H. ITEMS FROM BOARD MEMBERS (Note: Board members may request specific factual information, recitation of existing policy, or placement of items on the Agenda for discussion at a later meeting.)
There were no Items to report.

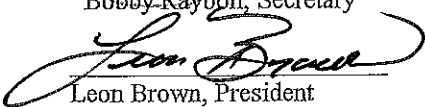
- I. ADJOURN
MOTION: Leon Brown
SECOND: Marshall Bradford
Motion approved: 3-0

The meeting adjourned at 3:40 p.m.

Minutes APPROVED by the Board of Directors on the 14 day of ^{November} ~~September~~, 2017.

ATTEST


Bobby Raybon, Secretary


Leon Brown, President