

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

MEETING NOTICE AND AGENDA
Special Meeting of Board of Directors

Pursuant to notice duly posted on December 11, 2017, a Special meeting of the Port O'Connor Improvement District was called to order on Thursday, December 14, 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 at 1:00 p.m., and established that a quorum was present welcomed everyone. Director O'Neill arrived at 1:14 p.m.

DIRECTORS PRESENT: Leon Brown, Marshall Bradford, Nathan O'Neill and Bobby Raybon
DIRECTORS ABSENT: None

ALSO PRESENT: Dorothy Palumbo, Bojorquez Law Firm, LLC, General Counsel
Ronald Kettelman, USW Utility Group, Personnel
Jeffrey DuPont, USW Utility Group, Personnel
Callie Stafford, USW Utility Group, Personnel
Ree Emberg, USW Utility Group, Personnel
Joel Valdez, CP&Y, Inc., District Engineer
John Childers, Resident of District

- 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.) November 16, 2017 Regular meeting minutes

2. APPROVAL OF PAYABLES

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

MOTION: Bobby Raybon

SECOND: Marshall Bradford

APPROVED: 3-0

To approve November 16, 2017 meeting minutes and all payables.

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

1. Report of US Water District Project Manager
 - A.) District Status
 - B.) Work in Progress
 - C.) Water Production Report
 - D.) Wastewater Treatment Plant Summary
 - E.) Approval of repairs and/or inventory

Ronald Kettelman gave the Operations Report, Port O' Connor Improvement District has had two Labor workers resign and USW Utility Group is going to hire an employee named Brian Riley as a Laborer.

Director O'Neill came into the meeting at 1:04 p.m.

Ree Emberg spoke to the Board of Directors regarding AVR charges and undistributed charges on AVR reports and explained how the undistributed charges are all over payments from customers in the district. Delinquent letters to customers had been sent out, The Port O' Connor Improvement District does not charge customers for Delinquent letters that are being sent out. Ronald went over the Operations Report, work has been done on circuit board for the generator. Ronald presented a quote from Aqseptance Group for \$8,478.75 to have oil filters changed, price includes shipping. President Brown asked when the last service was, the last service was between April 2017- May 2017. Munoz Construction did not properly install front door at office, door needs to be pulled out and reinstalled properly before a check is made payable to Munoz Construction. The Board of Directors asked USW Utility Group to see if billing LaSalle for services can be done through AVR instead of QuickBooks. USW Utility Group will look into billing LaSalle through AVR instead of QuickBooks and report back to the Board of Directors. Director Brown would like a meter read for water going from GBRA to LaSalle on next Operations Report. All Bacteriological samples for Port O' Connor Improvement District and LaSalle are in compliance with TCEQ. Ree Emberg spoke with the Board regarding the District covering all fees associated with customers paying online and in office with a credit card and ACH fees. Ree calculated that with the customers paying right now that it would be around \$45,276.78, but will cost more with the District absorbing the full 5% fee and will increase with more customers using these payment options. The Board of Directors would like to run the report sixty more days in to determine costs. Ronald let the Board of Directors know that the soft starter is bad on unit and will need to be replaced. Director Bradford asked USW Utility Group why the District is paying bills for tools, Jeffrey DuPont let the Board know that the M&R Fund is for tools, vehicles, and maintenance, but Board voted against having an M&R Fund so the district is paying the invoice directly without any markup from USW Utility Group.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

APPROVED: 4-0

To accept USW Utility Group Operations Report and to accept proposal from Aseptance Group not to exceed \$8,478.75.

2. Report of Engineers
 - A.) Water Supply Status
 - B.) Wastewater System Status
 - C.) Other Updates

Joel Valdez gave the Engineers Report, Joel has worked with Don Rauschuber and Dottie Palumbo on the Change Order for TWDB Project 21750. CP&Y, Inc. are creating grid maps for the District. Joel has

reached out to several Operators for operation of the water and waste water system. Some have said it is too far and some have showed some interest.

D. CONSIDER AND TAKE APPROPRIATE ACTION ON THE FOLLOWING

1. 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.

General Counsel provided the Board of Directors with the proposed agreement, the property is not in the hands of The Texas Parks and Wildlife so the District will need to contact the property owner, no action was taken.

2. Engage Municipal Accounts for Year-end financial statement not to exceed \$10,000

Municipal Accounts was not able to do the Year-end financials for the District due to timing. No action was taken.

3. Consider and discuss Goldman, Hunt & Notz, L.L.P Certified Public Accountants Auditing Services proposal.
The Board review proposal from Goldman, Hunt & Notz, L.L.P, the Board of Directors would add proposal from Goldman, Hunt & Notz, L.L.P to do the Year-end Financials not to exceed \$10,000.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

APPROVED: 4-0

To accept auditing Service proposal not to exceed \$20,000 with year-end financials not to exceed \$10,000.

4. Accept HydroPro's proposal using Buy Board pricing and authorize HydroPro Solutions FCC to begin the Filing for frequency license and to start the process for software set up and on-site training and bring back Master Service Agreement at the January meeting.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

APPROVED: 4-0

To accept proposal and filing frequency license and process and for General Counsel to back the Master Services Agreement at the next meeting.

5. Consider and discuss Inlet structure at Wastewater plant Estimate from Action Welding & Fabricating and PEECO Engineering.

The Board was provided two proposals for replacing Inlet Structure at Wastewater Plant. The two proposals had a significant difference in pricing. President Brown would like to postpone item until bonds meeting. No action was taken.

6. Consider and discuss pipe exhaust on Generator estimate from Action Welding & Fabricating
The Board of Directors would like to postpone item till the next Board meeting for the District Engineer to review and bring back.

7. Review water well permit application for 3205 Harrison.
Customer currently has water, but no sewer connection. Customer would be using water well for vegetation and irrigation. Board would like a CSI done after the well has been dug.

MOTION: Nathan O'Neill

SECOND: Bobby Raybon

APPROVED: 3-1

To approve Water Well Permit and to conduct a CSI afterwards.

8. Review water well permit application for 2480 W. Maple Street

MOTION: Nathan O'Neill

SECOND: Bobby Raybon

APPROVED: 3-1

To approve Water Well permit and to conduct a CSI afterwards.

9. Update on Change Order No. 1 to Agreement with Lester Contracting, Inc. dated June 22, 2016, respecting Texas Water Development Board Project No. 21750; Texas Water Development Board Approval and review of work suspension, project recommencement and Certificate for Partial Payment No. 9 and approval of Engineer's recommendation of Diamond Lok piping. Joint restraints will be provided by Lester Contracting \$2,400 will be deducted from the contract price. There is a price decrease of \$104,000, work is going to be extended. The change order reflects the new District Engineer, work that is not in the ground will be paid at Lester Contracting expense. Thrust blocking will not be required and Lester Contracting will have to follow all procedures for safety and digging. Lester Contracting will provide documentation on piping, Diamond Lok piping system is good when installed correctly.

MOTION: Leon Brown

SECOND: Bobby Raybon

APPROVED: 4-0

To approve District Engineer/TWDB Project Engineer recommendation for Diamond Lok piping

10. Authorize President to accept November 15, 2017 letter from Pinnacle Industries, Ltd. For replacement of Sutorbilt Legend Blower.

Product failed due to being too close to the borders. Board had authorized General Counsel to contact Pinnacle to see if they could pay partial payment. There must be an installation by Pinnacle to keep the warranty.

MOTION: Nathan O'Neill

SECOND: Marshall Bradford

APPROVED: 4-0

To authorize District President to accept proposal from pinnacle and contact Pinnacle can store blower till necessary for be installation.

11. Republic Services November 30, 2017 response to POCID letter of October 20, 2017 regarding a First Amendment to the POCID Republic Solid Waste Contract.
Republic Services submitted an Amendment addressing additional cans and not bags not to exceed 35 gallons.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

APPROVED: 4-0

To allow the District to sign as long as Amendment is corrected.

- E. EXECUTIVE SESSION *** The Board convened into Executive Session at 3:08 p.m.

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

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 and Texas Government Code Section 551.074, Personnel to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee:

1. Operation, Maintenance & Customer Service Agreement between Port O'Connor Improvement District and USW Utility Group dated March 23, 2016; USW Utility Group, transition plan and POCID legal remedies.
2. 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.
3. Legal issues not involving claims against Lester Contracting, Inc. related to or arising from Texas Water Development Board Project No. 21750.
4. Deliberate the appointment or employment of an Interim District Manager/Operator from resumes submitted to the Port O'Connor Improvement District.
5. November 2017 bill from Gardere Wynn for public information act services.


The Board of Directors reconvened from Executive Session at 3:58 p.m. No action was taken in Executive Session.

F. ACTION AS A RESULT OF EXECUTIVE SESSION

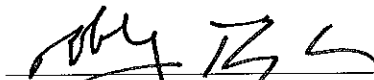
1. Operation, Maintenance & Customer Service Agreement between Port O'Connor Improvement District and USW Utility Group dated March 23, 2016; USW Utility Group, transition plan and POCID legal remedies.
MOTION: Leon Brown
SECOND: Marshall Bradford
APPROVED: 4-0
For the District Engineer to start the advertising process and to bring back to the Board of Directors.
2. 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.
The Board of Directors took no action on this Item.
3. Legal issues not involving claims against Lester Contracting, Inc. related to or arising from Texas Water Development Board Project No. 21750.
The Board of Directors took no action on this Item.
4. Deliberate the appointment or employment of an Interim District Manager/Operator from resumes submitted to the Port O'Connor Improvement District.
The Board of Directors took no action on this Item.
5. November 2017 bill from Gardere Wynn for public information act services.
MOTION: Leon Brown
SECOND: Marshall Bradford
APPROVED: 4-0
To authorize General Counsel to continue to dispute the bill.

- G. 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.) General Counsel before February 1, 2018 there is an eminent domain report that needs to be filed. General Counsel will file the report for the District. The Board of Directors would like to hold a lunch on January 10, 2018 for the employees of Port O' Connor Improvement District so the employees can meet the Board of Directors and speak with them regarding the transition plan. The Board of Directors will hold a Special meeting January 11, 2018 at 1:00 p.m.
- H. ADJOURN
MOTION: Marshall Bradford
SECOND: Bobby Raybon
APPROVED: 4-0
To adjourn the meeting at 4:03 p.m.

Signed on this 17 day of May 2018



President, Leon Brown



Secretary, Bobby Raybon