

Port O'Connor Improvement District

P.O. Box 375

Port O'Connor, Texas 77982

MEETING NOTICE AND AGENDA

Regular Meeting of Board of Directors

POSTING DATE: July 17, 2017

NOTICE IS HEREBY GIVEN that the Board of Directors of the Port O'Connor Improvement District will hold a REGULAR meeting on Thursday, July 20, 2017, at 6:30 p.m. at the District Office, 39 Denman Drive, Port O'Connor, Texas. The purpose of the meeting will be to discuss, consider and take necessary action on the following matters:

A. CALL TO ORDER

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

1. Quorum Call :
Leon Brown, Marshall Bradford, Bobby Raybon, James Martin. Nathan O'Neill arrived at 6:32 pm
2. Citizens Welcome
Ms. Lester in attendance

B. PUBLIC COMMENTS: None

1. Open comment period. None

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.*

A. APPROVAL OF MINUTES

1. Minutes of Regular Meeting June 22, 2017
-Postponed until next agenda. Need corrections to minutes for Item #5
3. Minutes of Special Meeting July 6, 2017

B. APPROVAL OF PAYABLES

1. Port O'Connor Improvement District
2. Defined Area No. 1
3. Reimburse LaSalle for credit cards payments

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve consent agenda and approve payables with exceptions: Pull Check # 9176 Allen Boone Humphries Robinson, USWUG to verify with municipal accounts. Approve payables to Defined Area No. 1 and reimbursement for LaSalle for credit card payments.

Motion Approved: 5-0

D. 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

Corey Bostick presented the Report of US Water. There was an unexpected TCEQ inspection. No documented violations. Complaint was low water pressure.

Introductions: Jeffrey DuPont C.O.O. of US Water US Water Utility Group, introduce new Customer Service Office Manager Callie Stafford.

Corey Bostick stated USW will have flushing meters installed by next board meeting.

Communication panel damaged due to lighting strike, Mercer Controls repaired. Invoice will be sent to Insurance company for reimbursement for lighting strike to POCID equipment.

CUSI system has no backup, seek proposal for new AVR system. Will schedule a special meeting for a presentation.

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

Don Rauschuber, P.E. presented the Engineers Report on a 30 day review, Matagorda Bay, 3 Palms Subdivision. LCI contract 21750 TWDB.

TCEQ NOV's 2015: There were 4 NOV's (Notice of Violations) including 2" water lines with 10 customers or more, Flushing dead end lines, Flap valve on Ground storage tank with less than 1/16" gap.

G&W Engineering and USW contract review, sent formal response to Board President.

Computerized flow schematic of water distribution system, set for special meeting.

E. CONSIDER AND TAKE APPROPRIATE ACTION ON THE FOLLOWING:

1. Review and rank Qualification Statements received in response to Request for Qualifications for Engineering Services for District Engineer and completion of Texas Water Development Board Project 21750, select engineer, award contract for engineering services and authorize negotiation of contract terms with selected engineer
Presented by Don Rauschuber P.E.

Review and rank Engineering firms. RFQ were sent to 10 firms, only two replied. Mercer Engineering Edna, Texas and CPY - Dallas- San Antonio. Selection process most responsive to RFQ: CPY Engineering 88% Mercer Engineering 78%

CPY has experience with Air Vac system, complete engineering group. Ranking of firms by Board Directors:

Leon Brown CPY 1- Mercer 2

Marshall Bradford CPY 1- Mercer 2

Nathan O'Neill- CPY 1- Mercer 2

Bobby Raybon- CPY 1- Mercer 2

James Martin - CPY 1- Mercer 2

MOTION: Nathan O'Neill

SECOND: Bobby Raybon

Authorize Don Rauschuber P.E. Interim Engineer to contact CP&Y Engineering for a presentation of the firm. A special board meeting will be schedule for this presentation.
Motion Approved: 5-0

2. Discuss FY 2017 – 2018 budget calendar. Special Meeting scheduled for Aug 2, 1:00 pm
3. Discuss lightning and surge protection to District offices and equipment and approve solicitation of bids
Marshall Bradford presented two bids for lightning and surge protection.

MOTION: James Martin

SECOND: Marshall Bradford

Accept McDonald's Surge and Lightning Protection bid for \$ 6470.00

USWUG to contact McDonald's Surge and Lightning Protection to install components.

Motion Approved: 5-0

4. Review existing water and sewer rates to verify they are as adopted with all Board Members to sign rate order to attest to its accuracy.

MOTION: James Martin

SECOND: Marshall Bradford

Amend rules and regulations and rate order of October 13, 2016 to Basic Water

\$ 33.05 Basic Sewer \$ 22.80 and direct General Counsel to make revision and bring back to next regular scheduled board meeting for approval.

Motion Approved 5-0

5. Approve purchase of wastewater treatment plant aeration blower and motor from Peeco due to rising ammonia levels and compliance issues at the facility.
Ronald Kettelman of USWUG gave explanation as to need of purchasing the blower.

MOTION: Marshall Bradford

SECOND: James Martin

To purchase blower from PEECO in the amount of \$10,796.00

Motion Approved: 5-0

6. Review quote to replace vacuum pump number four at vacuum station number one; proposal for exchange pump.
Cost \$21,026.25

Postpone to next special meeting August 2

7. Report of current dedicated air vent inventory, and review quotes from Aqseptence Group (formerly Air Vac) to purchase dedicated air vents to restock inventory and vacuum pump oil.
15 - Dedicated air vents @ \$225.00 ea. Cost \$3375.00
10 - 5 gallon containers of semi synthetic vacuum pump oil - Total Cost \$2422.50

MOTION: Nathan O'Neill

SECOND: Bobby Raybon

To accept purchase of 15 dedicated vents to restock inventory cost of \$3375.00 and vacuum pump oil cost of \$2422.50 from Aqseptence Group.

Motion Approved: 5-0

8. Discuss changing the USWUG decals on trucks to POCID.
Cost \$200.00 per truck
Per Board President USWUG did not get authorization to replace decals on trucks with USWUG decals.
Discussion to transfer decals to Port O Connor Improvement District and USWUG will pay for new decals. USWUG to bring back proposal for new decals to next regular board meeting.

MOTION: Marshall Bradford

SECOND: James Martin

For USWUG to bring back proposals for new decals to next regular board meeting for all trucks owned by POCID.

Motion Approved: 5-0

9. Discuss purchasing new analyzers and review quotes.
Hach Cost \$24,424.00
Chem Scan Cost \$57,449.00
Swan Cost \$15,265.68

Postponed to next regular board meeting.

10. Discuss updating SCADA system and solicit for Bids. Report on July 4th Holiday operations due to SCADA failure.

Postponed to next regular meeting.

11. Discuss quote from Flowmore Services for cleaning of 3.5 miles of force main.

MOTION: Marshall Bradford.

SECOND: Bobby Raybon

To accept quote from Flowmore Services to clean 3.5 miles of force main.

Send contract proposal to Dottie for review before work, also copy of liability insurance.

Cost of work \$ 16,690.00

Motion Approved: 5-0

12. Discuss seeking certified vacuum tank inspections and removal of rust on vacuum tanks.
Inspect tank for corrosion, need certified inspectors to enter tank and give requirements for repair of tank to eliminate corrosion.

MOTION: James Martin

SECOND: Marshall Bradford

To bring inspection report of vacuum tank inspections back to board for review at next regular board meeting.

Motion Approved: 5-0

13. Review depository bank proposals.

MOTION: Leon Brown

SECOND: James Martin

USWUG to contact First National Bank for Depository Contract for two years with extension for an additional two years with a 30 day notice of termination.

Motion Approved 5-0

14. Reconsider approval of May 18, 2017 minutes.

Minutes corrected by General Counsel, corrected check amount to Lester Contracting Inc. In the amount of \$ 86226.12, Note that President Brown was absent- on vacation.

MOTION: Nathan O'Neill

SECOND: Marshall Bradford

To accept corrected minutes for May 18, 2017, and corrected check amount to Lester Contracting Inc. in the amount of \$86226.12, and that President Brown was absent on vacation during Board Meeting of May 18, 2017.

Motion Approved: 5-0

15. Discuss purchase of a conference speaker telephone and authorize Board President to purchase.

Not to exceed \$500 purchase for conference speaker telephone for Board Meetings.

MOTION: Marshall Bradford

SECOND: James Martin

To allow the Board President to purchase conference telephone for not more than \$500

Motion Approved 5-0

16. Review plat of Three Palms Subdivision, a single lot subdivision.

Report given by Don Rauschuber P.E. per 6.1 of Rules and Regulations in order to receive water and be connected to the water system, connection to the wastewater system is mandatory if it is available when sewer is within 200 feet. Review Rules and Regulations Section 6.4 of rules require easements required as a condition of service. Per recommendation by Interim Engineer Don Rauschuber P.E. the following note to be added to both plats, water and wastewater services to and within this subdivision shall be made in accordance with applicable provisions set forth in POCID's rules and regulations. Recommend approval of Three Palms subdivision Lot 1 Block 1 preliminary Plat and Final Plat subject to the incorporation of the above notation on the plats.

MOTION: Nathan O'Neill

SECOND: James Martin

To approve per recommendation by Interim Engineer Don Rauschuber P.E. the following note to be added to both plats, water and wastewater services to and within this subdivision shall be made in accordance with applicable provisions set forth in POCID's rules and regulations.

Motion Approved: 5-0

F. RULES, REGULATIONS AND POLICY STATEMENTS **

1. Review and discuss revisions and updates to existing Rules and Regulations, including, but not limited to Customer Service Agreement and Application Packet.

MOTION: James Martin

SECOND: Marshall

Interim Engineer Don Rauschuber P.E. will review with General Counsel Dottie Palumbo the POCID Rules and Regulations, Plat Notes, and Customer Service Agreement. Revisions next regular board meeting.

Motion Approved: 5-0

G. **EXECUTIVE SESSION:** The Board convened into Executive Session at 8:43 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

Texas Government Code Ann. § 551.072: Real Property

Texas Government Code Ann. § 551.074: Personnel Matters

H. 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. Wastewater treatment plant aeration blower purchase agreement and warranty claim.
2. Construction and inspection concerns on TWDB Project No. 21750.
3. Construction Agreement with Lester Contracting, Inc.
4. July 7, 2017 Suspension letter to Lester Contracting, Inc. to allow cure for defective work on TWDB Project No. 21750
5. Notice of Default letter to Lester Contracting, Inc. for defective work on TWDB Project No. 21750. Item 2 & 5 Motion on notice of defective work by LCI: Considered with Item 2, above.
6. July 11, 2017 Dispute letter to Lester Contracting, Inc. and reconsideration of TWDB Project No. 21750 Payment No. 9. Motion to hold payment.
7. Discuss Republic Services Contract and collection of additional bags or container.
8. Rate and fee descriptions-
9. Service termination and disconnection procedures and forms-

10. Pending projects, including but not limited to Defined Area 1, LaSalle Water Control and Improvement District No. 1A, Public Information Act Requests

No Action was taken in Executive Session

I. ACTION AS A RESULT OF EXECUTIVE SESSION: The Board reconvened into open session at 9:44 p.m.

- a. Wastewater treatment plant aeration blower purchase agreement and warranty claim- **No Action**
- b. Construction and inspection concerns on TWDB Project No. 21750-

Item b & e were considered together.

MOTION: James Martin

SECOND: Bobby Raybon

To authorize Don Rauschuber P.E. to send a letter to provide notice of construction and inspection concerns on TWDB project No 21750, item 2&5 and notice of defective work by Lester Contracting Inc. LCI and to lift suspension to allow cure.

Motion Approved: 5-0 vote

- c. Construction Agreement with Lester Contracting, Inc.

MOTION: James Martin

SECOND: Bobby Raybon

To authorize Don Rauschuber P.E. to send letter to Texas Water Development Board (TWDB) identifying the successor engineer for TWDB Project No. 21750

Motion Approved: 5-0 vote

- d. July 7, 2017 Suspension letter to Lester Contracting, Inc. to allow cure for defective work on TWDB Project No. 21750

MOITON: Nathan O'Neill

SECOND: Bobby Raybon.

To authorize Don Rauschuber P.E. to send letter to Lester Contracting Inc. to lift suspension to allow cure for defective work on TWDB project 21750.

Motion Approved: 5-0

- e. Notice of Default letter to Lester Contracting, Inc. for defective work on TWDB Project No. 21750

Item e considered with item b, above.

- f. July 11, 2017 Dispute letter to Lester Contracting, Inc. and reconsideration of TWDB Project No. 21750 Payment No. 9

MOTION: James Martin

SECOND: Marshall Bradford.

To continue withholding TWDB Project 21750 Payment No 9 while defects in the project exist.

Motion Approved: 4-1

Ayes-James Martin, Bobby Raybon, Leon Brown, Marshall Bradford

Nay- Nathan O'Neill

- g. Discuss Republic Services Contract and collection of additional bags or container

Postponed to next meeting

- h. Rate and fee descriptions

Discussed in open session

- i. Service termination and disconnection procedures and forms.

Discussed in open session

- j. Pending projects, including but not limited to Defined Area 1, LaSalle Water Control and Improvement District No. 1A, Public Information Act Requests

No action taken.

- J. 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.)

K. **ADJOURNMENT**

MOTION: Nathan O'Neill

SECOND: James Martin

To Adjourn

Approved 5-0

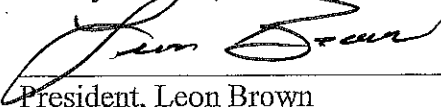
Meeting adjourned at 9:50 p.m.

Minutes Approved by the Board of Directors on the ____ day of August, 2017.

ATTEST:



Bobby Rayhon, Secretary



President, Leon Brown