



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

**MINUTES
MEETING NOTICE AND AGENDA
Regular Meeting of Board of Directors
Thursday, November 8, 2018 at 2:00 p.m.*
*MEETING START TIME POSTPOSED TO 2:00 P.M.**

The Board of Directors of the Port O'Connor Improvement District ("POCID") held a regular Meeting on Thursday, November 8, 2018, at 2:00 p.m. at the District Office, 39 Denman Drive, Port O'Connor, Texas.

- A. **CALL TO ORDER.** Marshall Bradford called the meeting to order at 2:00 p.m. and announced that a quorum was present.

DIRECTORS PRESENT: Marshall Bradford, Maria Denney, David Randolph and Erny McDonough

DIRECTORS ABSENT: Leon Brown

PARTICIPATING BY PHONE: Dorothy Palumbo, General Counsel, Bojorquez Law Firm

Andre Ayala, Hilltop Securities, Financial Advisor

Julia Houston, Orrick, Herrington, Sutcliffe, LLP

OTHERS PRESENT: John Mercer, District Engineer

- B. **PUBLIC COMMENTS.** At this time, any person with business before the Board not scheduled on the agenda may speak to the Board. No formal action can be taken on these items at this meeting.

Danny McGuire: He thanked the voters for voting for him. He is looking forward to working on the issues facing the District.

Allen Junek: He congratulated the newly elected directors. He questioned the bid process for the generators. He commented on the attorney fees that the District has incurred.

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.*

1. APPROVAL OF MINUTES
 - a. Minutes of Special Meeting October 25, 2018.
2. APPROVAL OF PAYABLES
 - a. Port O'Connor Improvement District – Municipal Accounts & Consulting, LP, Bookkeeper Report.
 - b. Defined Area 1.
3. CONSENT AGENDA ITEMS
 - a. Approve annual payment to the Texas Municipal League Intergovernmental Risk Pool for worker compensation insurance.
 - b. Authorize General Counsel and the District Engineer to contact Calhoun County for Disaster Recovery grant funding and CDBG Block Grant Funding for drainage projects.

DISCUSSION: Municipal Accounts has provided a report for the Port O'Connor Improvement District and also, a separate report for Defined Area 1. Consent item C.3.a. is the invoice for the payment for worker compensation insurance and the District Engineer has contacted Calhoun County and learned of additional grant funding. Consent item C.3.b. allows General Counsel and the District Engineer to follow up on grants with Calhoun County for Disaster Recovery and CDBG Block Grants for drainage projects.

MOTION Erny McDonough
SECOND Maria Denney
To approve the Consent Agenda
APPROVED 4-0

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

1. Report of District Operator
 - a.) District Status
 - b.) Work in Progress
 - c.) Water Production Report
 - d.) Wastewater Treatment Plant Summary
 - e.) Approval of repairs and/or inventory including but not limited to purchase of HP Controllers need to be repaired from the Aqseptence Group, Inc.; proposals for repair of Vacuum Station No. 2.

DISCUSSION: District Operator Wade Cheek presented his monthly report. The District has recovered from the 30" of rain. The District employees participated in Air Vac training. All issues have been resolved with TCEQ. He noted that his team is now prepared and trained and POCID is better prepared for any future events. Work in progress – 145 work orders have been completed. Water Production report – 10,656x1000 billed, sold 8,374x1000 and 2282x1000 flushing and leaks. Wastewater Plant – blower was replaced. Transfer Motor for Vacuum Station – He has turned it in the last 90 days and will check on it. He has sent 30 controllers to be repaired and it waiting on 20 to be returned. He will look into the Boring Machine and whether it is operational and report back and also report on proposals for boring from current contractors working in the district.

No action taken.

2. Report of Engineers
 - a.) TWDB Project 21750 Updates
 - b.) Outstanding Items – Outstanding water and sewer connections
 - c.) Status of Standard Details on the assembly of standard details and drawings for the District. (Follow up report on AirVac and FloVac assessment)

DISCUSSION: District Engineer John Mercer presented his monthly report. TWDB Project 21750 – He is working on getting As Built Drawings and will get with the County on the easement needed and other easements needed for the lines that need to be installed. Outstanding water and sewer connections – he will follow up at next meeting. He has been working with AirVac to get their analysis on the system.

General Counsel answered a question about the Generator RFP. The RFP was developed based on the recommendation of the previous District Engineer. The RFP did not include engineering. The proposal submitted by Mercer Controls indicated that engineering is necessary. Engineering can be provided by the District Engineer. General Counsel will prepare a memo and the proposed contract for the next regular Board meeting.

No action

E. CONSIDER AND TAKE APPROPRIATE ACTION ON THE FOLLOWING:

1. Discuss revised timeline relating to proposed Port O'Connor Improvement District Unlimited Tax Bonds, Series 2018, including (i) approval of a Notice of Sale and Bidding Instructions and Preliminary Official Statement, (ii) authorizing distribution and publication of such Notice of Sale and Bidding Instructions and Preliminary Official Statement, (iii) acceptance of winning bid and approval of bonds, (iv) approval of Texas Attorney General, and (v) closing.

DISCUSSION: In the Board Packet is a new timeline for the 2018 Bonds. Andre Ayala, Hilltop Securities explained the revised timeline. Once the new Board comes in to ratify the resolution and new timeline.

No Action

2. Discussion of date to canvass the November 6, 2018 election for the Port O'Connor Improvement District.

DISCUSSION: In the Board Packet is a memo explaining the canvassing and post-election procedures. The first day to meet to canvas and issue the certificates of election to the newly elected directors is November 14, 2018. This item allows the Board to set the meeting date.

MOTION Erny McDonough

SECOND David Randolph

To set the date to canvass the returns for the election of the new directors is November 15, 2018.

APPROVED 4-0

3. Authorize President Brown to execute an agreement after review by General Counsel with W.D. Brown and Associates, PLLC for FY 2017/2018 True Up for La Salle Water Control and Improvement District No. 1A operation and maintenance costs and for reconciliation of past due amounts.

MOTION Erny McDonough

SECOND David Randolph

To defer the item to the special meeting on November 15, 2018.

APPROVED 4-0

F. EXECUTIVE SESSION ** The Board did not convene into 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. *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.
2. 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.

G. 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.
2. 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.


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.)

I. ADJOURN 3:05 p.m.

* The subject matter of the reports of the District's Utility Manager and the District's Engineer include discussion and deliberation with respect to any rule or regulation or item by the current or next proposed budget of the District, including- without limitations- any water or wastewater facility or improvement any plat, plan, requirement or construction detail; any contractor or employee; and contract; or any real or personal property interest of the District.

** Any item on this agenda may be discussed in executive session if authorized by Texas law, regardless or whether that item is listed under "Executive Session" in this agenda, and regardless of any past or current practice of the District's board. Executive sessions described generally herein may include consideration of any item otherwise listed on the agenda plus any subject specified in the executive session notice.

Respectfully submitted,


Erny McDonough, President


Maria Denney, Secretary

Signed this 13th day of December 2018.

These minutes were approved on December 13th, 2018.