

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

Pursuant to notice duly posted on October 16, 2017, a Regular meeting of the Port O'Connor Improvement District was called to order on Thursday, October 19, 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: James Martin, Nathan O'Neill

ALSO PRESENT: Ronald Kettelman, USW Utility Group, Personnel
Callie Stafford, USW Utility Group, Personnel
Jeffrey DuPont, USW Utility Group, Personnel
Corey Bostick, USW Utility Group, Personnel
Joel Valdez, CP&Y, Inc.
Don Rauschuber, District Interim Engineer

MEMBERS OF THE PUBLIC PRESENT: Terry Ruddick

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.) September 28, 2017 Special meeting minutes
- B.) October 5, 2017 Special meeting minutes

2. APPROVAL OF PAYABLES

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

Director Bradford pulled September 28, 2017 meeting minutes for corrections to make the price of setting poles at \$600 instead of the \$60.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve September 28, 2017 meeting minutes as corrected and payables

Motion approved: 3-0

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

Corey Bostick gave the Operations report, Director Bradford requested a brief explanation of the location of meters in the district, Ron Kettelman will update every month. Corey gave the Hurricane Harvey report and let the board know that the generator failed and was having issues. Vacuum Station #1 ran and Vacuum station #2 ran for 24 hours. Director Bradford asked if there is a seal on control panels, there are seals on control panels, but the wind from the storm had blew water inside. The generator will go as a claim for Hurricane Harvey. Port O' Connor Improvement District and LaSalle bacteriological samples are in compliance with TCEQ. USW Utility Group provided Port O' Connor Improvement District with the requested Port O' Connor truck decal designs, the Board of Directors did not discuss or make any decisions on the logos for the Port O' Connor trucks. Jeffrey DuPont spoke with the Board of Directors regarding the expense budget report provided in the Board Packet. USW Utility Group issued a credit to Port O' Connor Improvement district as requested by The Board and paid employees \$3,483.00 for the hours that employees were not able to work during Hurricane Harvey. Director Brown asked if internal support would be something that would need Board approval, Jeffrey let the board know that yes, but not in the case of "act of god" like Hurricane Harvey. USW Utility Group wrote off \$27,000 worth of expenditures that were not charged to Port O' Connor Improvement District. Jeffrey explained that the Port O' Connor is supposed to meet and reconcile the financials within ninety days and pay the party that is over or under within a ninety-day period. Port O' Connor is \$29,478.93 over budget and will need to meet and agree on the budget and pay the balance.

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

Don Rauschuber gave the Engineers Report.

D. CONSIDER AND TAKE APPROPRIATE ACTION ON THE FOLLOWING

1. Consider and review preliminary and final plat for proposed Caracol Re-subdivision No. 2.

The Board of Directors reviewed the preliminary and final plat for Proposed Caracol Re-subdivision No. 2, Don Rauschuber recommends approval of plat.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve the final plat for Proposed Caracol Re-subdivision No.2.

Motion approved: 3-0

2. Consider and review Matagorda Bayview Subdivision Section1 Revised Preliminary Plat

G&W Engineers helped work on Preliminary Plat, is a eleven lot subdivision that will involve an extension of water service. Don Rauschuber recommends approval for Matagorda Bayview Subdivision Section 1.

MOTION: Bobby Raybon
SECOND: Marshall Bradford
To approve Matagorda Bayview Subdivision Section 1 Revised Preliminary Plat.
Motion approved: 3-0

3. Consider and review proposed preliminary and final plats of Caracol Re-subdivision No. 2

Item was listed twice. No action.

4. 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.

Don Rauschuber spoke with the General Manager from Texas Parks and Wildlife, their plans are to build an office building on their 1,700-acre parcel. Texas Parks and Wildlife would use a saddle tap and bore the road for the 2" meter. If the Board of Directors decides to move forward Port O' Connor will have to run a hydraulic line to maintain 35psi pressure. Don recommends getting more information before a decision is made.

MOTION: Leon Brown
SECOND: Marshal Bradford
To bring back a service agreement with the District Engineer.
Motion approved: 3-0

5. Review and possibly take action on Access Agreement for secure record retention services.

General Counsel advised that the agreement be limited to destruction services only and requested for a motion to allow General Counsel to bring back an agreement for destruction purposes.

MOTION: Marshall Bradford
SECOND: Bobby Raybon
To allow General Counsel to contact Access and bring back an agreement for destruction services only.
Motion approved: 3-0

6. Consider and review emergency storm repairs and services work authorization request from USW Utility Group.

There was no discussion, Director Brown requests the Board have more time to view work authorization request for USW Utility Group.

MOTION: Marshall Bradford
SECOND: Bobby Raybon
To take more time to review emergency storm repairs and services work authorization request from USW Utility Group.
Motion approved: 3-0

7. Consider and discuss replacement of front door with a pre-hung solid fiber glass door.

Director Brown found a solid steel door with no windows for \$400.50, makes recommendation to allow USW to purchase the solid steel door with lock down frames.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To authorize USW Utility Group to purchase the solid steel door with lock down frames not to exceed \$400.50.

Motion approved: 3-0

8. Termination of the contract between POCID and USWUG and discussion for the transition timelines, request district engineer to bring back an RFP to the board president, RFP review by general counsel and to authorize the board president and district engineer to initiate all processes of the RFP.

The board needs time to review the transition plan provided by USW Utility Group.

MOTION: Leon Brown

SECOND: Marshall Bradford

To allow the President to meet with USW Utility Group and bring back the transition plan at the next regular meeting or a special meeting.

Motion approved: 3-0

9. Approve quote from C-D Electric in the amount of \$4750.00 plus freight for #4 water booster pump.

Ron Kettelman let the Board know that the #4 booster pump failed during Hurricane Harvey and will need to have the motor replaced.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve quote from C-D Electric for 50 horse power motor in the amount of \$4,750.00 plus the \$150.00 freight charge.

Motion approved: 3-0

10. Proposal to install a culvert for service entrance at district.

Director Bradford received two different quotes, he recommends going with the quote from Billy Goode in the amount of \$3,272.

MOTION: Marshall Bradford

SECOND: Bobby Raybon

To approve quote for the installation of a culvert from Billy Goode in the amount of \$3,272.00.

Motion approved: 3-0

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.

The Board of Directors decided no action was necessary.

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. October 2, 2017 Notices and Demands Letter from Port O'Connor Improvement District ("POCID") to Lester Contracting Inc. ("LCI") under a certain contract between POCID and LCI dated June 22, 2016 for Construction of Water Distribution Improvements for POCID under Texas Water Development board Project No. 21750 and POCID legal remedies.
2. Operation, Maintenance & Customer Service Agreement between Port O'Connor Improvement District and USW Utility Group dated March 23, 2016.

The Board of Directors convened into Executive session at 1:58 p.m. and reconvened into Open Session at 2:36 p.m. No action was taken in executive session.

ACTION AS A RESULT OF EXECUTIVE SESSION

1. October 2, 2017 Notices and Demands Letter from Port O'Connor Improvement District ("POCID") to Lester Contracting Inc. ("LCI") under a certain contract between POCID and LCI dated June 22, 2016 for Construction of Water Distribution Improvements for POCID under Texas Water Development board Project No. 21750 and POCID legal remedies.
2. Operation, Maintenance & Customer Service Agreement between Port O'Connor Improvement District and USW Utility Group dated March 23, 2016.

MOTION: Leon Brown

SECOND: Bobby Raybon

To authorize General Counsel to make written and oral demands on the surety for performance of Texas Water Development Board project by Lester Contracting pursuant to the performance bond to provide and demand information in aid of such demands and negotiate terms of such demand and final approval with the surety.

.Motion approved: 3-0

- 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.)

Director Brown requests to hold a Special meeting on November 16, 2017 due to Thanksgiving Day and that any items postponed be put on the agenda for November 16, 2017.

MOTION: Bobby Raybon

SECOND: Marshall Bradford

To hold a Special meeting on November 16, 2017 due to Thanksgiving Day and that any items postponed be put on the agenda for November 16, 2017.

Motion approved: 3-0

I. ADJOURN

MOTION: Marshall Bradford

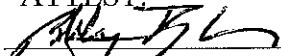
SECOND: Bobby Raybon

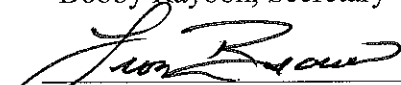
To adjourn at 2:38 p.m.

Motion approved: 3-0

Minutes APPROVED by the Board of Directors on the 16 day of November 2017.

ATTEST:


Bobby Raybon, Secretary


Leon Brown, President