



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

**MINUTES
Special Meeting of Board of Directors
Thursday, October 11, 2018 at 1:00 p.m.**

The Board of Directors of the Port O'Connor Improvement District ("POCID") held a Special Meeting on Thursday, October 11, 2018, at 1:00 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 1:00 p.m. and announced that a quorum was present and welcomed citizens.

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

DIRECTORS ABESNT: Leon Brown

PARTICPATING BY PHONE: Dorothy Palumbo, General Counsel, Bojorquez Law Firm
Andre Ayla, Hilltop Securities, Financial Advisor
Julia Houston, Orrick, Herrington & Sutcliffe LLP

- 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 the September 20, 2018
 - b. Minutes of the Special Meeting on October 2, 2018

2. APPROVAL OF PAYABLES
 - a. Port O'Connor Improvement District
 - b. Defined Area 1
3. CONSENT AGENDA ITEMS
 - a. Approval of Preliminary and the Final Plat for the Pointe at Caracol.
 - b. Authorize President Brown to execute an agreement after review by General Counsel with Orrick, Herrington & Sutcliffe LLP for bond counsel services for the POCID.
 - c. Authorize President Brown to send a letter to Allen, Boone, Humphries and Robinson LLP to notify of the change in bond counsel and request for transition and return of all electronic and paper files to General Counsel and/or Bond Counsel.
 - d. Authorize President Brown to execute an agreement after review by General Counsel with McCall, Parkhurst and Horton LLP for disclosure counsel services.
 - e. Authorize the President to execute an agreement after review by General Counsel with Alan Plummer Associates, Inc. for Robert Macias to provide water and wastewater operator service on an as needed basis.
 - f. Reconsider and authorize change of regular meeting from second Tuesday of the month at 1 p.m. and to second Thursday of the month at 1 p.m.

DISCUSSION: General Counsel explained the Consent agenda items. Item C.3.a. The Caracol Preliminary and Final Plat has been reviewed by District Engineer Mercer and he has recommended approval. C.3.b, C.3.c. and C.3.D. are the agreements with bond and disclosure counsel and notice to prior bond counsel, Allen, Boone, Humphries and Robinson, L.L.P. for transition to bond counsel. Item C.3.e. is the agreement with Alan Plummer Associates, Inc. for Robert Macias to provide water and wastewater services. Item C.3.f. corrects moving the regular meeting date to the second Thursday of the month.

Citizen Dave McGuire requested that the Board pull items C.3.a-e for individual discussion. The Board did not consider the items individually.

MOTION Marshall Bradford
SECOND David Randolph
To approve the Consent Agenda and the minutes as corrected
APPROVED 4-0

C. 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, inventory or expenditures –Authorize District Operator to obtain proposals for bids to bring Vacuum Station Two up to grade with the road base; authorize agreement with All American Waste Service for the rental of temporary portable sanitation devices.

DISCUSSION. District Operator Cheek gave his report on the status of the District. The sewer is 98% operational. He is waiting to decide on pulling the line based on a 3 foot storm surge coming from the Hurricane. There has been thirty inches of rain. The area should be declared a disaster. He explained the boil water notice and should be lifted today. They are rebuilding the Air Vac systems and have rebuilt valves but controllers have to be ordered. District Engineer will get with Flo Vac to reevaluate the system. Entire system may need to be repaired. Also, the collection system from the customer's house will need to be fixed by a licensed plumber. He discussed the Air Vac training. He discussed the need for additional licensed employees and training. Discussed contacting County for Block Grant Drainage money. Needs to put water and sewer taps on hold until system is checked out. Can put a fourth pump on line to upgrade Vacuum Station Number 2.

MOTION Marshall Bradford
SECOND Erny McDonough

To authorize District Operator to obtain proposals for bids to bring Vacuum Station Two up to grade with the road base and authorize District Operator to bring back resumes for operators for employment at next meeting.

APPROVED 4-0.

- 2. Report of District Engineer
 - a.) Wastewater System Status
 - b.) TWDB Project 21750 Updates and Schedules
 - c.) TCEQ Bond Amendment
 - d.) Outstanding Items – Outstanding water and sewer connections
 - e.) Water Tap Connections for Port O'Connor.
 - f.) Status of Standard Details on the assembly of standard details and drawings for the District. (Follow up report from last meeting on AirVac and FloVac assessment)
 - g.) Status of Technical Memorandum

DISCUSSION: District Engineer will follow up with Lester Contracting on moving storage items from Vacuum Station No. 2. Water and Sewer and Water Taps will be reported on every six months. Status of Standard Details on the assembly of standard details and drawings for the District. He will get Flo Vac report to follow up. TWDB 21750 change orders need to be done.

No action.

D. CONSIDER AND TAKE APPROPRIATE ACTION ON THE FOLLOWING:

- 1. Discuss TCEQ Letter of August 24, 2018 approving POCID project change of scope for \$6,000,000.00 bond offering and direction to general counsel, financial advisor,

bond counsel, and other consultants to work on preparation of bond offering documents

DISCUSSION. The bond offering timeline is in the packet. This item needs to be approved to allow General Counsel, Bond and Disclosure Counsel, Financial Advisors and other consultants to start preparing the bond offering documents.

MOTION Marshall Bradford

SECOND Erny McDonough

To authorize general counsel, financial advisor, bond counsel, and other consultants to work on preparation of bond offering documents

APPROVED 4-0

2. Authorize President Brown to execute the Master Services Agreement with HydoPro Solutions for advanced metering infrastructure, including the Master Meter agreement with Harmony for End User Licenses and the Allegro Network Infrastructure maintenance agreement after review by General Counsel and subject to funding with TCEQ Bond proceeds.

DISCUSSION. General Council explained the HydoPro Master Services Agreement was obtained through Buy Board and payment will be out of bond proceeds.

No action.

3. Notice of enforcement by POCID for failure to have a back flow prevention device or maintain the back flow prevention device.

DISCUSSION. General Counsel explained the press release and that property owners will be notified by letter to obtain a back flow prevention device or repair the back flow prevention device.

No Action

4. Water Well application submitted by Carl Skelly for Lot 11, Block 2 in the Port O'Connor Improvement District.

DISCUSSION. A memo was provided in the Board Packet. POCID may not approve a water well application if water service is available to the property owner's address.

MOTION: Maria Denney

SECOND Erny McDonough

To deny the Water Well application submitted by Carl Skelly for Lot 11, Block 2 in the Port O'Connor Improvement District.

APPROVED 4-0

5. Authorize the President to sign the Agreement for Maintenance and Operation for the Port O'Connor Defined Area No. 1 Facilities between Port O'Connor Improvement District and Caracol Community Association, Inc. and authorize payment for insurance for bulkhead and navigation facilities from Defined Area 1 funds.

DISCUSSION. This agreement is an updated agreement for Maintenance and Operation for the Defined Area 1. Exhibit B lists the items that are reimbursable from Defined Area 1 funds.

MOTION Maria Denney

SECOND Marshall Bradford

To Authorize the President to sign the Agreement for Maintenance and Operation for the Port O'Connor Defined Area No. 1 Facilities between Port O'Connor Improvement District and Caracol Community Association, Inc. and authorize payment for insurance for bulkhead and navigation facilities from Defined Area 1 funds.

APPROVED 4-0

E. EXECUTIVE SESSION ** At 2:48 p.m. Marshall Bradford announced that the Board would go into executive session under item E. 3. The Board took a five minute break and convened into Executive Session at 2:53 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

Texas Government Code Ann § 551.076 Security Personnel, Devices or Audit

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. Defined Area 1 Agreement for Maintenance and Operation for Port O'Connor Defined Area 1 between Port O'Connor Municipality Utility District and Caracol Community Association dated January 1, 2011 and past due amounts owed.
3. 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.

F. TAKE ANY ACTION AS A RESULT OF EXECUTIVE SESSION. The Board came out of executive session at 3:04 p.m. No action was taken in executive session.

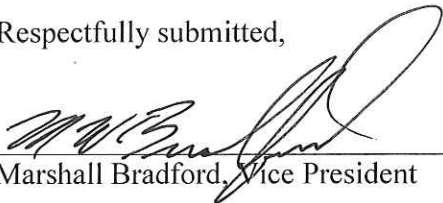
1. *USW Utility Group v Port O'Connor Improvement District*: Cause No. 2018-CV-3268-DC, pending in the 24th Judicial District Court, Calhoun County, Texas.
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H. ITEMS FROM BOARD MEMBERS (Note: Board members may request specific factual information, recitation of existing policy, or placement of items on the Agenda for discussion at a later meeting.)

None

I. ADJOURN 3:06 p.m.

Respectfully submitted,


Marshall Bradford, Vice President


Maria Denney, Secretary

Signed this 25th day of October, 2018.

These minutes were approved on October 25th, 2018.