



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

**MINUTES
Regular Meeting of Board of Directors
Thursday, September 20, 2018 at 1:00 p.m.**

The Board of Directors of the Port O'Connor Improvement District ("POCID") held their Regular Meeting on Thursday, September 20, 2018, at 1:00 p.m. at the District Office, 39 Denman Drive, Port O'Connor, Texas.

A. CALL TO ORDER. President Brown called the meeting to order at 1:00 p.m. and announced that a quorum was present and welcomed citizens.

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

DIRECTORS ABSENT: None

ALSO PRESENT: Participating by phone:
Dorothy Palumbo, Bojorquez Law Firm, PC, General Counsel,
Joel Valdez, CP&Y, Inc., 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.

Steve Barczewski: New resident, what was the Bond election for in 2016; Preventive maintenance how long and where are logs, should not have to replace generators, where are the bylaws on how the Board conducts itself?

Mary Wygup: Having back up sewer problem, understand problem caused by rain. How long will it take to fix?

Danny McGuire: Sewer back up happens every time after big rain. He has record that district had turn over and needs people. Bond needs should be decided by new Board after election.

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 the September 6, 2018 Special Meeting

2. **APPROVAL OF PAYABLES**

- a. Port O'Connor Improvement District
b. LaSalle payables
c. Defined Area 1

3. **CONSENT AGENDA ITEMS**

- a. Review of RFP proposals submitted by auditing firms and authorize President Brown with the assistance of General Counsel to bring back an agreement for audit services at the next meeting.
b. Proposal of Mark M. Burton, PLLC - Certified Public for audit review services and authorize the President to execute a professional services for an amount not to exceed \$6,000.00 after review by General Counsel.
c. Reclassification of Evangelina Trevino to Office Manager with a \$2.24 per hour increase in pay starting October 1, 2018.
d. Reclassification of Robyn Castillo to Assistant Office Manager with a \$1.00 per hour increase in pay starting October 1, 2018.
e. Authorize the hiring of Alex Valle as water and wastewater operator by the District Operator at a salary of \$22.00 per hour.
f. Agreement with Robert Macias for water and wastewater operator service on an as needed basis.
g. Authorize an amended agreement with the Bojorquez Law Firm, P.C.
h. Authorize President Brown and District Operator Cheek to open proposals for the RFP for generators due on September 27, 2018, review proposals and bring back best proposal at next regular or special meeting.

C.3.a. the RFP for Audit Services was posted on the website and provided to McCall Gibson Swedlund Barfoot PLLC, Houston, Texas, Belt Harris Pechacek, Houston, Texas and BKD CPAs & Advisors, Houston, Texas. This consent agenda item authorizes the President with the assistance of General Counsel to review the proposals and bring back an agreement for audit services on the next agenda.

C.3.b. Proposal of Mark M. Burton, PLLC - Certified Public authorize the President to execute a professional services agreement for audit review services for an amount not to exceed \$6,000.00

after review by General Counsel. This item allow POCID to employ Mark M. Burton, PLLC, for audit review services.

C.3.c. Reclassification of Evangelina Trevino to Office Manager with a \$2.24 per hour increase in pay starting October 1, 2018 and **C.3.d.** Reclassification of Robyn to Assistant Office Manager with an increase in pay of \$1.00 per hour. These items are necessary to authorize the change in job title and increase in pay as discussed with the POCID budget.

C.3.e. Authorize the hiring of Alex Valle as water and wastewater operator by the District Operator at a salary of \$22.00 per hour. The District Operator hired Alex Valle as water and wastewater operator to replace Lance Roy.

C.3.f. Agreement with Robert Macias for water and wastewater operator service on an as needed basis. Agenda item pulled.

C.3.g. Authorize an amended agreement with the Bojorquez Law Firm, P.C. This agreement will amend and replace the agreement for legal services and the agreement for administrative services to include an hourly rate of \$185.00.

C.3.h. Authorize President Brown and District Operator Cheek to open the proposals for the RFP for generators due on September 27, 2018, review proposals and bring back best proposal at next regular or special meeting. The RFP for generators was published in the Port Lavaca Wave on Wednesday, September 12, 2018 in accordance with state law and placed on the website. This item will allow the President and District Operator to open and evaluate the bids and bring back the best proposal on the next regular or special meeting.

MOTION Leon Brown

SECOND David Randolph

To approve the consent agenda except for item C.3.f.

APPROVED 5-0

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.) TCEQ Letter of September 4, 2018 closing wastewater matters finding no violation.
 - f.) Approval of repairs, inventory or expenditures –Proposals for mowing contractors; uniform rental expenditure; AVR training proposal; Ron Perrion proposal and AirVac training proposal from Aqseptence Group, Inc. not to exceed \$3,000.00.

DISCUSSION: The District Operator reported that because of the recent heavy rainfall of 18" at one time, emergency repairs were necessary. He was in contact with TCEQ. Vacuum trucks were used to drain the I&I and Lester Contracting, Inc. was contacted for the emergency repairs.

He asked for approval of the emergency repairs. The District completed: 60 work orders, billing overcharges were explained, the District permit is shape and problems are being addressed. TCEQ letter closed. No Violations. The proposals for moving, uniform rental, AVR training and Air Vac training were presented. The Work order for 305 W Maple had a valve that was shut. They discovered the valve was broken and needs to be replaced and repaired. The District Operator will go to location tomorrow

MOTION Leon Brown

SECOND Marshall Bradford

To approve emergency repairs; to approve Uniform bid from Unifirst rental \$34.00 per week; approve the Ron Perrion proposal: \$972 Water tank / \$349 La Salle; to approve the AVR training proposal in the amount \$3,600 and the AirVac training proposal from the Aqseptence Group, Inc. for an amount not to exceed \$3,000.

APPROVED 5-0

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 form last meeting on AirVac and FloVac assessment)
 - h.) Status of Technical Memorandum

DISCUSSION: District Engineer presented his report from the memo in the Board packet. The Status of Standard Details on the assembly of standard details and drawings for the District. (Follow up report form last meeting on AirVac and FloVac assessment). The District Engineer has the standard details and had sent to the District Project Manager but not to the new District Operator He will send to New District Engineer

Status of Technical Memorandum. He is waiting for water models to finish and wants to do a data dump with new District Engineer.

No action taken.

E. CONSIDER AND TAKE APPROPRIATE ACTION ON THE FOLLOWING:

1. Consider Adoption of Order Levying 2018/2019 taxes for Port O'Connor Improvement District at the rate of 0.53/\$100 valuation.

MOTION Leon Brown

SECOND Marshall Bradford

To approve the Order Levying 2018/2019 taxes for Port O'Connor Improvement District at the rate of 0.53/\$100 valuation.

APPROVED 5-0

2. Consider Adoption of Order Levying 2018/2019 taxes for Port O'Connor Improvement District Defined Area No. 1 at the rate of 0.47/\$100 valuation

MOTION Leon Brown

SECOND Marshall Bradford

To approve the Order Levying 2018/2019 taxes for Port O'Connor Improvement District Defined Area No. 1 at the rate of 0.47/\$100 valuation

APPROVED 5-0

3. Consider Resolution approving and adopting the fiscal year 2018/2019 Budget for Port O'Connor Improvement District and Resolution approving and adopting the fiscal year 2018/2019 Budget for Port O'Connor Improvement District.

MOTION Leon Brown

SECOND Marshall Bradford

To approve the Resolution approving and adopting the fiscal year 2018/2019 Budget for Port O'Connor Improvement District.

APPROVED 5-0

4. Consider Resolution approving and adopting the fiscal year 2018/2019 Budget for Port O'Connor Improvement District – Defined Area No. 1

MOTION Leon Brown

SECOND Marshall Bradford

To approve the Resolution approving and adopting the fiscal year 2018/2019 Budget for Port O'Connor Improvement District – Defined Area No. 1

APPROVED 5-0

5. Consider and authorize amendment of Information Form for Port O'Connor Improvement District and Port O'Connor Defined Area No. 1 on file with the Calhoun County Clerk as required by Texas Water Code Section 49.455
DISCUSSION. This form is required to be prepared and will be provided to a purchaser of property in the Port O'Connor Improvement District or Defined Area 1. An updated form has been passed out today.

MOTION Leon Brown

SECOND Marshall Bradford

To approve the amendment of Information Form for Port O'Connor Improvement District and Port O'Connor Defined Area No. 1 and file as required by law.

APPROVED 5-0

6. Port O'Connor Investment Policy annual review and approval of List of Qualified Brokers.
DISCUSSION: General Counsel reviewed the requirements of the Texas Public

Funds Investment Act and the POCID Investment Policy. There are no changes to the policy. The list of qualified brokers is the same. Municipal Accounts prepares the Investment Report

MOTION Leon Brown

SECOND David Randolph

To approve the Port O'Connor Investment Policy annual review and approval of List of Qualified Brokers.

APPROVED 5-0

7. Review of RFP proposals submitted by Bond Counsel for bond counsel services for the POCID and authorize the President with assistance from General Counsel to have the top 2 proposals presented at a special or regular meeting.
DISCUSSION. The Board opened the RFPs and authorize the President with the assistance of General Counsel to bring back the top 2 for presentations at next special or regular meeting.

MOTION Leon Brown

SECOND Marshall Bradford

To proposal the President with the assistance of General Counsel to bring back the top 2 for presentations at next special or regular meeting.

APPROVED 5-0

8. Authorize President Brown to execute a letter for transition services of CP&Y District Engineer Service and TWDB Project 21750 Engineering Services.
DISCUSSION. This letter will allow President Brown to start the process to transition CP&Y.
Discussion: The letter was provided in the Board packet. The Board reviewed the letter.

MOTION Leon Brown

SECOND David Randolph

To authorize President Brown to execute a letter for transition services of CP&Y District Engineer Service and TWDB Project 21750 Engineering Services.

APPROVED 5-0

9. Authorize President Brown to execute an agreement with John D. Mercer & Associates, Inc. Edna, Texas, for District Engineer Services and TWDB Project 21750 by John D. Mercer, Mercer & Associates, and Edna.
DISCUSSION. The agreements are the same agreements that POCID had for engineering services and TWDB project 21750 agreements. Mr. Mercer made his presentation and his proposal and fee schedule will be attached.

MOTION Leon Brown

SECOND Maria Denney

To authorize President Brown to execute an agreement with John D. Mercer & Associates, Inc. Edna, Texas, for District Engineer Services and TWDB Project 21750 by John D. Mercer, Mercer & Associates, and Edna.
APPROVED 5-0

2:28pm Director Bradford left meeting

Review and approve TWDB Project 21750 Payment No. 14.
DISCUSSION. The District Engineer has reviewed and recommends payment.

MOTION Leon Brown
SECOND David Randolph
To approve TWDB Project 21750 Payment No. 14.
APPROVED 5-0

10. Review and approve TWDB Project 21750 Payment No. 15.
DISCUSSION. The District Engineer has reviewed and recommends payment.

MOTION Leon Brown
SECOND David Randolph
To approve TWDB Project 21750 Payment No. 15.
APPROVED 5-0

2:29pm Director Bradford returned

11. Review Engineer's Assessment (Handouts) (District Engineer).
DISCUSSION. District Engineer will submit without water model.

No Action taken.

12. Explanation of the creation of Defined Area 1 and 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. General Counsel explained the creation of Defined Area 1 and the taxation plan. The District was created and organized for the purpose of providing and operating water, sewer, and drainage facilities to serve the taxpayers of the District and Defined Area 1. The District designated a defined area within its boundaries to pay for improvements, facilities, and services that benefit that area ("Defined Area No. I"). The improvements and facilities are set forth in the Improvements Plan adopted by the District, (the "Improvements"), which for purposes of the Agreement excludes the water and sanitary sewer facilities within the Defined Area No. I but includes related operational expenses such as Defined Area No. 1 insurance and other items related to maintenance and operation. The Agreement provides for the

coordination of maintenance, operation of facilities and insurance within Defined Area No. I.

No Action taken.

13. Consider and authorize change of regular meeting date back to second Tuesday of the month at 1 p.m. and authorize holidays for FY 2018/2019.

MOTION Leon Brown

SECOND Marshall Braford

To move the meeting to the second Tuesday of the month at 1 pm and authorize holidays listed in Personnel Policy for FY 2018/2019.

APPROVED: 5-0

10 Minute Recess

2:42pm – 2:50pm

- F. EXECUTIVE SESSION **at 2:57 p.m. President Brown announced that the Board would convene into executive session and read the executive session items.

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.

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.

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.

3. Unauthorized use of POCID credit cards by former employees.

At 3:31pm President Brown reconvened into open session.

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.
No Action taken.
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.
No Action taken
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.
MOTION: To authorize General Counsel to prepare a letter notifying LaSalle of their default, suspend services until the default is cured and authorize President Brown to sign the letter.

MOTION Leon Brown
SECOND Marshall Bradford
APPROVED 5-0


4. Unauthorized use of POCID credit cards by former employees
No Action

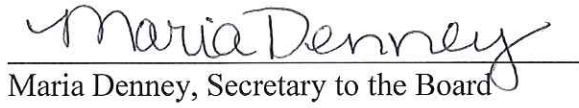
H. ITEMS FROM BOARD MEMBERS (Note: Board members may request specific factual information, recitation of existing policy, or placement of items on the Agenda for discussion at a later meeting.)

None

I. ADJOURN- President Brown adjourned the meeting at 3:33 pm.

Respectfully submitted,


Leon Brown, President


Maria Denney, Secretary to the Board

Signed this 11th day of October, 2018.

These minutes were approved on October 11, 2018.