



ORIGINAL

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

**MINUTES
Special Meeting of Board of Directors
Thursday, September 6, 2018**

The Board of Directors of the Port O'Connor Improvement District ("POCID") held a Special Meeting on Thursday, September 6, 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
Lynne Humphries of Allen, Boone, Humphries and Robinson, L.L.P, Bond Counsel
Andre Ayla, Hilltop Securities, Financial Advisor

B. PUBLIC HEARING:

1. Conduct Public hearing on 2018/2019 fiscal year proposed tax rate of 0.53/\$100 for Port O'Connor Improvement District.

President Brown opened the public hearing at 1:01p.m.

Steve Barczewski commented on the budget and tax rate and asked by the rate was 0.53/\$100 instead of 0.50/\$100. President Brown explained that a previous board did that and that he had voted against the increase.

President Brown closed the public hearing at 1:04 p.m.

2. Conduct Public Hearing on 2018/2019 fiscal year proposed tax rate of 0.47/\$100 for Port O'Connor Improvement District - Defined Area No. 1

President Brown opened the public hearing at 1:05 p.m.

Danny McGuire commented on Defined Area 1 and asked questions about how the tax rate is set. President Brown explained the tax rate of 0.47/\$100 is set by a taxation plan that was authorized by the voters in addition to the 0.53/\$100 for a total of 1.00/\$100 and stated that an explanation would be provided at the next meeting.

President Brown closed the public hearing at 1:06 p.m.

C. PRESENTATION

1. John D. Mercer and Associates, Inc. presentation of qualifications for engineering services for POCID and TWDB Project 21750.

John Mercer presented his proposal to the Board and answered questions.

D. CONSENT ITEMS

1. Minutes of August 16, 2018 meeting.
2. Minutes of August 23, 2018 special meeting.
3. Request for Qualifications and Proposal for Audit Services
4. Request for Proposals for Generators, purchase, installation, maintenance and repair.
5. Amended and Restated Agreement for Municipal Accounts and Consulting, L.P.

The RFQ for the Auditor will be posted on the website and sent to the auditors that perform audit services for municipal utility district. The RFP for the Generators is a request for a turnkey proposal and since the amount is over \$75,000.00 the RFP will be advertised in the Port Lavaca Wave, posted on the website and sent to persons or companies interested in submitting a proposal.

MOTION: Marshall Bradford

SECOND: Maria Denney

To approve the consent items with the addition of the time for adjournment at 3:35 p.m. for the August 16, 2018 minutes.

APPROVED: 5-0

The Board took at break at 2:00 p.m. and the President reconvened the meeting at 2:10 p.m.

B. ITEMS FOR CONSIDERATION AND TAKE APPROPRIATE ACTION IF NEEDED:

1. 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: Bond Counsel, Lynne Humphries of Allen, Boone, Humphries and Robinson, L.L.P explained the bond process and preparation of the bond documents. Andre Ayla of Hilltop Securities, Financial Advisor explained the timing of the actions necessary for the bond. The Board asked questions concerning the engineering projects.

No action taken.

2. Engagement letter at a cost not to exceed \$15,000.00 to prepare the financials for the POCID auditor for fiscal year 2018 from Burton Accounting P.L.L.C, Certified Public Accountants, Houston, TX.

No action taken.

3. Professional service agreement with Don Rauschuber, DGRA, Inc., for consulting engineering services for TWDB project 21750 projects and POCID project tasks.

DISCUSSION: Don Rauschuber of DGRA, Inc. was the Interim Engineer on the TWDB project 21750 after G&W engineers resigned. Mr. Rauschuber had reviewed the field directives previously. This agreement would allow him to review the plans, recommend any changes and prepare any change orders for the field directives.

MOTION: Leon Brown

SECOND: Marshall Bradford

To authorize President Brown to execute the Professional service agreement with Don Rauschuber, DGRA, Inc., for consulting engineering services for TWDB project 21750 projects and POCID project tasks

APPROVED: 5-0

- C. EXECUTIVE SESSION The Board did not go 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

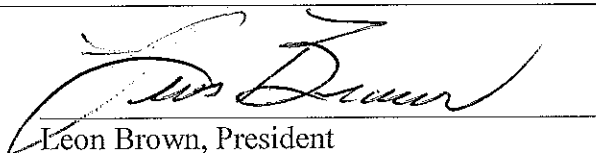
Consultation with General Counsel is pursuant to Texas Government Code Section 551.071, Consultation with Attorney, on pending or contemplated litigation; or a settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional 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.

- D. ACTION AS A RESULT OF EXECUTIVE SESSION None

- E. 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.)
Add to next agenda an explanation of Defined Area 1.

- F. ADJOURN 3:01 p.m.

*** Any item on this agenda may be discussed in executive session if authorized by Texas law, regardless of 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. Executive sessions may be held at 39 Denman Drive, Port O'Connor, Texas.



Leon Brown, President



Maria Denney Secretary

Signed this 20th day of September, 2018.

These minutes were approved on September 20th, 2018.