

PORT O'CONNOR IMPROVEMENT DISTRICT
P.O. BOX 375
PORT O'CONNOR, TX 77982

Pursuant to notice duly posted on February 8, 2016, a Regular meeting of the Port O'Connor Improvement District was called to order on Thursday, February 11, 2016, at 7:00 p.m. in the District's office located at 39 Denman Drive, Port O'Connor, Texas.

CALL TO ORDER

President Allen Junek called the meeting to order and established that a quorum was present and welcomed everyone.

DIRECTORS PRESENT: Allen Junek, Joe Newsome, Bryan Redding, and Leon Brown

DIRECTORS ABSENT: Marshall Bradford

ALSO PRESENT: Jody Weaver, G&W Engineers
Kelli Schmidt, District Personnel
Lee Keeling, Walker Keeling, LLP

MEMBERS OF THE PUBLIC PRESENT:

Dennis Thomas	Marilyn Miller
Donna Thomas	Bobby Raybon
Larry Weaver	Scott Spidle
Nathan O'Neill	Eloisa Newsome
Brenda Carter	

PUBLIC COMMENTS:

None.

APPROVAL OF MINUTES:

Minutes of Regular Meeting January 14, 2016

MOTION: Bryan Redding

SECOND: Joe Newsome

To accept the minutes from the January 14, 2016 Regular meeting.

Motion Approved: 4-0

APPROVAL OF MINUTES:

Minutes of Special Meeting January 18, 2016

MOTION: Leon Brown

SECOND: Bryan Redding

To accept the minutes from the January 18, 2016 Special meeting.

Motion approved: 4-0

APPROVAL OF MINUTES:

Minutes of Special Meeting January 21, 2016

MOTION: Bryan Redding

SECOND: Joe Newsome

To accept the minutes from the January 21, 2016 Special meeting.

Motion approved: 4-0

APPROVAL OF MINUTES:

Minutes of Special Meeting February 2, 2016

MOTION: Bryan Redding

SECOND: Joe Newsome

To accept the minutes from the February 2, 2016 Special meeting.

Motion approved: 4-0

APPROVAL OF MINUTES:

Minutes of Special Meeting February 10, 2016

MOTION: Joe Newsome

SECOND: Leon Brown

To accept the minutes from the February 10, 2016 Special meeting.

Motion approved: 4-0

APPROVAL OF PAYABLES:

MOTION: Joe Newsome

SECOND: Bryan Redding

To approve the payables.

Motion Approved: 3-1

Abstained: Leon Brown

REPORTS AND RELATED ITEMS FOR CONSIDERATION

DISTRICT STATUS

Jody Weaver presented the Board with the Regional Wastewater Treatment Plant Summary and Water Production Report. She updated the Board on the Weekly Activity Report. There was discussion among the Board regarding water accountability and the age of the District meters.

REPORT OF G&W ENGINEERS

Jody Weaver with G&W Engineers presented the District Engineer's Report and advised the Board that no recommendation from AirVac's January site visit has been received.

ITEMS FOR CONSIDERATION

1. APPROVE ENGINEERING REPORT

Allen, Boone, Humphries, Robinson, LLP requested Jody Weaver to review the Master Plan prepared by Brown & Gay Engineers and prepare a Supplement to the report in priority ranking and projected construction year. The Supplemental report was presented to the Board for approval. The report will be used to back up the tax bonds requested in Agenda Item No. 14. There was discussion among the Board.

MOTION: Joe Newsome

SECOND: Bryan Redding

To approve the Supplement to the Water and Wastewater Systems Engineering Study Report prepared by Brown & Gay Engineers, Inc. dated October 9, 2013.

Motion Approved: 3-1

Abstained: Leon Brown

2. REVIEW AND CONSIDER APPROVAL OF PAYMENT REQUEST NO. 3 FROM LESTER CONTRACTING FOR THE 2015 WATER IMPROVEMENT PROJECT

MOTION: Leon Brown

SECOND: Bryan Redding

To approve Payment Request No. 3 from Lester Contracting for the 2015 Water Improvement Project.

Motion Approved: 4-0

3. DISCUSS SUBMITTED FULL SERVICE OPERATIONS, MAINTENANCE, AND MANAGEMENT PROPOSAL

Jody Weaver presented the Board with a budget analysis based on a true-up model. There was a short question answer session among the Board and Scott Spidle with US Water.

MOTION: Allen Junek

SECOND: Joe Newsome

To set a Special Meeting on Thursday, February 18, 2016 at 7:00 p.m. to discuss concerns and contract issues.

Motion Approved: 3-1

Opposed: Leon Brown

4. DISCUSS HIRING NEW EMPLOYEES

This item was tabled.

5. DISCUSSION REGARDING ATTORNEY GENERAL LETTER RULING
OR2015-19988

MOTION: Leon Brown

SECOND: Bryan Redding

To table this item and be placed on the next Regular meeting agenda.

Motion Approved: 4-0

6. HANDLING OF DIRECTORS MAIL DELIVERED TO THE DISTRICT OFFICE

Marshall Bradford was not present. This item was tabled.

7. DISCUSSION OF HARDSHIP APPLICATIONS

Allen Junek requested this item be tabled.

8. DISCUSSION OF WATER AND SEWER RATES

Leon Brown requested this item be tabled.

9. ORDER ADOPTING PROCEDURES FOR CONTINUING DISCLOSURE
COMPLIANCE

MOTION: Leon Brown

SECOND: Joe Newsome

To approve the Order Adopting Procedures for Continuing Disclosure Compliance.

Motion Approved: 4-0

10. DISCUSSION OF DISTRICT OFFICE HAVING POSSESSION OF DISTRICT
DOCUMENTS AND RETENTION

There was discussion among the Board that all District documents should be maintained at the District office with the exception of documents originated outside of the District Office and Attorney privileged documents. Originals should be retained and kept by the Records Manager for the District.

11. CUSTOMER REQUEST – REFUND SEWER CHARGES

Customer requested a credit for sewer charges because they were not hooked up to the system.

MOTION: Leon Brown

SECOND: Joe Newsome

To credit the account once the final sewer inspection is performed.

Motion Approved: 4-0

12. UPDATE ON DISTRICT RESERVE FUND

Allen Junek presented discussion to the Board regarding maintaining the District reserve fund. Recommendations were received from District consultants Terrell Palmer, Municipal Accounts and Phillip Givens. It was determined that there is no statute or law regarding the amount held in reserve funds. There was discussion among the Board.

MOTION: Allen Junek

SECOND: Joe Newsome

The District will set a goal to strive for a 1 year Reserve Fund and to be set up in a separate general ledger account.

Motion Approved: 4-0

13. INTERLOCAL AGREEMENT/REGIONAL AGREEMENT WITH LASALLE WCID
1A

General Counsel recommended setting up a meeting with Special Counsel on this item. This item was tabled.

14. DISCUSS MAY 7, 2016 BOND ELECTION, INCLUDING:

- A.) Adopt Resolution Designating an Agent of the Secretary of the Board of Directors During the 2016 Board of Directors Election Period
- B.) Consider use of electronic voting system and authorize notice of exemption;
- C.) Set pay for election officials;
- D.) Adopt Order Calling Bond Election;
- E.) Authorize Notice of Election;
- F.) Authorize Notice and Writ of Election; and
- G. Adopt three (3) public places within the boundaries of the District to post Order Calling Bond Election

The Board reviewed and discussed the Order Calling Bond Election. General Counsel reviewed the Order and made modifications. There was discussion among the Board regarding the estimate of probable costs of the waterworks system improvements and the tax bond amount.

MOTION: Leon Brown

SECOND: Joe Newsome

To Adopt Resolution Designating an Agent of the Secretary of the Board of Directors during the 2016 Board of Directors Election Period.

Motion Approved: 4-0

MOTION: Joe Newsome

SECOND: Bryan Redding

To consider use of electronic voting system and authorize notice of exemption.

Motion Approved: 4-0

MOTION: Joe Newsome

SECOND: Bryan Redding

To set pay for election officials at \$15.00 an hour.

Motion Approved: 4-0

MOTION: Joe Newsome

SECOND: Bryan Redding

To Adopt Order Calling Bond Election as described and modified and setting the bond amount of \$12,000,00.00.

Motion Approved: 3-0

Abstained: Leon Brown

MOTION: Joe Newsome

SECOND: Bryan Redding

To authorize Notice of Election.

Motion Approved: 4-0

MOTION: Joe Newsome

SECOND: Bryan Redding

To authorize Notice and Writ of Election.

Motion Approved: 4-0

MOTION: Joe Newsome

SECOND: Bryan Redding

To Adopt three (3) public places within the boundaries of the District to post Order Calling Bond Election with those public places being the post office, district office, and district website.

Motion Approved: 4-0

RULES, REGULATIONS AND POLICY STATEMENTS

No action was taken. This item was passed.

EXECUTIVE SESSION.

There was no executive session.

ITEMS FROM BOARD MEMBERS

Allen Junek presented the Board with a letter from the Calhoun County Sheriff's Department regarding the investigation requested by Leon Brown. The letter advised that no criminal violations were located and the investigation is officially closed.

ADJOURNMENT

MOTION: Joe Newsome

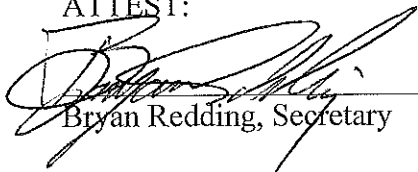
SECOND: Leon Brown

To adjourn the meeting.

The meeting adjourned at 9:45 p.m.

Minutes APPROVED by the Board of Directors on the 10 day of March, 2016.

ATTEST:


Bryan Redding, Secretary


Allen Junek, President