

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

Pursuant to notice duly posted on February 8, 2019 a special meeting of the Port O'Connor Improvement District was called to order on Tuesday, February 12, 2019 at 1:00 p.m. in the district's office located at 39 Denman Drive, Port O'Connor, Texas.

**A. CALL TO ORDER:** President Erny McDonough called the meeting to order, established that a quorum was present and welcomed everyone.

**DIRECTORS PRESENT:** Mr. Erny McDonough, Mr. David Randolph, Mr. Mike Clifton, and Mr. Danny McGuire

**DIRECTORS ABSENT:** Ms. Maria Denney

**OTHERS PRESENT:** Mrs. Donna Grafe-Tucker, Interim General Counsel; Ms. Evangelina Trevino, Office Manager; Mr. Alex Valle, District Manager; Mr. John Mercer, District Engineer; Sheryl Mercer, District Contractor; along with the following members of the public: Mr. Allen Junek, Ms. Jessica Priest

**B. PUBLIC COMMENTS**

Allen Junek addressed the Board.

**C. ITEMS FOR CONSIDERATION**

**1. AUDIT FOR 2018 FISCAL YEAR END INCLUDING APPROVAL**

Mr. Tim Applewhite presented the audit to the Board and asked for approval of the audit.

**MOTION:** Danny McGuire

**SECOND:** David Randolph

To accept and approve the 2018 audit.

**APPROVED:** 4-0

2. BANK DEPOSITORY CONTRACTS, INCLUDING REQUESTS FOR PROPOSALS, SELECTION OF DEPOSITORY

No action taken.

3. LASALLE WCID INVENTORY REPLACEMENT OR REIMBURSEMENT

Mr. Alex Valle reported on the replacement status of the equipment and received further input on the Board on replacing items.

4. CONTRACTS WITH MERCER CONTROLS REGARDING GENERATORS, INCLUDING AMENDMENTS AND APPROVALS

No action taken.

5. REQUESTS FOR PROPOSALS FOR WATER AND WASTE WATER OPERATORS INCLUDING EXTENSIONS TO RESPOND AND RESPONDING TO CLARIFICATION REQUESTS

The Board was informed that an extension of 30 days additional time to respond had been requested and that one company had sent clarification requests that would require a response.

**MOTION:** Danny McGuire

**SECOND:** Mike Clifton

To extend the deadline to respond for an additional thirty days and to notify all companies of the extension and for district personnel and consultants to respond to the clarification requests.

**CARRIED:** 4-0.

6. PERSONNEL ACTION INCLUDING CREATING AND HIRING A PART-TIME COMMUNITY RELATIONS POSITION, ALONG WITH ADDITIONAL FULL-TIME EMPLOYEES FOR OPERATIONS

**MOTION:** Danny McGuire

**SECOND:** Mike Clifton

To hire Mike Raby as a full-time employee with a thirty-day introductory period and for Mr. Erny McDonough and Mr. Danny McGuire to interview perspective employees for community relations and media role, office assistance and to negotiate a salary.

**APPROVED:** 4-0

7. REGIONAL AGREEMENT WITH LASALLE WCID

Discussions on future courses of action, options for contract. No action taken.

8. TRUE UPS, PAST COLLECTIONS WITH LASALLE WCID

Discussions about dismissing in regional agreement for other beneficial terms to District. No action taken.

9. GBRA ISSUES REGARDING NEW PLANT CONSTRUCTION, WATER NEEDS PREDICTIONS, COST RESPONSIBILITIES AND AUTHORIZATION OF HIRING CONSULTANTS TO ASSIST WITH PROCESS

Discussions about the costs and different options in the proposed new GBRA plant. No action taken.

10. REVERSE OSMOSIS OPTIONS AS WATER SOURCE FOR WATER SUPPLY AND AUTHORIZATION OF HIRING CONSULTANTS AND ENGINEER FOR ADDITIONAL ACTIONS

District's engineer presented a draft of potential reverse osmosis facilities and anticipated costs. No action taken.

11. BOND PROCEEDS, PROJECTS TO UNDERTAKE AND AUTHORIZATIONS FOR ACTIONS TO PROCEED AND ALLOCATE FUNDS TO PROJECTS

District's engineer and the Board discussed projects, needs and the need to get started on bond financed projects. No action taken.

12. AUTHORIZING BOARD AND EMPLOYEE TRAINING INCLUDING TRAVEL AND REGISTRATION FEES TO ASSOCIATION OF WATER BOARD DIRECTORS CONFERENCE JUNE 13-17<sup>th</sup> IN FORT WORTH AND RECORDS MANAGEMENT CLASSES FOR OFFICE PERSONNEL IN AUSTIN

**MOTION:** Danny McGuire

**SECOND:** Mike Clifton

To authorize the Board of Directors to attend the Association of Water Board Directors Conference in Fort Worth in June

**MOTION:** Danny McGuire

**SECOND:** David Randolph

To authorize Evangelina Trevino to attend records management training in Austin.

**APPROVED:** 4-0

13. BONDS AND BOND RENEWALS FOR DISTRICT PERSONNEL

Ms. Evangelina Trevino presented information on bond renewals and bond requirements for office personnel for the board's consideration.

**MOTION:** Danny McGuire

**SECOND:** David Randolph

To authorize the office manager to do a multi-year renewal on expiring bonds and to obtain a bond for Alex Valle, the District Manager.

**APPROVED:** 4-0

14. USW LITIGATION, CONSIDERATION OF SETTLEMENT OFFERS AND PROPOSALS

**MOTION:** Mike Clifton

**SECOND:** Danny McGuire

To accept the settlement agreement as recommended by litigation counsel.

**APPROVED:** 4-0

15. TCEQ NOTICE OF VIOLATIONS CORRECTIVE ACTIONS, INCLUDING LASALLE WCID AND POC-ID NOTICES

The District Manager provided a report on the status of responses. No action taken.

16. COMMUNICATIONS WITH ATTORNEYS, INTERIM GENERAL COUNSEL ROLE, SEEKING PROPOSALS FOR PERMANENT REPLACEMENT GENERAL COUNSEL

Mrs. Donna Grafe-Tucker addressed the board regarding communications, role and expectations of interim general counsel. No action taken.

**EXECUTIVE SESSION**

The Board entered into Executive Session for consultation with its attorney under Section 551.071 and 551.074 of the Texas Government Code. The Board entered into the session at 8:43 and exited at 9:25 to resume the meeting. The board, once back in open session, preceded to vote on agenda items 6 and 14 above.

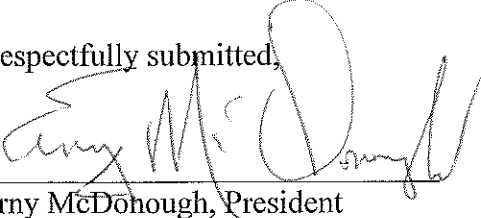
**ITEMS FROM BOARD MEMBERS**

Mr. Danny McGuire asked that the next meeting's agenda contain an agenda item to approve the purchase of a block of time from Air-Vac and to rescind the prior authorized off-site training of employees.

**ADJOURNMENT**

The meeting adjourned at 5:08 p.m.

Respectfully submitted,



Erny McDonough, President



Maria Denney, Secretary

SIGNED on February 19, 2019.

These minutes were APPROVED on February 19<sup>th</sup>, 2019.