

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

Pursuant to notice duly posted on May 9, 2016, a Regular meeting of the Port O'Connor Improvement District was called to order on Thursday, May 12, 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, Leon Brown and Marshall Bradford

**DIRECTORS ABSENT:** None

**ALSO PRESENT:** Donna Grafe-Tucker, General Counsel  
Jody Weaver, G&W Engineers  
Joe Goodman, US Water Project Manager  
Scott Spidle, US Water Utility Group  
Kelli Schmidt, US Water Personnel

**MEMBERS OF THE PUBLIC PRESENT:**

Dennis Thomas	John Hulsey
Susan Raybon	JM Hulsey
Bobby Raybon	

**PUBLIC COMMENTS:** None

**APPROVAL OF MINUTES:**

Minutes of Regular Meeting April 14, 2016

**MOTION:** Bryan Redding

**SECOND:** Joe Newsome

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

Motion Approved: 5-0

**APPROVAL OF MINUTES:**

Minutes of Special Meeting April 18, 2016

**MOTION:** Joe Newsome

**SECOND:** Bryan Redding

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

Motion approved: 5-0

**APPROVAL OF PAYABLES:**

**MOTION:** Bryan Redding

**SECOND:** Joe Newsome

To approve the payables.

Motion Approved: 5-0

**REPORTS AND RELATED ITEMS FOR CONSIDERATION**

**DISTRICT STATUS**

Joe Goodman presented the Board with the US Water District Status Report. The Emergency Response Plan and the Safety Manual were presented for review. A list of recommendations for operations was presented for Board approval. There was discussion among the Board on each recommendation and the new lab equipment purchased for in-house testing. There was discussion on the District Rules & Regulations for the installation of a water well.

**MOTION:** Leon Brown

**SECOND:** Joe Newsome

To authorize US Water to purchase the materials for the odor control beds, the costs not to exceed \$5,000.00, and LaSalle to be billed for their portion of the costs.

Motion Approved: 5-0

**MOTION:** Leon Brown

**SECOND:** Joe Newsome

To approve and give permission to Mr. Hulsey to install a well for irrigation.

Motion Approved: 5-0

**MOTION:** Joe Newsome

**SECOND:** Bryan Redding

To authorize US Water to make all emergency repairs to all generators and the costs not to exceed \$13,925.00.

Motion Approved: 5-0

**MOTION:** Bryan Redding

**SECOND:** Leon Brown

To authorize the District Project Manager to negotiate on the rate with AirVac and report back to the Board.

Motion Approved: 5-0

### **REPORT OF G&W ENGINEERS**

Jody Weaver presented the District Engineer's Report.

### **ITEMS FOR CONSIDERATION**

1. 2016 BOND ELECTION, INCLUDING:  
ADOPT ORDER CANVASSING RETURNS AND DECLARING RESULTS  
OF BOND ELECTION

2016 Elección de Bonos, incluyendo:

Adoptar la orden de escrutinio devoluciones y declarando Resultados de Elección de Bonos

**MOTION:** Joe Newsome

**SECOND:** Marshall Bradford

To adopt the Order Canvassing The Returns and Declaring Results of Bond Election.

Motion Approved: 5-0

2. FINANCIAL INVESTMENT POLICY ANNUAL REVIEW

**MOTION:** Leon Brown

**SECOND:** Joe Newsome

To approve the Resolution Reviewing Investment Policy and Investment Strategies with amended List of Authorized Brokers.

Motion Approved: 5-0

3. LETTER OF APPRECIATION TO PHILLIP GIVENS

The letter of appreciation to Phillip Givens was presented to the Board for signature.

4. LETTER TO THE PUBLIC UTILITY COMMISSION REGARDING THE  
RATE STUDY

The letter to the Public Utility Commission was presented to the Board for signature.

5. LETTER OF APPRECIATION TO CITY OF SEADRIFT AND CITY OF PORT LAVACA FOR ASSISTING PORT O'CONNOR IMPROVEMENT DISTRICT WITH PERSONNEL SERVICES

The letters of appreciation to the City of Seadrift and City of Port Lavaca were presented to the Board for signature.

6. G&W ENGINEERS, INC. PROFESSIONAL SERVICES AGREEMENT FOR TWDB PROJECT 21750

Jody Weaver presented the Professional Engineering Services Agreement for Board approval. There was discussion among the Board regarding the Current Budget Detail attachment and suggested revisions to the budget.

**MOTION:** Joe Newsome

**SECOND:** Leon Brown

To authorize G&W Engineers, Inc. Professional Services Agreement for TWDB Project 21750.

Motion Approved: 5-0

7. BOARD MEMBER REQUESTS OF US WATER EMPLOYEES SHOULD BE DIRECTED TO THE PROJECT MANAGER IN WRITING AND PROJECT MANAGER WILL DIRECT THE APPROPRIATE EMPLOYEE TO ADDRESS THE REQUEST; IN THE ABSENCE OF THE PROJECT MANAGER ALL REQUESTS SHOULD BE DIRECTED TO THE DISTRICT OFFICE

**MOTION:** Leon Brown

**SECOND:** Bryan Redding

Director's questions or issues with US Water should be sent in writing to the Project Manager.

Motion Approved: 5-0

8. NEWLY APPROVED TAX BONDS, INCLUDING AUTHORIZING ALLEN, BOONE, HUMPHRIES, ROBINSON LLP TO SUBMIT A BOND APPLICATION TO TCEQ

**MOTION:** Bryan Redding

**SECOND:** Joe Newsome

To authorize Allen, Boone, Humpries, Robinson LLP to start the bond application process.

Motion Approved: 5-0

## 9. RATE AND FEE REDUCTIONS

Jody Weaver presented a spreadsheet with recommended rate scenarios calculated by projected water and sewer rate revenue for remainder of the fiscal year. There was discussion among the Board regarding the rates and to consider an additional rate reduction once the tax rates are increased.

**MOTION:** Allen Junek

**SECOND:** Bryan Redding

To adopt the one-half (1/2) rate reduction based on the 4 month projected revenue beginning June 1, 2016.

Motion Approved: 5-0

## 10. CUSTOMER REQUEST – WATER WELL PERMIT APPLICATION

**MOTION:** Leon Brown

**SECOND:** Joe Newsome

To approve and give permission to Mr. Hulseley for the installation of a well for irrigation.

Motion Approved: 5-0

## **RULES, REGULATIONS AND POLICY STATEMENTS**

General Counsel addressed the Board regarding an inconsistency in the Rules and Regulations on reconnection fees in sections 3.16 and 3.18(f). There was discussion among the Board.

**MOTION:** Leon Brown

**SECOND:** Marshall Bradford

To remove 3.18(f) from the Rules and Regulations.

Motion Approved: 5-0

## **EXECUTIVE SESSION.**

There was no executive session.

**ITEMS FROM BOARD MEMBERS**

None

**ADJOURNMENT**

**MOTION:** Joe Newsome


**SECOND:** Leon Brown

To adjourn the meeting.

The meeting adjourned at 9:12 p.m.

Minutes APPROVED by the Board of Directors on the \_\_\_\_\_ day of June, 2016.

ATTEST:

  
\_\_\_\_\_  
Bryan Redding, Secretary

  
\_\_\_\_\_  
Allen Junek, President