



## ***Board of Directors Special Meeting Minutes of March 27, 2020***

### **CALL TO ORDER**

President Mark Porter called the meeting to order at 7:20 p.m. held online due to the COVID-19 outbreak and social distancing.

**Board of Directors present: All members present**

**Mark Porter, President**

**Dale Porter, Vice President**

**Cindy Morrison, Secretary**

**Karen Gallaher, Treasurer**

**Johnna Maertz, Member at Large**

**Sandra Witte, Attorney at Law**

**Karen Kobe, CPA, CFE, MBA**

### **Tricounty POA members meeting:**

#### **Item 1. Discussion on Selling the water and sewer utility to Central States Water Resources:**

Mark Porter open the discussion with Members of the TRI COUNTY POA with one solution being to sell the water/sewer company to an outside company.

The Board answered questions and concerns about selling the water/sewer utility to an outside company. Some of the issues the POA is facing are violations for the past years from TCEQ and fine of \$45000.00, other issues are no storage and overcapacity and many other issues. The water/sewer infrastructure is failing due to no upgrades to the infrastructure in prior years and no TCEQ compliance. Water/Sewer utilities is at a loss of 6 to 8 thousand a month. Some of the concerns are, does the POA have the right to sell the water and sewer? Per Sandra Witte, The Tricounty POA does has the right, states this is a legal POA and has the right to sell. Other concerns from members, is there any way to save the Utility from being sold to an outside company? Mark Porter stated it will take the POA an estimated 3 to 3.5 million dollars to save sewer, One resident mentioned that we could save it by placing a special assessment on all property owner's other property owners did not agree with the special assessment. Residents went into a

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discussion about the prior Board of Directors and shared concerns and had a lengthy discussion. Residents shared concerns about the newly elected water board taking over, Keri Broussard Member of the Boca Chica Water Board stated the financials that are needed for TCEQ compliance which are 5 years of precious records (records are either incomplete or don't exist for the prior 5 years). Is the POA board still in the process of finding the right company? The board is still in the process of finding a company. Sandra Witte stated the sale of the utility is just in the beginning phase and will take time and to bring the item will need to go before the Public Utility Commission. Unofficial vote results by Proxy 217 Approve 33 against.

**Item 2. The association entering a contract with Trust Waste Solutions.**

The Property Owners Association entering a Garbage Service contract with Trust Waste Solutions. Concerns are Does the property owners have to change their garbage service they have now? Will water/sewer and garbage be billed together? No, the POA will bill the waste bill. If Property owners only come down 6 months out of the years could it be an option to pay only when down? When writing the contract, the board will negotiate with TWS.

The Unofficial votes by Proxy to enter a contract with Trust Waste Solutions is: Unofficial votes by Proxy 175 Approved 32 Against.

**Item 3. Approval of a new Association Fee Schedule.**

Members did not have concerns on the fee schedule. Unofficial votes by Proxy 159 Approved 38 against

**Item 4. Rental Rates for the Pavilion, Community Center and Common Area.**

The Community Center is losing money, the Community Center rentals need to pay all utilities per rental and have a liability insurance policy for each event/rental for any area that rents including all areas the POA owns. Rental fees need to be increased. Marketing the Community Center could make it a profitable income to the POA.

**Item 5. Receive report regarding the state of the Associations Financial records including a report form Karen Kobe.** (Please see the attached report) There is an outstanding balance owed to the Internal Revenue Service due to 5-6 years of not filing proper Payroll taxes. Balance to IRS exceeds 25 thousand dollars. No tax returns have been filed in six years.

The proxy votes supported Item 1, Item 2 and Item 3.

Members Meeting closed at 9:41 pm.

**Board of Directors Meeting opened at 9:42 pm.**

Board of Directors voted on each item.

Item 1: Motion made by Karen Gallaher to sell the Utility seconded by Cindy Morrison, all others Aye.

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**Motion carried by a vote of 5-0.**

**Item 2: Motion made by Karen Gallaher to enter contract seconded Dale Porter all others aye by and the contract will be brought back to the next meeting. Motion carried by a vote of 5-0.**

**Item 3: Motion made by \_\_\_\_\_ seconded by \_\_\_\_\_ all others aye. Motion carried by a vote of 5-0.**

**9:52 p.m. Meeting adjourned.**

**SECRETARY'S CERTIFICATE**

I certify that the foregoing is a true and correct copy of the minutes approved by the Board of Directors.

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**Cindy Morrison, Secretary.**

These minutes were approved by the Board of Directors.

*Mark Porter*  

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**Mark Porter, President**

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**Dale Porter, Vice President**

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**Cindy Morrison, Secretary**

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**Karen Gallaher, Treasurer**

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**Johanna Maertz, Director**

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