

PORTER SPECIAL UTILITY DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

January 25, 2021

The Board of Directors (the Board or Directors) of Porter Special Utility District (the District) met in regular session at 7:00 p.m., at 22162 Water Well Road, Porter, Texas 77365, on Monday, January 25, 2021, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code.

1. **Call Meeting to Order** the President, after finding that the notice of the meeting was posted as required by law, called the meeting to order at 7:00 p.m. and declared it open for such business as may come before it.

a. **Roll Call of the Board of Directors/Declaration of a Quorum**

Doug Pillow	President
Jodi Ruonavar	Vice-President
Caroline Denham	Secretary
Danny Bridges	Treasurer
Johnny Barr	Asst. Secretary-Treasurer
Jason Ashy	Director
Evelyn Satterwhite	Director

Director Denham took the roll, all Directors were present in the District Board Room, thus constituting a quorum. Also attending for the District were: Mike Kelly (Engineer) with Bleyl Engineering, Jeff Peters (Engineer) with Ardurra Group (arrived at 8:53 p.m.), J.T. Foster (Attorney) with Radcliffe, Bobbitt, Adams, and Polley, Jonathon Smith (General Manager), Jim Ferguson (Operations Manager), and Wendy Pafford (Bookkeeper).

Participants of the Board Meeting attending in person:

Sarah Henry from Will Metcalf's Office
Ivan Canales from Senator Creighton's Office

b. **Director Qualifications and Disclosures**

Mr. Smith stated there are no updates on Director qualifications and disclosures.

c. **Invocation**

Invocation led by Director Denham.

d. Pledges of Allegiance

Pledges of Allegiance led by Director Barr.

2. Public Comment

No public comment.

3. Review and Approve Minutes

- a. Minutes of the Regular Meeting on December 28, 2020.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Minutes of the Regular Meeting on December 28, 2020 was approved. Motion carried unanimously.

4. Old Business

- a. Discuss and take any necessary action regarding Montgomery County groundwater and legislative concerns with Texas Senator District 4 Brandon Creighton, Texas Representative District 3 Cecil Bell, Jr., and Texas Representative District 16 Will Metcalf.

Mr. Smith stated that Mr. Ivan Canales from Senator Creighton's office and Ms. Sarah Henry from Representative Metcalf's office were present. Mr. Canales stated that his office is still trying to schedule a meeting between the Board and Senator Creighton. Director Ashy confirmed with Mr. Canales that Legislative Session has already started, Mr. Canales stated it would end May 31, 2021. Mr. Smith updated Ms. Henry about the Districts history and concerns with the regulatory changes that have been made in the County regarding groundwater pumping. Ms. Henry stated she was willing to facilitate a meeting with the Board and Representative Metcalf. Mr. Smith also addressed the impact on the District with loss of revenue due to COVID and asked for Utility Districts to be included in future legislation.

Mr. Canales and Ms. Henry left the meeting at 7:30 p.m.

5. New Business

- a. Discuss and take any necessary action regarding Bank Account #XXXXX4135 at Independent Bank, including removing access of previous Directors and signing new signature cards.

Upon motion by Director Ruonavar, seconded by Director Denham after full discussion with all Directors present voting aye, the Board approved removing access of previous

Directors and signing new signature cards for Bank Account #XXXXX4135 at Independent Bank. Motion carried unanimously.

- b. Review, discuss, and take any necessary action regarding the Personnel Policies

- i. Section 16.0 – Employee Job Descriptions

Upon motion by Director Denham, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the inclusion of Section 16.0 – Employee Job Descriptions into the Personnel Policy Book was approved. Motion carried unanimously.

6. Financial Report by Municipal Accounts

- a. Review, discuss, and take any necessary action regarding Financial Statements.

Director Denham asked why there was a check issued for the Scada system noting that under the general ledger code for Scada the amount showed as zero. Mr. Smith stated that with government accounting standards the general ledger will reflect the invoice date, not when the check is issued or clears the bank. Director Ruonavar asked about the increase in the Cintas bill, Mr. Smith stated the bill fluctuates depending on what items are restocked in the first aid cabinet. Director Ruonavar asked if the District received an invoice from Municipal Accounts, Ms. Pafford responded no. Director Denham asked where Aflac was coded, Ms. Pafford responded it is not coded because it is deducted from participating employee's paychecks. Director Ruonavar asked how the rotation for on-call pay worked. Mr. Ferguson responded every two-weeks there is one employee for primary on-call, one for secondary, and one for plants. Field Employees rotate on the schedule. Director Pillow asked Ms. Pafford to investigate the insurance cost increase, she stated she would and follow up with the Board. Director Ruonavar asked about GL Code 16517 for Dues/Fees/Licenses/and Subscriptions, Mr. Smith stated the increase was due to the annual fee for the Read-y software system for the meter readings. Director Ruonavar asked when Payclix will no longer be used, Mr. Ferguson stated that Starnik's payment provider will be starting in February, and there will be an overlap in payment companies. Director Ashy asked how customers are going to be notified of the change. Mr. Smith stated there are messages printed on customer bills and notice on the District website. Customers that come into the Billing Office are being notified also. Director Denham asked why the District has charges for DMV checks, Mr. Smith responded that according to the Personnel Policy that the District will check driving records annually. Director Pillow asked about the \$900.00 that came in for Valley Ranch Impact Fees, Mr. Smith responded that they had previously paid the old impact fee rate and owed the difference for the new rate amount for three accounts. Director Pillow asked about there being no payment for Crystal Springs Meter Readings, Mr. Smith stated he will investigate and respond to the Board. Director Pillow inquired about the miscellaneous revenue code; Mr. Smith responded a lot of the money is tied to the District billing out the cost of repair for water lines damaged by Contractors. Mr. Smith stated he would request a break-down of charges and respond

to the Board. Director Pillow asked about the Net Income amounts, Mr. Smith stated the amount has to do with the debt services.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Financial Report was approved. Motion carried unanimously.

8. Engineering Report by Bleyl Engineering

a. Developments update

- i. Review, discuss, and take any necessary action regarding Pulte Development, including approving the revised Feasibility Study.**

Mr. Kelly stated that after the last Board Meeting, a meeting occurred with Staff and the attorney and it was decided a Development Agreement was not necessary. Mr. Kelly presented an updated Feasibility Study with the clarification of changes.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approved the revised feasibility Study for the Pulte Development. Motion carried unanimously.

b. General Fund Projects update

- i. Review, discuss, and take any necessary action regarding the E. Knox Drive Waterline Upsizing Project, including either awarding the contract or rejecting all the bids received.**

Mr. Kelly discussed the bids that the District received last month, the low bidder, RS Smoke Test & Multi Service did not have references for any jobs with the same scope of work. Mr. Kelly recommended Boot Construction, LLC in the bid total of \$144,310.00.

Upon motion by Director Ruonavar seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved Boot Constructions bid in the amount of \$144,310.00 for the E. Knox Drive Waterline Upsizing Project. Motion carried unanimously.

- ii. Review, discuss, and take any necessary action regarding the addition of Well #9 Generator, including considering switching from a natural gas generator to a diesel generator.**

Mr. Kelly stated the gas company is not wanting to extend the gas service to Well #9. Director Pillow asked about the cost difference in natural gas vs. diesel generators, Mr. Kelly responded diesel generator may be slightly less expensive. No action was taken.

Mr. Kelly stated he has tried multiple times to contact Mr. George Li regarding the property next to the Surface Water Plant site and has not received a response.

Director Pillow expressed concern about the 16-week lead time for a generator. Director Ruonavar asked about the Copeland Water Plant. Mr. Kelly stated Mr. Ferguson has been conducting testing and consulting with contractors.

- c. Update on Impact Fee Capital Improvement Projects update.

No further items.

The Board recessed for a break at 8:10 p.m., and reconvened at 8:20 p.m.

9. General Counsel's Report

- a. Review, discuss, and take any necessary action regarding *Crystal Springs Water Co. v. Porter Special Utility District*.

Mr. Foster distributed the *Crystal Springs Water Co. v. Porter Special Utility District* settlement agreement for the Directors review.

Upon motion by Director Ashy seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the *Crystal Springs Water Co. v. Porter Special Utility District* settlement agreement. Motion carried unanimously.

- b. Review, discuss, and take any necessary action regarding the Water Supply Agreement with the City of Conroe

Mr. Foster stated that with Board approval, Counsel could approach the City of Conroe to see what options the District has.

Upon motion by Director Ashy seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approved Counsel to contact City of Conroe regarding the Water Supply Agreement. Motion carried unanimously.

Election Agenda

ORDEN DEL DÍA REFERENTE A LA ELECCIÓN

- a. Update on May 1, 2021 Directors Election matters, and take any necessary actions on same;
Actualización sobre los asuntos de la Elección de Directores del 1 de mayo de 2021 y adopción de cualquier medida necesaria en relación a la misma;

Upon motion by Director Ruonavar seconded by Director Denham after full discussion with all Directors present voting aye, the Board approved the Election Service Agreement with Montgomery County. Motion carried unanimously.

- B. Notice of Appointment of Designated Agent;
Aviso de nombramiento de Agente Designado;

Upon motion by Director Ruonavar seconded by Director Denham after full discussion with all Directors present voting aye, the Board approved the Notice of Appointment of Designated Agent. Motion carried unanimously.

- C. Notice of Deadline to File Applications for Place on Ballot; and
Aviso de fecha límite para presentar solicitudes de un lugar en la boleta de votación; y

Upon motion by Director Ruonavar seconded by Director Barr after full discussion with all Directors present voting aye, the Board approved the Notice of Deadline to File Applications for Place on Ballot. Motion carried unanimously.

- D. Adopt Order Calling Directors Election scheduled for May 1, 2021.
Adoptar Orden para convocar Elección de Directores programada para el 1 de mayo de 2021.

Mr. Foster stated that he is waiting to get confirmation from the Secretary of State to see if the time-period for early voting will be extended due to COVID-19.

Upon motion by Director Ruonavar seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved to Adopt Order Calling Directors Election scheduled for May 1, 2021 pending updates from Counsel. Motion carried unanimously.

10. General Manager's Report

- a. Discuss and take any necessary action regarding District property, facilities, vehicles, equipment, personnel matters, and projects

Mr. Smith informed the Board that employee, Roland Wilson has obtained his TCEQ "C" Groundwater Treatment License. Mr. Ferguson stated he has been speaking to Water Equipment Treatment Services who supplied the materials for the aerator at Copeland. Mr. Ferguson stated he is trying to schedule a tour of a nearby system who has the same characteristics of water quality as the Copeland well. Mr. Ferguson stated he will consult with Water Equipment Treatment Services regarding available options and recommendations. Mr. Smith stated that December's water pumpage was just over 59 million gallons bringing the total in 2020 just over 850 million gallons of water. Mr. Smith stated he will be attending the GMA-14 Planning meetings, and Mr. Ferguson will attend the Government Affairs Committee. Director Ruonavar asked which truck was involved in the gate accident, Mr. Ferguson responded Unit #103. Director Ruonavar asked if the truck was repaired, Mr. Ferguson stated no, there was not enough damage to warrant a repair. Mr. Ferguson stated that the District will be soon posting the open position for a

Hydrant Maintenance Crew Leader. Director Ruonavar stated there are hydrants in need of repair in the District.

- b. Discuss and take any necessary action regarding the impact of the COVID-19 coronavirus pandemic on the business of the District.

Mr. Smith stated the Staff is still cleaning the trucks, and lobby daily.

7. Engineering Report by Ardurra Group

- a. Surface Water Treatment Plant Pilot Study update

Mr. Peters arrived at 8:53 p.m.

Mr. Peters stated that the Pilot Report was submitted to the TCEQ in July of 2020, there has been a delay in review which is typically 90 days, it took over 180. Mr. Peters stated the TCEQ has commented on the Pilot Report. The TCEQ has approved the Koch unit. The Toray unit had submitted all three stages worth of data on one file, and the TCEQ wants the data broken down further by each stage. Ardurra was able to get that information broken down from Toray and has recently submitted the data to the TCEQ. The TCEQ also commented on the Pall unit due to the crossflow method used, the information requested will be submitted directly from Pall. The Purifics was the best pilot performer. Mr. Peters stated that the TCEQ has a list of preferred Vendors for membrane filters and has specific protocols for integrity testing. Purifics is not on the TCEQ preferred Vendor list, so they have asked for additional information from them. Mr. Peter stated he does not know how long the TCEQ will take to respond from this point.

11. Directors Comments

Director Ruonavar commented on the great benefit package for employees and stated she prides herself for being an employee advocate. Employees receive Medical, Dental, and Vision. 80% of dependent coverage is paid by the District. Employees receive \$25 gift cards at Thanksgiving and Christmas. Employees are eligible for one week of vacation buy-back annually. Employees have sick leave. Employees have received Christmas/Year End Bonuses. Employees on-call primary, secondary, and plants rates have been increased. The District provides trucks for on-call employees, providing fuel, insurance, and maintenance. The District pays for cell phones for all but three employees. Some employees have laptops, iPads, and other electronics so they can work at home, and all paid by the District. The District provides uniforms, boots, rain and winter gear, and safety equipment to all field staff. Retirement is offered to those who participate. The District purchases coffee and food for the employees, for meeting once a month, maybe more. The District pays for all training, testing, and safety classes the employee attends or takes. The District did not lay off a single employee due to COVID-19, everyone was kept at full pay working every other week, and no one was made to file unemployment. Director Ruonavar stated for there to be employees not happy, there is a door. This is not going to be a babysitting establishment; it is not going to be a

bullying or blackmail establishment. Director Ruonavar stated I for one am tired of giving everything that the “employees” want and them still not happy. Director Ruonavar requested licenses to be hung on the wall in the office. Director Ruonavar stated she furnished employees with a coffee pot, coffee, and cups.

12. Next Board Meeting

Regular Meeting scheduled Monday, February 22, 2021 at 7:00 p.m.

13. Adjournment

At any time during the meeting and in compliance with the Texas Open Meetings Act (Chapter 551), the Porter Special Utility Board of Directors may meet in executive session on any of the above agenda items for consultation concerning attorney-client matters (551.071); deliberation regarding real property (551.072); deliberation regarding prospective gifts (551.073); personnel matters (551.074); and deliberation regarding security devices (551.076). No action may be taken during executive session, therefore, following executive session, the Board of Directors will reconvene to an open meeting and take action as necessary.

There being no further business before the Board, upon motion by Director Ashy, seconded by Director Ruonavar after full discussion and all Directors present voting aye, the meeting was adjourned at 9:24 p.m.

PASSED and APPROVED this the 22nd day of February 2021.



President, Board of Directors



Secretary, Board of Directors

