

PORTER SPECIAL UTILITY DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

February 24, 2020

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, February 24, 2020, 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, thus constituting a quorum. Also attending for the District were: Jon Polley of Radcliffe Bobbitt Adams Polley (General Counsel), Mike Kelly of Bleyl & Associates (Engineer), Jeff Peters of Ardurra Group (GRP Engineer), Jonathon Smith (General Manager), Jim Ferguson (Operations Manager) and Amanda Phillips (Executive Administrator).

b. Director Qualifications and Disclosures

Mr. Smith stated there are no updates of qualifications and disclosures.

c. Invocation

Invocation led by Director Ruonavar.

d. Pledges of Allegiance

Pledges of Allegiance led by Director Bridges.

2. Public Comment

No Public Comment

3. Review and Approve Minutes

The Board considered approval of the Minutes of the Regular Meeting of January 27, 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 of January 27, 2020 were approved. Motion carried unanimously.

The Board considered approval of the Minutes of the Special Meeting of February 10, 2020.

Upon motion by Director Denham, seconded by Director Ashy after full discussion with all Directors present voting aye, the Minutes of the Special Meeting of February 10, 2020 were approved. Motion carried unanimously.

4. New Business

- a. Review, discuss, and take any necessary action regarding Section 7.2 Travel Allowance of the Personnel Policies

Mr. Smith stated Director Ashy had asked about this item at last month's Regular Meeting, Director Ruonavar asked if he had a copy of Section 7.2, Mr. Smith responded no, if she would like a copy, he could get her one. Mr. Smith stated it says Employees will receive \$50.00 daily for meals. Director Ruonavar stated to Mr. Smith that she noticed he spent more than \$50.00 for a meal at the last Conference on the credit card.

Director Denham stated she felt like it should be \$100.00 to \$150.00 daily. Director Ruonavar said \$150.00 a day. Director Ashy stated \$100.00 was good for three meals. The Board chose to table until next Regular Meeting in March. Mr. Smith suggested streamlining so that the amount was not only for meals, but would include things like parking, tips, or incidentals for not only day trainings but Conferences. Mileage and Hotels would not be included in it. Mr. Polley stated he was planning on talking about Amending the Board Resolution Adopting Director Fees of Office and Expense Reimbursement, Mr. Smith stated the Board could continue the conversation once the item is discussed in the General Counsel's Report.

5. Financial Report

- a. Discuss and take action on the Financial Statements

Mr. Smith presented the Financial Report. Director Denham asked Mr. Smith how much the District spends to reimburse employees for mileage for running errands. Director

Denham was asking if it would be smarter to invest in an economy sized vehicle. Mr. Smith stated it would be the cost of vehicle, insurance, fuel, and maintenance. Director Ruonavar and Denham expressed concern over employees using their personal vehicle to do company work. Mr. Smith stated that he too does company work in his vehicle. Mr. Smith stated that he did not believe that the District was spending over \$25,000.00 in the course of four years. Director Ruonavar stated a little Kia would not cost \$25,000.00. Director Ruonavar is stating that an item that went out in response to a request for information under the Public Information Act, showed Employees as getting Director's Fee's and that Employees are not Directors, and that needs to be cleared up. Mr. Smith stated that will be a simple change. Director Ruonavar asked for that to be retroactive because it was quite a bit of money. Director Denham asked about the Crystal Springs Meter Reads on page three. Ms. Phillips stated that Porter SUD does meter readings for a small water system to which Porter SUD supplies water and provides them to Crystal Springs so Crystal Springs can invoice for sewer service. Ms. Phillips noted that Crystal Springs is invoiced for work provided. Mr. Smith stated the District has an agreement with Crystal Springs to read meters. Director Pillow asked who else the District reads meters for, Mr. Smith responded only Crystal Springs. Director Pillow stated on page 7 of the report there is an item listed as meter reading and other. Mr. Smith stated he would have to ask Municipal about it, Director Ruonavar asked how long it would take for an answer. Mr. Smith stated that would depend on Municipal, that he would try for this week. Director Ruonavar asked about Employee Training, she asked if the District pays for the test again if an employee must re-take the test. Mr. Smith responded when you pay for the application it allows you to test up to four times. Director Ruonavar asked about paying for travel, meals, and hotels stay, she said she believed it was in the Policy. Mr. Smith stated that he did not recall it in the Policy, Director Ruonavar asked him to check on that. Director Denham asked Mr. Smith when he was taking his test, Mr. Smith responded soon, that he was in the process of studying and will be taking his test soon. Director Denham asked if that was two months or six months, Mr. Smith responded in the next couple of months. Director Denham asked how the District budgets for Employee Insurance account 5130, stating we only have \$5000.00 until the end of the fiscal year and will be over budget. Mr. Smith responded when you look at the budget number and the over-budget number that it is specifically tied to the period to date and the numbers do not reflect the full budget amount. Mr. Smith responded that the budget is estimated by the number of Employees and coverages. Director Denham asked if the District was going to start looking for bids, and that the Board has never been offered any choices of coverage. Mr. Smith responded over the course of the next month he wants to get his plans formulated to present at the next Board Meeting. Mr. Smith stated that he has met with Milton, the District's Agent and believes there are better products than what the District currently has. Director Ruonavar stated she wanted Longevity Pay, under incentives to go away. She expressed not wanting the pay to go away because Employees rely on it. Director Ruonavar states it looks bad to new employees, she feels Employee wages need to be brought up to scale. Director Pillow posed the question who the largest employer in this part of Montgomery County was, stating it was New Caney ISD, who's Employees get a stipend based on years of service. Mr. Smith stated the Longevity pay does not incentivize performance, it does not promote good or bad. Director Ashy states it is incentive for new employees to stay on longer. Mr. Smith asked

the Board if they would like for him to do more research and bring it back to them, the response was yes. Director Denham asked what the District purchased from Amazon Capital for the Board Meeting; Ms. Phillips responded the recording device. Director Denham asked if anyone is checking how Lake Houston Lawn Care is keeping the Plant sites. Director Denham expressed her displeasure with the Briar Tree Plant, that you can not see the fire hydrant due to the overgrowth of the property neighboring the Plant. Mr. Ferguson asked how much of the property outside the Plant the District is to maintain, that he could ask for Lake Houston Lawn Care to expand their scope. Mr. Smith asked the Board if they would like a Financial Report with a total budget on the side. Director Denham asked where the electricity to the office is being coded, Mr. Smith responded that they had noticed a few months ago that well charges had been coded to the office electricity. Director Denham stated that the office electricity should still be higher than \$295.11. Mr. Smith stated he will request a breakdown of the office electricity and the plant electricity accounts. Mr. Smith verified everyone was aware of the District receiving a FEMA payment. Director Denham asked about page 14 on the GRP, Municipal is not coding any work they are doing to the GRP. Mr. Smith stated he will inquire with Municipal if there is additional charge for working on the GRP. Director Denham stated that there should have been GRP fees for Insurance and Bond too. Ms. Phillips responded the flood insurance was coverage on all District properties and we would need to find out what percentage to charge for Sorters Rd.

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

Director Pillow asked about the status of the credit card. Mr. Smith stated that he reached out to Ms. Turner with Municipal and she stated that BBVA was requesting another letter from the District. Mr. Smith responded that the District would seek credit cards elsewhere and is putting in an application with Amegy. Amegy Bank is not requesting personal information like BBVA insisted on. Director Denham and Pillow stated the District should consider possibly changing their bank to Amegy since BBVA has not been able to work with the District on a \$30,000.00 line of credit. Mr. Polley suggested speaking to Ms. Turner because not all banks can handle public funds. Mr. Smith stated Katherine recommended him to Amegy for the corporate card.

6. Groundwater Reduction Plan (GRP) by GRP Engineer and General Counsel

- a. Update on Surface Water Treatment Plant Pilot Study
- b. Update on FEMA Reimbursement

Mr. Peters updated the Board of the status of the Pilot Plants, he did state the District received a payment and is still pursuing another \$130,000.00 in reimbursement to cover miscellaneous materials and work done to get the pilot units running again. It also includes the grant administration portion and additional engineering too. Mr. Peters stated his best estimate of the District receiving the reimbursement would be early summer. Mr. Peters

stated he had verified with Mr. Ferguson that all the pilot units are off District property, and that the chemicals will be re-homed. Mr. Peters said that the District has been unsuccessful with finding someone to remove the flood damaged pilot units. Mr. Peters stated that staff should have the Draft Pilot Report in hand this time next month, once reviewed it will be submitted to the TCEQ.

c. Update on HUD CDBG-MIT Program Grant

Mr. Peters stated he met with staff last Friday at the District Office to discuss eligibility standards and how to make it work for the District. At the meeting they looked at maps and records online from HUD, a requirement to the grant is must be a minimum of 51% LMI (low to moderate income). Mr. Peters states that it is a competitive application project, each applicant for the Grant can submit up to three applications. Mr. Peters said he was working with maps to get an accurate percentage of LMI and will be speaking to Mr. Smith in the next few weeks with hopes the Grant could benefit the District. Mr. Peters reminded the Board the minimum Grant amount is \$3,000,000.00.

7. **Engineering Report** by Bleyl Engineering

a. Update on Developments

- i. Review, discuss, and take any necessary action regarding Feasibility Study for Maple Heights development (North Houston Airport property)

Alyssa Thompson with Kimley-Horn and Associates, representing the developer, was present. The North Houston Airport property is located in Porter SUD's boundaries. The development has a potential of 850 single family home connections and a 300 multi-family unit. The first phase would be approximately 210 residential lots. The Engineer discussed looking at the District's existing facilities and proposed improvements like the Copeland ground storage tank and water line improvements. Mr. Kelly stated eventually elevated storage will be necessary in the area. Director Pillow asked if the District should just build an elevated tank versus another ground storage tank. Mr. Kelly said it could be done either way for total storage. Mr. Kelly stated the Board can authorize him to do the Feasibility Study and he would bring the report back to the Board next month. Mr. Polley stated in addition a Development Agreement would be necessary for the District to have that will line out what infrastructure will be built, and how it will be paid for. Mr. Polley explained the Feasibility Study will outline what upgrades will be necessary to provide service to the development. Director Denham asked if the District pays for the Feasibility Study, Mr. Polley responded no, that the Developer has already paid a deposit.

Upon motion by Director Denham, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approved the Engineer to complete the Feasibility Study, and the Attorney to start working on a Development Agreement. Motion carried unanimously.

b. Update on General Fund Projects

- i. Review, discuss, and take any necessary action regarding Change Order #3 in the amount of \$25,100.00 for the Water Well #9 Emergency Well project by Weisinger Incorporated**

Mr. Kelly met with Weisinger Weisinger proposed to deduct \$25,100.00 on the electrical system.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved Change Order #3 in the amount of \$25,100.00 for the Water Well #9 Emergency Well project by Weisinger Incorporated. Motion carried unanimously.

- ii. Review, discuss, and take any necessary action regarding Final Pay Estimate #11 in the amount of \$83,494.00 for the Water Well #9 Emergency Well project by Weisinger Incorporated**

Mr. Kelly stated with payment of Pay Estimate#11 would release all remaining retainage and would pay Weisinger in full.

Upon motion by Director Denham, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved Final Pay Estimate #11 in the amount of \$83,494.00 for the Water Well #9 Emergency Well project by Weisinger Incorporated. Motion carried unanimously.

c. Update on Impact Fee Capital Improvement Projects

- i. Review, discuss, and take any necessary action regarding Change Order #1 in the amount of \$4,233.00 for the Copeland Booster Pump Replacement project by Gemini Contracting Services.**

Mr. Kelly presented a reduction in the contract in the amount of \$4,233.00.

Upon motion by Director Bridges, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approved Change Order #1 in the amount of \$4,233.00 for the Copeland Booster Pump Replacement project by Gemini Contracting Services. Motion carried unanimously.

- ii. Review, discuss, and take any necessary action regarding Pay Estimate #3 in the amount of \$37,563.30 for the Copeland Booster Pump Replacement project by Gemini Contracting Services**

Mr. Kelly stated a final walk-through inspection was scheduled the following day. Director Ruonavar asked if Staff had ordered all materials necessary, Mr. Smith stated

chemicals are onsite. Director Ruonavar suggested ordering a new safety station, Mr. Ferguson stated that would be cost effective.

Upon motion by Director Denham, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved Pay Estimate #3 in the amount of \$37,563.30 for the Copeland Booster Pump Replacement project by Gemini Contracting Services. Motion carried unanimously.

- iii. Review, discuss, and take any necessary action regarding Bleyl Engineering's Scope of Services (Attachment "A") to perform engineering services for the Copeland Ground Storage Tank #2 project

Mr. Kelly stated the Feasibility Study and Preliminary Engineering work will let the District know what storage is necessary. Director Pillow and Mr. Kelly discussed the property size, Mr. Kelly stated there was room on the property for elevated storage.

Upon motion by Director Denham, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approved Bleyl Engineering's Scope of Services (Attachment "A") to perform engineering services for the Copeland Ground Storage Tank #2 project. Motion carried unanimously.

8. Supplemental Notice of Public Agenda

- a. Update on May 2, 2020 Directors Election matters, and take any necessary actions on same/*Actualización sobre los asuntos de la Elección de Directores del 2 de mayo de 2020, y tomar las medidas necesarias al respect*

Mr. Polley stated as of Friday, February 14, 2020 at 5:00 pm only incumbents had filed to be on the ballot for election. There were no write-in candidates as of Tuesday February 18, 2020 at 5:00 pm. Mr. Polley notified Montgomery County that the Election was uncontested, and the election may be cancelled.

- b. Adopt Order Declaring Unopposed Candidates Elected to Office and Canceling Election, as necessary/*Adoptar una Orden Declarando a los Candidatos Sin Oponentes Electos a los Cargos y Cancelando la Elección, de ser necesario.*

Upon motion by Director Denham, seconded by Director Barr after full discussion with all Directors present voting aye, the Board approved the Order Declaring Unopposed Candidates Elected to Office and Canceling Election. Motion carried unanimously.

9. General Counsel's Report

- a. Update on Lone Star Groundwater Conservation District rules

Mr. Polley had no updates to report.

- b. Review, discuss, and take any necessary action regarding the GRP Participation Agreements with Chateau Woods Municipal Utility District and Crystal Springs Water Company**

Mr. Polley had no updates to report.

- c. Review, discuss, and take any necessary action regarding the easement acquisitions along Sorters Road and Ford Road**

Mr. Polley stated there were no new updates. He commented that the acquisition, and appraisal companies are at work on the District's behalf.

- d. Review, discuss, and take any necessary action regarding potential exclusion of property from District boundary**

Mr. Polley distributed a document to the Directors that outlines the process of excluding property from the District. Mr. Polley explained the process stating it was similar to annexation, that there would be public notice, and public meetings.

Director Barr asked if the wholesale entities are in the District's boundaries why Porter SUD is not their water company. Mr. Polley stated when a developer comes into the area, they need water, sewer and drainage service, as well as reimbursement for that infrastructure. Mr. Polley explained that without all of these things the developer will not be able to sell the lots to homebuilders at a competitive price. Porter SUD only has power to provide water, the District does not do sewer, drainage, or reimbursements. The reimbursement model works best with taxing authorities. Mr. Polley stated that large-tract developers are going to want to create a MUD in order to finance and maintain the sewer and drainage infrastructure for the development. In the past the Board chose to provide water to the overlapping utilities at a wholesale rate with a master water meter. Mr. Polley stated that in the past a study was done to see the difference in revenue if the residents in the wholesale communities were billed as District customers, the analysis showed a large difference in the revenue to the District by hundreds of thousand dollars annually.

Director Denham asked if any employees have received incentive pay for finding illegal connections, Mr. Smith said not yet but they have done some investigations. Director Denham said she would like to know if anyone finds illegal connections. Mr. Polley asked the Board to read over the exclusion paperwork and if the Board had any question to feel free to call or email him.

- e. Review, discuss, and take any necessary action regarding Amended Resolution Adopting Director Fees of Office and Expense Reimbursement Policy**

Mr. Polley stated he noticed items that needed clarification about travel expenses and included it in the Resolution he was presenting because the Resolution did not previously address these issues. Mr. Polley stated he came up with what was being presented and it was purely a starting point for the Board to work from. Director Ruonavar asked to table it until the next Regular Meeting.

10. General Manager's Report

a. Maintenance of District property, facilities, and equipment, and personnel

Director Ashy asked how often field employees work on Saturdays. Mr. Smith responded, seldomly, that employees were assisting meter installers by directing traffic and locating meters on Ford Rd. There was a leak also on East Martin Dr. that was repaired last Saturday. Director Denham asked why the Customer Service Supervisor needed a laptop. Mr. Smith stated it would allow for remote work to be done while the employee was out of the office. Director Denham asked if there were Employees cross-trained in those duties, Mr. Smith responded the training has started. Director Denham asked who would be taking the upcoming Customer Service Inspection classes. Mr. Smith stated that four employees are slated to take the class. Mr. Smith stated that we only had one Operator licensed to perform Customer Service Inspections that is no longer employed by the District. Mr. Smith has talked to local utilities to let them know about the upcoming training and TCEQ has opened the class to the public. This class will allow flexibility with scheduling the Customer Service Inspections by having multiple employees capable of performing the test and assist with the Districts Cross-Connection Control Program. Director Denham asked if this was a certified course. Mr. Smith explained by completing Customer Service Inspection Class Employees would be able to take the test to become a Certified Customer Service Inspector. Director Denham asked if the District is tracking the credit hours of Employees, Mrs. Phillips responded Mr. Ferguson and Mr. Ingram are charting training in the Operations Office and the TCEQ documents trainings on their website. Director Ruonavar stated she would like to see digital recordkeeping that is kept under lock and key. Mr. Smith stated that the TCEQ sends out notice when a license is up for renewal. Director Ruonavar asked if the truck that was involved in an accident has been recovered from the repair shop. Mr. Ferguson stated that repairs should be completed in the upcoming week. Director Ruonavar asked what has happened with the hit and run driver, Mr. Ferguson stated he was told a warrant would be issued but was not sure if authorities would even give him further information. Director Ruonavar stated that water loss was still high but better than the previous month. Director Denham said she saw in the report that everything was complete, she asked Mr. Smith if it had been inspected. Mr. Smith responded the District Engineer's Inspector had completed Inspections and they are on file. Director Ruonavar asked if there is anything the District can do about customers paying late, and if the District is still sending out late notices. Mr. Smith stated we are required to send out late notices, but staff is no longer calling individual Customer to notify them of disconnection. Director Denham asked about the MUD 24 interconnect status. Mr. Smith responded that they only needed water for an hour, and that he is an advocate for the interconnects because you never know when you may need the water. Director

Denham asked if the District is testing the generators, Mr. Smith responded yes. Mr. Smith stated the only generator that was working was at Well 1. Mr. Smith stated that in his report Directors would see a photo of the battery corrosion on the Andrew Plant generator. The District is working with Gen-Solutions to test all the District's generators and provide preventative maintenance. Gen-Solutions will be completing load bank testing in the next few weeks. Mr. Smith stated that if the generators were needed last year, he did not believe they would have worked. Director Denham asked how often the generators needed to be cranked, Mr. Smith stated they should be exercised weekly. Director Denham asked if that item was going to be on a checklist. Mr. Smith stated that it will be an item on the new system for plant rounds. Mr. Smith stated the District will be using a new system called Bird Nest to document plant rounds. The system will allow for checklists, and notifications of inconsistencies such as chlorine residuals lower than normal. Director Denham stated this is an incentive for Employees to do their job properly, and if they do not, they need to be written up. Mr. Smith stated it will allow the District to see if it is a lack of training, and if Employees are still not doing it, start progressive discipline. Director Ruonavar complimented Mr. Ferguson and stated she was impressed with him on her recent plant tour. Director Denham stated she would like to see more preventative maintenance done. Mr. Ferguson stated he is prioritizing the list of items needing attention. Mr. Ferguson notified the Board that the District's Workforce Management System is expiring, and it does not fit the District's needs. Mr. Ferguson stated there are better products to help the District manage the work, track, and record. Director Denham asked about Valley Ranch fence height requirements. She stated if you stand in the lowest part of the ditch the height is correct, she asked if that is acceptable with the TCEQ. Mr. Ferguson responded no. Director Denham asked if it was going to be addressed, Mr. Ferguson responded yes, it is in the District's sights. Mr. Smith stated it is items like the fence and signs we don't want to forget, but it is important to assign priorities such as repair of generators. Director Ruonavar stated it only takes a few minutes for a meter reader to install a sign, Mr. Smith stated the TCEQ has new signs for plant sites he would like to get. Director Denham stated vandalism is getting worse and we need to make sure that our security lighting and cameras are working. Mr. Smith stated the District is working with Lakeshore Security because in the past security was not a priority in the past. Director Denham stated that items need to be considered for the next budget, but some items need to be addressed now. Mr. Smith stated that is the reason for the priority list. Director Satterwhite stated she would like to go to the Annual AWBD Conference. Mr. Smith responded that it was a Board decision. Director Satterwhite stated that currently three people are scheduled to attend, she stated she was told that there was a limit of attendees. Director Satterwhite stated she learned a lot while attending the last Conference and would like to go to the upcoming one. Director Ashy asked when the next Conference was scheduled. Mr. Smith responded that it was scheduled to start June 11, 2020 to June 14, 2020 at the Gaylord Hotel, Resort, and Conference Center in Dallas, Texas. Mr. Smith stated at the last Monthly Meeting, this item was on the agenda and the Board decided on two Directors could attend the Conference scheduled in June of 2020. Mr. Smith stated Directors Ruonavar and Denham expressed interest in going, and the registration started the following Wednesday morning, Directors Ruonavar and Denham and Mr. Smith are currently scheduled to attend the Conference. Director Ashy asked how many

classes are going on at a given time, Director Ruonavar responded three. Director Ashy stated he did not see the point of sending multiple Directors to the same classes, Director Ruonavar stated Mr. Smith is not a Director, he is the General Manager. Director Denham asked if you could put a price on education. Director Barr stated that anyone who goes to trainings gains knowledge for themselves to serve the Public while sitting on this Board. Director Barr stated anyone who has the time and is willing to go to the trainings needs to go. Director Bridges stated he had no problem with the Board Members going who are willing to go. Mr. Bridges stated that each member that attends will bring something different back for the Board. Director Pillow asked how much different the Summer Conference would be from the Winter Conference he recently attended. Director Denham and Mr. Polley stated the presentations are different each time. Director Denham stated the Board met with Kamstrup Meters, Badger, and Master Meter at the Summer Conference and made other connections with vendors. Director Denham stated that the Conference is an opportunity to network work with vendors and other Districts and the knowledge gained is valuable. Director Denham stated the Board Members could cut costs by sharing rooms possibly. Mr. Smith stated this item is not on the agenda but if the Board chooses to, they could direct him to ratify the decision at next month's Monthly Meeting. Director Denham stated that if the Board waits to make the decision the prices could go up and Director Satterwhite may not even be in the same hotel.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors Bridges, Satterwhite, and Denham voting aye, Directors Ashy and Pillow opposed, the Board authorized Evelyn Satterwhite to attend the AWBD Summer Conference, and direct the General Manager to make arrangements for her registration and hotel. Motion carried.

- b. Review, discuss, and take any necessary action regarding the design and construction of the new administration building located at 24332 Loop 494**

Mr. Smith stated that there is a rough sketch with the Board Room as the focal point in the middle of the Building. The preliminary sketch was sent to Lancaster & Wyatt Architects located in The Woodlands, Texas. Director Ruonavar asked if any Directors are on a Committee for the sketches of the administration building. Mr. Smith responded the Building Committee will meet when the preliminary drawing come in so there is something to mark-up. Director Ashy asked if there would be a drive-thru in the new building, Mr. Smith responded yes, Director Ruonavar asked if it would be one or two car, Mr. Smith responded one car lane. There is no action necessary on this item.

- c. Review, discuss, and take any necessary action regarding District credit cards from Amegy Bank**

Upon motion by Director Ruonavar, seconded by Director Denham after full discussion with all Directors present voting aye, the Board approved the General Manager to proceed with acquiring District credit cards from Amegy Bank. Motion carried unanimously.

Mr. Smith stated he would be in contact with Municipal regarding further banking options with Amegy Bank.

- d. Review, discuss, and take any necessary action regarding Order Declaring Surplus Property and Authorizing Sale of Surplus Property

Director Denham asked if there was a list of Surplus Property or if it was just the 2004 Ford Truck. Mr. Smith stated it was just the truck at this time.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved Order Declaring Surplus Property and Authorizing Sale of Surplus Property. Motion carried unanimously.

Director Denham asked if there was anyone interested in the truck, Mr. Smith responded yes but there is a bid process and notification period. Mr. Polley stated the District would need to get fair-market-value. Mr. Smith responded it would be difficult to look at the Blue Book Value due to the trucks condition, it is not running, and needs a new turbo. The Blue Book Value does not go lower than fair condition. Mr. Smith stated the District had to spend approximately \$500.00 to be able to get a quote on the repairs necessary. Director Barr asked if it was a diesel engine, Mr. Smith responded yes, it has a pipe rack installed, and utility bed. Mr. Smith asked the Board what an acceptable value would be for the truck. Director Ruonavar stated \$1200.00, Director Pillow stated \$1500.00. Director Barr asked if the utility bed could be moved to another truck, Mr. Smith stated no. Mr. Smith stated there was 71,000 miles on the truck. The Board did not set an acceptable value and stated the best offer would be acceptable.

- e. Consider authorizing Director attendance at the 2020 AWBD Spring Breakfast to be tentatively held on April 24, 2020 in Houston, Texas

Mr. Polley stated the Board could authorize attendance and Directors could decide if they would like to attend once the topic of the meeting is released.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, the Board authorizing Director attendance at the 2020 AWBD Spring Breakfast to be tentatively held on April 24, 2020 in Houston, Texas with Directors notifying the General Manager if they choose to go so reservations can be made. Motion carried unanimously.

Director Pillow asked about the decreased water well production on January 31, 2020. Mr. Ferguson stated the well meters are being calculated from one manager to himself, the readings should be more consistent in months to come. Mr. Ferguson stated the increased usage on the 1st appears to be two days usage. Mr. Smith stated they would investigate it further.

11. Directors Comments

No further Directors Comments.

The Board recessed for a break at 9:03 p.m. and reconvened at 9:10 p.m.

Executive Session

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.

Adjourn to Executive Session at 9:10 p.m.

Executive Session ended at 9:33 p.m. by Director Pillow

Regular Session resumed at 9:33 p.m. by Director Pillow

12. Next Board Meeting

The next Regular Board Meeting is March 30, 2020 at 7:00 p.m.

13. Adjournment 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 9:34 p.m.

PASSED and APPROVED this the 30th day of March 2020.



President, Board of Directors



Secretary, Board of Directors

