

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

March 29, 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, March 29, 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, except for Director Satterwhite who was absent, thus constituting a quorum. Also attending for the District were: Mike Kelly (Engineer) with Bleyl Engineering, Jonathan Polley (Attorney) with Radcliffe, Bobbitt, Adams, and Polley, Jonathon Smith (General Manager), Jim Ferguson (Operations Manager), Amanda Phillips (Human Resources Director), Wendy Pafford (Bookkeeper) and Gary "Ryan" Stephens (Operations Supervisor).

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 Ashy.

2. Public Comment

No public comment.

3. Review and Approve Minutes

- a. Minutes of the Regular Meeting on February 22, 2021.

Director Ruonavar asked to be copied on draft minutes that are sent to Director Denham for review. Mr. Smith reminded the Directors that Director Denham is paid a fee of office for reviewing the draft minutes, Director Ruonavar stated she did not want to be paid a fee of office.

Upon motion by Director Barr, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Minutes of the Regular Meeting on February 22, 2021 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 Lone Star Groundwater Conservation District Director Jonathan Prykryl notified Mr. Smith he would be unable to attend the meeting but would be present at the April 26, 2021 Regular Meeting. Mr. Smith asked the Board about their availability to have an evening virtual meeting so they could have an opportunity to voice concerns with the Representatives. The Directors requested Monday-Thursday and 7:00 or 8:00 p.m. Mr. Smith stated he would reach out to the Representatives Staff to get the meeting scheduled.

5. New Business

- a. Introduce new District Operations Supervisor Gary "Ryan" Stephens.

Mr. Ferguson introduced Gary "Ryan" Stephens to the Directors. Mr. Stephens will be supervising the facility operations, metering, and inspections. The Directors welcomed Mr. Stephens to the District.

- b. Review, discuss, and take any necessary action regarding Director Fees of Office.

Director Ruonavar requested to table this item until next month so all seven Board members could be present when discussing this item. Mr. Smith stated he would include a copy of the last approved resolution in next month's Board materials.

- c. Discuss and take any necessary action authorizing Director Fees of Office for Director Ruonavar for attendance at the Lone Star Groundwater Conservation District Stakeholder Meeting on March 10, 2021.

Upon motion by Director Pillow, seconded by Director Denham after full discussion with all Directors present voting aye, the Board approved Director Ruonavar's fees of office for attendance at the Lone Star Groundwater Conservation District Stakeholder Meeting on March 10, 2021. Motion carried unanimously.

- d. Discuss and take any necessary action authorizing Director attendance, and Director Fees of Office, for 2021 Cyber Security Training.

House Bill 3834 requires all District Staff and Elected Officials are required to have Cyber Security Training annually. AWBD has two trainings available April 6, 2021 and April 13, 2021. AWBD's training is an hour long and free of charge. TML has online training with a 10-question multiple-choice test that is also free of charge that can be completed at any time. The deadline to complete training is June 14, 2021.

Upon motion by Director Denham, seconded by Director Barr after full discussion with all Directors present voting aye, the Board approved attendance, and Director Fees of Office, for the 2021 Cyber Security Training. Motion carried unanimously.

6. Financial Report by Municipal Accounts

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

Director Pillow asked about the status of Independent Bank. Mr. Smith stated the District has completed everything necessary, he is waiting on the TCEQ at this time. Mr. Polley stated the TCEQ asked for additional information a few weeks ago, and it was provided to the TCEQ. Mr. Smith stated that the deadline is very close to the next interest payment due June 1, 2021 and asked the reviewer to expedite the TCEQ review. Mr. Polley stated the bond holders need to be notified a month prior to payment of bonds.

Director Pillow asked about a check to National Trench and Safety, Mr. Ferguson responded it was rental for an excavator and shoring to raise a fire hydrant. Director Pillow asked about more information about Developer Invoices, Mr. Smith stated he would get more details about the information. Director Ruonavar asked about a check for Gates in Motion, Mr. Ferguson stated it was for an existing alignment issue with the gate. Director Pillow asked about the status of the BBVA/Compass credit cards, Mr. Smith stated the District was transitioning auto-pays to the new Citi-Bank card. The District will stop usage of the BBVA/Compass card by the end of April. Director Ruonavar asked about the TCEQ Reg fee, Mr. Ferguson responded it is the annual TCEQ Regulatory Assessment Fee. Director Pillow and Ruonavar asked about the status of the answering service. Mr. Smith stated that 4 out of 5 calls received after

hours were billing questions. Mr. Smith stated now the system is set up to send billing questions to a voice mail or asked to call back during working hours. Mr. Smith stated the invoices for the answering service should drop significantly. Director Ashy asked if the phone tree is working properly, Mr. Smith stated yes, but Century Link and FTG are working on the phone lines coming into the office. Ms. Pafford stated she was having Century Link and FTG in the offices later in the week. Director Pillow was asking for a better description on the report for the location of the Entergy Bills. Ms. Pafford states it is specified on the checks, but it is not reflecting on Municipal's report. Director Pillow asked about returned check fees, Ms. Pafford stated Municipal contacted her about a returned check a few weeks ago, and they are very few. Director Denham asked about overtime, Ms. Pafford stated it was due to Staff's extra hours during the freeze. Director Pillow asked about fuel charges, Mr. Smith responded that in preparation for the storm in February everything was topped-off. Director Pillow stated it appears that the District will be 30% over budget for insurance, Mr. Smith stated that the District had added two new employees. Director Ruonavar asked about Payclix fees, and Ms. Pafford stated that Municipal receives the information directly from Payclix. Director Ruonavar asked about charges listed under office furniture, Ms. Pafford stated she will research the charge. Director Pillow asked Mr. Smith if he had a running total on Ford and Sorters Rd. easement costs to date. Mr. Smith stated he will email the information he has to date. Director Pillow asked about Miscellaneous on page 13 of the report, Mr. Smith stated it was a transfer of funds from operating account to the GRP account for the TDEM reimbursement to the District. Director Pillow asked about the Porter SUD GRP contributions, Mr. Smith stated it is based on water sales.

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.

7. Engineering Report by Ardurra Group

Mr. Smith gave an update on the Pilot Report. Mr. Smith stated that the Koch and Toray pilot tests have been approved. The District is still waiting to hear from the TCEQ regarding Pall and Purifics.

8. Engineering Report by Bleyl Engineering

- a. Developments update
- b. General Fund Projects update
 - i. Review, discuss, and take any necessary action regarding the Copeland Water Well Rehabilitation project, including considering new versus used gravity filter equipment and overall direction with the project.

Mr. Kelly stated that a pilot study was completed at Copeland for a filter system. The consultant stated that they had used equipment from another system, Mr. Ferguson and Bleyl inspected the equipment, and the metal was found to be structurally sound. Director Ruonavar asked if the District purchased the equipment, what would be the longevity. Mr. Kelly responded it was difficult to estimate. Mr. Kelly received pricing information earlier in the afternoon from WETS, they gave pricing for three scenarios. New equipment was priced at \$490,000.00 and did not include electrical, piping, valves, and transfer pumps. The used equipment that another District has was quoted at \$400,000.00. The other scenario was used equipment for \$270,000.00. Mr. Kelly stated he estimated \$700,000.00 total cost for a new filtration system. Mr. Kelly stated the BEST survey was at an estimated cost of \$100,000.00 and cementing sections and cleaning the well was approximately \$150,000.00. Director Pillow asked if we could get more quotes from other vendors.

c. Update on Impact Fee Capital Improvement Projects update.

- i. Discuss and take any necessary action regarding US-59 Waterline Crossing project, including authorization to proceed with advertising and bidding, as well as approving direct payment to Rail Pro for services related to the crossing of Loop 494 and railroad tracks.

Mr. Kelly stated that the approval contract for the bore under the railroad has been completed. Mr. Kelly stated the railroad requires a third-party inspector and asked if the District wanted to direct pay for the inspector or add the fees into the contract.

Upon motion by Director Ruonavar, seconded by Director Denham after full discussion with all Directors present voting aye, the District approved authorization to proceed with advertising and bidding, as well as approving direct payment to Rail Pro for services related to the crossing of Loop 494 and railroad tracks. Motion carried unanimously.

Mr. Kelly stated that he, Mr. Smith, and Mr. Polley attended a meeting with the Montgomery County Precinct 4, and their attorneys regarding Ford Rd. about easements. Mr. Smith stated on Sorters road it cost approximately \$26,000.00 for each easement. Mr. Smith stated the Directors would need to decide if they were okay with being in the right-of-way or getting easements on every parcel. Mr. Kelly stated the County has finalized their plans and about 40% of the Districts lines would be under pavement. Mr. Polley clarified the plans and discussion was for Ford Rd. at Sears Rd. to the east.

Director Ruonavar asked Mr. Kelly about the easement to the surface water plant property, Mr. Kelly stated he has been in contact with Mr. Li and will report any progress. Director Denham asked about the Amazon Distribution center, Mr. Kelly stated that Porter Logistics was waiting on approval from TXDOT. Mr. Kelly gave an update on Valley Ranch stating they are completing their 5th connection with the District;

the District was not notified, and Staff discovered the connection. The location of the meter has not been decided.

9. General Counsel's Report

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

Mr. Smith stated that he has had conversations with Jason Miller with the City of Conroe regarding the Water Supply Agreement, and he was open to discussing options with the District.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved Director Ruonavar's attendance and fee of office for a future meeting with the City of Conroe regarding the Water Supply Agreement. Motion carried unanimously.

The Board recessed for a break at 8:35 p.m., and reconvened at 8:45 p.m.

Adjourn to Executive Session at 8:45 p.m.

Executive Session ended at 9:22 p.m. by Director Pillow.

Regular Session reconvened at 9:22 p.m. by Director Pillow.

10. General Manager's Report

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

Mr. Smith stated that the District waived late and delinquent fees for Customers in the month of March due to Winter Storm Uri. The District will resume charging late and delinquent fees in April. Mr. Smith stated that the County is working on completing plans for phase 2 of the Sorters Rd. project. Mr. Smith stated that CenterPoint is allowing the District to tap-off the existing gas main for the well #9 generator project. Mr. Smith updated the Board about the progress made on the East Knox Dr. project. Mr. Smith stated the new engine for the well#7 generator has been installed, the rental generator was removed March 17, 2021. Mr. Smith stated Director Ruonavar had signed up for the 2021 AWBD Virtual Spring Breakfast on April 16, 2021 and asked if any other Directors are interested in attending to let him know. Mr. Smith stated Directors also need to notify him if they are interested in attending the AWBD 2021 Annual Conference in June. Director Ruonavar asked about the District trucks, Mr. Ferguson responded the District is down one truck. Mr. Smith stated he would like to wait until the next fiscal year to look at purchasing new trucks.

- 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 Cares Act expired as of January 31, 2021. The Directors asked that employees to continue cleaning the office and vehicles daily.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, the Board approved to rescind all Executive Orders the District issued regarding COVID-19 and continue cleaning practices. Motion carried unanimously.

- c. Review, discuss, and take any necessary action regarding the design and construction of the New Administration Building located at 24332 Loop 494, including authorization to proceed with advertising and bidding.

This item was tabled until next month, Director Barr made a request to see the plans. Mr. Smith stated he will have a set of plans made for all Directors.

11. Directors Comments

Director Ashy asked if all Employee's took safety protocol serious by not wearing PPE on the job site. Mr. Smith stated use of PPE has been a cultural change the District has been making, in the past there was a lack of enforcement. Director Barr asked what PPE the District supplies to Employee's. Mr. Smith responded, safety toed boots, vest, safety glasses, hard hats, and foam ear plugs. Mr. Smith stated that for facility maintenance there is face shields and ear protection muffs. Director Denham asked if there was a timeline for Employee's to acclimate, Mr. Smith stated it would be short and enforced with progressive discipline. Director Ashy asked for Staff to emphasize the importance of PPE and to have a report back next month.

12. Next Board Meeting

Regular Meeting scheduled Monday, April 26, 2021 at 7:00 p.m.

13. Adjournment

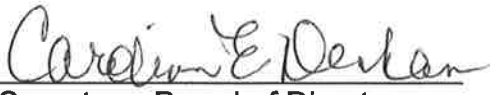
At any time during the meeting and in compliance with the Texas Open Meetings Act (Chapter 551), the Porter Special Utility Board of Directors may meet in executive session on any of the above agenda items for consultation concerning attorney-client matters (551.071); deliberation regarding real property (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 10:07 p.m.

PASSED and APPROVED this the 26th day of April 2021.



President, Board of Directors



Secretary, Board of Directors

