

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

September 27, 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, September 27, 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

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, Blake Barringer (Engineer) with Bleyl Engineering, Jonathan Polley (Attorney) with Radcliffe, Bobbitt, Adams, and Polley, Jonathon Smith (General Manager), Chris Wright (Operations Manager), Wendy Pafford (Bookkeeper), and Amanda Phillips (Human Resources Director).

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 August 30, 2021.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, the Minutes of the Regular Meeting on August 30, 2021, were approved. Motion carried unanimously.

- b. Minutes of the Special Meeting on September 16, 2021.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, the Minutes of the Special Meeting on September 16, 2021, were approved. Motion carried unanimously.

4. Old Business

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

Mr. Smith stated that Senator Creighton is most likely available to meet with Directors would be October's Regular Meeting.

Director Ruonavar asked about the 5% raise policy. Mr. Smith responded that the Policy Review Committee was unable to meet in September, and he would schedule a meeting for October to present at the next Board Meeting.

5. New Business

- a. Discuss and take any necessary action regarding vacant position on the Board of Directors, including nomination process and next steps

Mr. Polley stated that some Districts have an application process and interview potential candidates. Mr. Polley had a sample form of application that the Directors passed around for viewing. Mr. Polley stated that he would email the sample application to the Directors.

- b. Review, discuss, and take any necessary action regarding the District's property tax records with Montgomery County Appraisal District

Director Ruonavar stated that she reviewed Porter SUD properties on the Montgomery County Appraisal District (MCAD) website. Director Ruonavar stated that the account names and addresses need to be corrected on several accounts. Mr. Smith stated he would reach out to MCAD to see what the process is to make the changes.

- c. Review, discuss, and take any necessary action regarding Enterprise Fleet Lease Program, including approval of three lease vehicles for FYE 2022

Mr. Smith presented the Enterprise Fleet Lease Program and analysis to the Directors as an alternative to purchasing trucks. Mr. Smith presented a 4-year lease rotation program covering routine maintenance, and one set of tires on each truck. Mr. Smith stated the District has been unsuccessful with purchasing trucks due to chip shortages and inflation of prices. Mr. Smith stated that Enterprise Fleet has trucks available now. Director Denham asked if the District still paid for registration, Mr. Smith stated yes. Director Barr asked what the difference in cost was for buying the trucks outright, Mr. Smith stated it was dependent on the truck. Mr. Smith stated it would be less expensive to buy the truck outright but could be more expensive when you factor in maintenance on the vehicle. Director Ruonavar asked if there was an option to buy at the end of the lease, Mr. Smith said yes. Mr. Wright stated the transition to lease vehicles will be a cost savings due to the efficiency of bringing in new vehicles and maintenance savings. The Directors asked to table this item until next month requesting more information.

- d. Review, discuss, and take any necessary action regarding the District's Surface Water Treatment Plant property located off Sorters Road

Mr. Smith stated this item will be discussed later in Executive Session.

6. Financial Report by Municipal Accounts

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

Director Denham asked about the new boring machine, Mr. Smith stated that a prairie dog boring machine was purchased for wet soil conditions. Director Ruonavar asked what USA Bluebook is, Mrs. Pafford responded that they are a vendor used to purchase various items for operations. Director Ruonavar asked about Perkins Autobody for hail damage, Mrs. Pafford responded to repair truck #111 with hail damage, paid by an insurance claim minus the deductible. Director Pillow asked about the fuel charges, Mrs. Pafford responded that it was increased due to filling the onsite tanks in preparation for potential storms. Director Ruonavar stated that she thought the new online bill payment system would be a savings to the District, Mr. Smith responded that the August charges \$700.00 less than budgeted. Director Pillow stated that the water billing printing is over budget, Mr. Smith stated he would research the fees and postage rates, he stated he would follow up. Mrs. Pafford stated that the doorhangers that were recently purchased were included in that GL code. Director Pillow asked about GL code 16172, stating it was underbudget for August. Mr. Smith stated that two months ago the annual fee for

Starnik was paid. Director Pillow asked about the status of easements on Sorters Rd., Mr. Smith stated the District has acquired all easements on Sorters Rd. Mr. Smith stated the District is still working with Phelps Dunbar to acquire easements for the Maple Heights Development and Ford Rd. Director Pillow asked for a total cost of easements on Sorters Rd. Director Pillow asked about the transfers of accounts to the new bank, Mrs. Pafford stated that she had paperwork for the Directors to sign, and Municipal Accounting will handle the transfers.

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

b. Review Quarterly Investment Report for Period Ending May 31, 2021

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Quarterly Investment Report for Period Ending May 31, 2021, was approved. Motion carried unanimously.

7. Engineering Report by Ardurra Group

a. Surface Water Treatment Plant Pilot Study Update

There have been no updated reports from Ardurra updating the District.

8. Engineering Report by Bleyl Engineering

a. Developments update

**i. Review, discuss and take any necessary action regarding
Dunn Right RV Park (Owens Road)**

There are no updates for Dunn Right RV Park.

**ii. Review, discuss, and take any necessary action regarding
Maple Heights, including authorizing District consultants to
approve bid documents for the offsite waterline improvements**

Mr. Kelly stated he has had a productive meeting with Century Communities the new owners of the Maple Heights Development. Mr. Kelly stated that in the contract it stated that the District Engineer or General Manager can approve award of contracts to vendors, pay estimates and change orders. Director Pillow stated he wants the Board to approve the initial contract and that he was okay with pay applications being approved by the District Engineer and the General Manger, as long as the Board is notified about the approvals. Mr. Kelly stated the Developer might want to have a Special Meeting for the off-site waterline. No motion was necessary, the Board will approve with the initial contract.

b. General Fund Projects update

- i. Review, discuss, and take any necessary action regarding E. Knox Drive Waterline Upsizing project, including approval of the Certificate of Substantial Completion, Change Order #2 in the amount of \$2,500. And payment of Pay Estimate #2 and Final in the amount of \$13,871.00

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, the Directors approved the E. Knox Drive Waterline Upsizing project, including approval of the Certificate of Substantial Completion, Change Order #2 in the amount of \$2,500. And payment of Pay Estimate #2 and Final in the amount of \$13,871.00. Motion carried unanimously.

- ii. Review, discuss, and take any necessary action regarding Well #9 Generator project, including approval of Pay Estimate #2 in the amount for \$61,110.90 and Pay Estimate #3 in the amount of \$7,658.10

Upon motion by Director Denham, seconded by Director Bridges after full discussion with all Directors present voting aye, the Directors approved Pay Estimate #2 in the amount of \$61,110.90 and Pay Estimate #3 in the amount of \$7,658.10. Motion carried unanimously.

c. Impact Fee Capital Improvement Projects update.

- i. Discuss and take any necessary action regarding the Economic Development Committee, including possible reappoint of new members

Mr. Kelly was requesting direction from the Board regarding the two Real Estate Agents. Mr. Smith stated the existing committee includes Real Estate Agent #1 and Real Estate Agent #2. The Board requested staff to reach out to Lisa Weeks. Mr. Kelly stated once the Committee is established, he will schedule the meeting.

Director Ruonavar commented about the minutes for the Special Meeting on September 16, 2021, regarding the District pulling the railroad permit, Mr. Smith responded that Dunn Right RV Park will be billed for the fees incurred by the District.

9. General Counsel's Report

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

This item will be discussed later in executive session.

- b. Annual review of Investment Policy, amend as necessary

Mr. Polley did not recommend any changes to the Investment Policy.

- c. Approve Amended List of Authorized Brokers

Municipal Accounts provided a List of the Authorized Brokers.

Upon motion by Director Bridges, seconded by Director Ashy after full discussion with all Directors present voting aye, the Directors approved the Annual review of Investment Policy and the Amended List of Authorized Brokers presented. Motion carried unanimously.

- d. Review AWBD Bylaws Election, designate voting representative for AWBD Election and take other necessary actions

The AWBD is requesting the District to designate a voting representative.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, the Directors approved Director Ruonavar as the designated voting representative for the AWBD Elections. Motion carried unanimously.

- e. Authorize defeasance of Series 2014 Waterworks System Revenue Bonds

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, the Directors authorized defeasance of Series 2014 Waterworks System Revenue Bonds callable December 1, 2021. Motion carried unanimously.

- f. Approval of waterline easement for 22829 Ford Road (McSpadon Square)

- g. Approval of waterline easement for Peppervine Section 1

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, the Board approved the waterline easement for 22829 Ford Road (McSpadon Square), and for Peppervine Section 1. Motion carried unanimously.

10. General Manager's Report

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

Director Barr asked what the timeline is from when a leak is called in until the time the repair is made. Mr. Smith stated it depended on the leak and workload, typically 10-days no more than 1-month. Mr. Barr stated there appears to be a leak near Mayer Rd.

that has been marked for line locates, Mr. Smith stated the District will investigate the status of the repair. Director Ruonavar asked if 155 tested hydrants is accurate for the hydrant audit. Mr. Smith stated yes that he has been in contact with the Porter Fire Department regarding the timeline of hydrant testing. Mr. Smith stated the Districts water demand is the lowest since 2017. Director Ruonavar asked if there is anything the District can do about the water pressure in Briar Tree. Mr. Smith stated the District can do testing in Briar Tree. Director Ruonavar asked if mileage reimbursement is available for the Lonestar GCD and GMA-14 Meetings. Mr. Smith stated it would be eligible for mileage reimbursement.

The Board recessed for a break at 8:32 p.m., and reconvened at 8:40 p.m.

Adjourn to Executive Session at 8:40 p.m.

Executive Session ended at 8:51 p.m. by Director Pillow.

Regular Session reconvened at 8:51 p.m. by Director Pillow.

5. New Business

- d. Review, discuss, and take any necessary action regarding the District's Surface Water Treatment Plant property located off Sorters Road

Upon motion by Director Barr, seconded by Director Ashy after full discussion with all Directors present voting aye, the Board approved Director Pillow and Director Ruonavar to sign the contract to sell the surface water plant property. Motion carried unanimously.

11. Directors Comments

12. Next Board Meeting

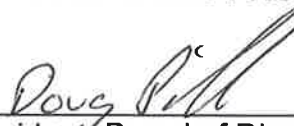
Regular Meeting scheduled Monday, October 25, 2021, at 7:00 p.m.

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 Barr after full discussion and all Directors present voting aye, the meeting was adjourned at 8:54 p.m.

PASSED and **APPROVED** this the 25th day of October 2021.



President, Board of Directors



Secretary, Board of Directors

