

PORTER SPECIAL UTILITY DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

November 30, 2020

The Board of Directors (the Board or Directors) of Porter Special Utility District (the District) met in regular session and via Zoom Meeting - Conference Call, at 7:00 p.m., at 22162 Water Well Road, Porter, Texas 77365, on Monday, November 30, 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

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|--------------------|---------------------------|
| 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: John-Thomas Foster (Attorney) with Radcliffe Bobbitt Adams Polley PLLC, Jonathon Smith (General Manager), Amanda Phillips (Human Resource Director), and Wendy Pafford (Bookkeeper).

Participants of the Board Meeting attending in person:

Ron Kelling, General Manager for San Jacinto River Authority
Ivan Canales, Director for Senator Brandon Creighton's Office

Participants of the Board Meeting attending via Zoom:

Mike Kelly (Engineer) with Bleyl Engineering
Chris Meeks with San Jacinto River Authority
Heather Cook
Matt Corley
(2) Unnamed Callers

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 Bridges.

2. Public Comment

No public comment.

5. New Business

- a. Presentation of Montgomery County Groundwater Management Update by Ron Kelling with the San Jacinto River Authority**

Mr. Kelling, the General Manager for the San Jacinto River Authority gave a presentation to the Directors, Staff, and Consultants explaining ground water management in Montgomery County. Director Pillow asked about the timeline for projected subsidence, Mr. Kelling responded it was dependent on how much groundwater was permitted to be pumped from the aquifer, and weather. Director Ashy asked how San Jacinto River Authority was connected to GMA-14, Mr. Kelling responded that because they own wells and property, they make comments to the group, as with Lonestar Groundwater Conservation District. Mr. Kelling thanked the Board for their time.

- b. Discussion of Montgomery County groundwater and legislative concerns with Texas Senator District 4 Brandon Creighton and Texas Representative District 3 Cecil Bell, Jr.**

Texas Senator District 4 Brandon Creighton and Texas Representative District 3 Cecil Bell, Jr. were unable to attend. Mr. Ivan Canales the Director for Senator Brandon Creighton's office was present and introduced himself to the Board. Director Ashy asked if Senator Creighton was a participant in any of the environmental committees, Mr. Canales responded the Lieutenant Governor has not announced the positions yet. Mr. Canales stated Senator Creighton is a Chair in Higher Education and the Ports. Director Ruonavar stated he is a Co-Chair in the Water Committee, as well as Will Metcalf, and Mr. Canales confirmed it. Mr. Smith made a comment that he would like for a definition in the Texas Water Code of "fair share" to be established by the State of Texas. Director Ashy asked when the next Legislative session starts, Mr. Canales stated on January 12, 2021. The Board thanked Mr. Canales for attending, and Mr. Canales thanked the Board, stating that hopefully Mr. Creighton would be available to attend in the future.

Mr. Kelling and Mr. Canales left the meeting at 8:06 p.m.

The Board recessed for a break at 8:07 p.m., and reconvened at 8:12 p.m.

Director Ruonavar asked who joined the meeting via Zoom, Mr. Smith responded that at 7:16 p.m. that two callers came in, one did not have a name listed, and they left the meeting at 7:17 p.m. At 7:16 p.m. a caller listed as Heather Cook logged on, and logged off at 7:56 p.m. Mr. Smith stated that Matt Corley logged on at 7:10 pm, and logged off at 8:07, at the same time Chris Meeks logged off.

3. Review and Approve Minutes

Director Ruonavar stated that there was a wording correction was made to the October 26, 2020 Regular Meeting draft minutes regarding information Director Ashy requested water information for Public Officials. The Directors received the revised draft minutes before the meeting.

- a. Minutes of the Regular Meeting on October 26, 2020.
- b. Minutes of the Special Meeting on November 2, 2020.
- c. Minutes of the Special Meeting on November 9, 2020.

Upon motion by Director Denham, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Minutes of the Regular Meeting on October 26, 2020, the Special Meeting of November 2, 2020, and the Special Meeting of November 9, 2020 were approved. Motion carried unanimously.

4. Old Business

- a. Review, discuss and take any necessary action regarding the District's Rules and Regulations, including procedures for handling illegal connections.

Mr. Smith presented proposed revisions made by Mr. Ferguson (Operation Manager) to the District's Rules and Regulations, including procedures for handling illegal connections. The Board was provided red-lined copies of the Rules and Regulations that included wording for manufactured-home communities. Mr. Smith pointed out the maximum multi-family connections chart and thanked Mr. Kelly for his work compiling information. Director Barr asked where the equivalent information for items like food trucks connections were found, Mr. Kelly stated that connection equivalents used are typically from City of Houston standards, for the food trucks he used an example from the City of Conroe calculations. Mr. Smith stated that additional definitions were added to multi-family including duplexes, townhomes, and condominiums. Mr. Smith stated the proposed changes to the District's Rules and Regulations would help the District with wording for letters to residents with possible illegal connections.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, the revisions to the District Rules and Regulations were approved. Motion carried unanimously.

- b. Review, discuss, and take any necessary actions regarding the District's Personnel Policies.

Ms. Phillips presented the Personnel Policy changes that the Policy Committee had discussed at their meeting on November 20, 2020.

- i. Section 3.10 - Tobacco Use

A red-lined copy of the proposed changes was presented, to include the wording of smoking tobacco. Employees are to abide by all posted District signage regarding tobacco use and prohibited to use tobacco products of any kind when in the presence of District Customers.

Upon motion by Director Ashy seconded by Director Barr after full discussion with all Directors present voting aye, the Board approved the changes to Section 3.10 – Tobacco Use. Motion carried unanimously.

- ii. Section 4.4 - Longevity Pay

The Committee had requested to strike Section 4.4 – Longevity Pay from the Personnel Policy.

Adjourn to Executive Session at 8:30 p.m.
Executive Session ended at 8:40 p.m. by Director Pillow.
Regular Session reconvened at 8:40 p.m. by Director Pillow.

Upon motion by Director Ruonavar seconded by Director Ashy after full discussion with all Directors present voting aye, the Board approved removing Section 4.4 – Longevity Pay from the Personnel Policy, with an equivalent wage increase for non-exempt employees. Motion carried unanimously.

- iii. Section 2.0 – Definitions (Longevity Pay)

Upon motion by Director Ruonavar seconded by Director Denham after full discussion with all Directors present voting aye, the Board approved to remove Section 2.0 – Definition of Longevity Pay. Motion carried unanimously.

- iv. Section 5.20 – Vacation Leave

A change in the wording in the existing Personnel Policy was presented to the Board, requesting the change of the word will to may, and omitting the requirement to use 40

hours to roll over vacation time. Employees will still be required to use 40 hours to sell vacation time.

Upon motion by Director Denham seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the presented changes to Section 5.20 – Vacation Leave. Motion carried unanimously.

v. Section 6.6 – District Organizational Chart

Upon motion by Director Ruonavar seconded by Director Denham after full discussion with all Directors present voting aye, the Board approved the District Organizational Chart. Motion carried unanimously.

vi. Section 6.6(A) – Chain of Command for Field Employees

vii. Section 6.6(B) – Chain of Command for Office Employees

Mr. Smith stated it is noted on the Organizational Charts and in the Personnel Policy that the Operations Manager is in charge if the General Manager is not present.

Upon motion by Director Ashy seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approved Section 6.6(A) – Chain of Command for Field Employees and Section 6.6(B) – Chain of Command for Office Employees. Motion carried unanimously.

5. New Business

- c. Review, discuss, and take any necessary action regarding the Wholesale Water Supply Agreement with Montgomery County MUD 24, including ratifying the “1st” Additional Capacity Request.

Upon motion by Director Denham seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approved the Wholesale Water Supply Agreement with Montgomery County MUD 24, including approved the ratification of the “1st” Additional Capacity Request. Motion carried unanimously.

- d. Review, discuss, and take any necessary action regarding Engagement Letter with Belt Harris Pechacek for FYE 2021 Annual Financial Audit

Director Denham asked if Belt Harris Pechacek price increased for the FYE 2021 Annual Financial Audit, Mr. Smith responded that the price is the same as it was for the FYE 2020 Annual Financial Audit, \$20,596.00.

Upon motion by Director Denham seconded by Director Barr after full discussion with all Directors present voting aye, the Board approved Engagement Letter with Belt Harris Pechacek for FYE 2021 Annual Financial Audit in the amount of \$20,596.00. Motion carried unanimously.

- e. Discuss and take any necessary action regarding the District's bookkeeping software and related timekeeping software.

Mr. Smith stated that the District is currently using On-the-Clock for timekeeping, and testing T-Sheets, a timekeeping system that directly integrates with QuickBooks. Mr. Smith stated that the District is going with QuickBooks Enterprise, which will integrate with Municipal Accounts current software. Mr. Smith stated the District will use T-sheets solely after January 1, 2021, he complimented the location service tracking capabilities on T-Sheets. Director Ruonavar inquired about how many office staff had District phones, Mr. Smith responded all except for the employees in the Billing Office, who can clock-in on the District computers. Director Pillow asked about the cost of the timekeeping system, Mr. Smith responded On-the-Clock is approximately \$40.00 per month. Mrs. Pafford stated she did not have an amount for T-sheets because the District would get a discounted rate. Director Ruonavar asked about the Cricket phone service, Mrs. Pafford stated that the Representative stated they do not have business accounts. The District also did a Pilot with T-Mobile, the phone worked well in the Porter area, but many Employees had service issues in rural areas. Mr. Smith stated that Municipal will continue payroll until the end of year, then it will be handled in-house starting the first payroll in 2021. Mr. Smith stated that the District is paying approximately \$2,400.00 annually for QuickBooks Enterprise. Director Ruonavar asked Mr. Smith to verify that employees who attend the meeting are not being coded under Director fees. Mrs. Pafford verified that the District is paying \$2,620.00 annually for QuickBooks Enterprise.

Upon motion by Director Ruonavar seconded by Director Ashy after full discussion with all Directors present voting aye, the Board approved the District's bookkeeping software. Motion carried unanimously.

- f. Discuss and take any necessary action regarding Christmas Bonuses for District employees.

Mr. Smith provided a list of seven employees that have been with the District for less than a year, and twelve that have been with the District over a year. For the previous two years the District approved \$150.00 Bonus for employees that have been with the District for less than a year, and \$300.00 Bonus for employees that have been employed with the District for over a year. Director Pillow asked if the employees still received gift card, Mr. Smith confirmed that the District provides a \$25.00 gift card at Thanksgiving, and a \$25.00 gift card at Christmas.

Upon motion by Director Bridges seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approved Christmas Bonuses for District employees in the amount of \$150.00 for employees that have been with the District for less than a year, and \$300.00 for employees that have been with the District over one year. Motion carried unanimously.

6. Financial Report

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

Director Ruonavar asked about Office Supplies being over \$1,000.00 a month, Mrs. Pafford stated that paper, ink, and items like toilet paper made up most of the charges. Mr. Smith stated that the Office Supplies are under budget for the year to date. Mr. Bridges stated that the Office Supply budget amount was carried over from last year. Mrs. Pafford stated that this year there has been an increase in items like disinfectant and sanitizer due to Covid-19. Mr. Smith stated he has spoke to Mrs. Pafford and are considering renaming Office Supplies, to Supplies and making sub-categories to detail the expenditures. Director Denham asked why in 5130 that there are not Dental expenses, Mrs. Pafford responded that the account has health, dental, and vision insurance lumped together. This item will also have sub-accounts listed soon. Director Denham inquired about 5178 for Equipment Rental, Mrs. Pafford responded it was for the generator rental, and it should fall under plants. Mr. Smith stated they would follow up with Municipal to correct it. Director Denham asked why there was no charges for sewer service in account 5186, Mrs. Pafford stated that it is paid a year in advance and was coded in the last fiscal year. Director Ruonavar asked why there are no TCEQ fees, Mr. Smith responded that there are two TCEQ fees, one is a TCEQ permit fee, and a TCEQ regulatory assessment fee. Mr. Smith stated that the District just received the bill for the TCEQ regulatory fee, and the permit fees have yet to be received. Director Ruonavar asked if the 5270 is for the monthly staff meeting, Mr. Smith stated it is a portion of it, Director Ruonavar requested a breakdown of the account. Director Pillow asked about the check to the City of Conroe, and the following week an ACH payment. Mrs. Pafford stated that the District has stopped the ACH payments. Mr. Smith stated that by the time the ACH clears for one month, a new bill had already been received and a check cut. Mr. Smith stated that he will request a breakdown for the City of Conroe charges. Mr. Smith stated that the District requested to stop ACH payments to the City of Conroe on October 19, 2020.

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

7. Engineering Report by Ardurra Group

a. Surface Water Treatment Plant Pilot Study update

There have been no updates from the TCEQ about the Pilot Study Report.

8. Engineering Report by Bleyl Engineering

a. Developments update

Mr. Kelly stated the County has not sent an initial offer letter for easements on Ford Rd. Mr. Kelly stated that he has given approval on the initial plans for the Maple Heights Subdivision.

b. General Fund Projects update

- i. Review, discuss, and take any necessary action regarding the Adams Street Waterline Upsizing Project, including approving the Certificate of Substantial Completion, Change Order No. 1 to reduce the contract by \$6,020.00, and Pay Estimate No. 2 in the amount of \$21,914.05.**

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, the Board approved the Certificate of Substantial Completion, Change Order No. 1 to reduce the contract by \$6,020.00, and Pay Estimate No. 2 in the amount of \$21,914.05. Motion carried unanimously.

- ii. Review, discuss, and take any necessary action regarding the Knox Drive Waterline Upsizing Project, including authorizing project advertising and bidding.**

Mr. Kelly stated that bidding will be in December and brought before the Board at the December monthly meeting.

Upon motion by Director Ruonavar, seconded by Director Denham after full discussion with all Directors present voting aye, the Board approved the Knox Drive Waterline Upsizing Project, including authorizing project advertising and bidding. Motion carried unanimously.

c. Update on Impact Fee Capital Improvement Projects

- i. Review, discuss, and take any necessary action regarding the Copeland Ground Storage tank No. 2 Project, including approving Amendment No. 1 to the Scope of Services.**

Mr. Kelly stated the tank size had been reduced, therefore the design fees are decreased by \$28,000.00. Construction, administration, and field supervision will be provided by Kimley Horn. The construction administration and inspections by Bleyl will be charged at the hourly rate. Director Ruonavar asked about the status of Copeland. Mr. Smith stated that additional testing will occur since the aerator motor was installed last week. Mr. Smith stated he is hoping to have more to report in his next weekly update to the Directors.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the Copeland Ground Storage tank No. 2 Project, including approving Amendment No. 1 to the Scope of Services. Motion carried unanimously.

Mr. Kelly left the meeting at 9:35 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*.

Adjourn to Executive Session at 9:36 p.m.

- b. Review, discuss, and take any necessary action regarding the defeasance of Series 2012-A Bonds and Series 2014 Bonds issued for groundwater reduction plan projects, including approving the Escrow Release Application to TCEQ for the Series 2012-A and/or Series 2014 Bonds.

Executive Session ended at 9:57 p.m. by Director Pillow.
Regular Session reconvened at 9:57 p.m. by Director Pillow.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the Escrow Release Application to TCEQ for the Series 2012-A and/or Series 2014 Bonds. Motion carried unanimously.

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

No action on this item.

10. General Manager's Report

- a. Personnel matters

Mr. Smith notified the Board of Jim Ferguson and Chad Alaniz passing the TCEQ Customer Service Inspection Test. Brandon McIntyre passed his TCEQ Class C License test.

- b. Maintenance of District property, facilities, and equipment

Mr. Smith stated the aerator motor has been installed at the Copeland Plant. Director Ruonavar asked if the well was being flushed three times a week, Mr. Smith responded he believed so, he was not sure if it was drained through the ground storage tank or in the ditch. Director Denham stated she has not heard any complaints from the residents.

Director Ruonavar stated that the Briartree Plant's electric pole was damaged and gave Mr. Smith a contact she had with Entergy. Director Denham asked if there has been a response about the Mid-Winter AWBD Conference going virtual, Mrs. Phillips responded that AWBD sent a message this evening to her stating their Board had not decided yet. Director Ruonavar asked how the water loss number is calculated, Mr. Smith responded it is the water pumped minus the water billed and flushed divided by water pumped. Director Ruonavar made a request to clean up the Briartree Water Plant yard, scrap the metal, and cut down the willow tree. Director Pillow discussed the mileage on the trucks, Mr. Smith stated that the high mileage was from an employee who lives in a rural area and has been on call for two pay periods. Director Denham asked about making employees responsible for vehicle keys that go missing, Director Pillow suggested the use of a tool-tag system.

- c. Discuss and take any necessary action related to the impact of COVID-19 coronavirus pandemic on the business of the District

Mr. Smith stated the District is continuing to monitor updates on the COVID-19 coronavirus pandemic.

- d. Provide update on timekeeping system OnTheClock.

No further updates made.

11. Directors Comments

Director Bridges asked if the District had water quality complaints made by the public recently for his neighborhood, Mr. Smith stated it could be due to water flushing, but he did not have knowledge of any complaints from the area.

12. Next Board Meeting

Regular Meeting scheduled Monday, December 28, 2020 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 10:20 p.m.

PASSED and **APPROVED** this the 28th day of December 2020.



President, Board of Directors



Secretary, Board of Directors

