

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

December 28, 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, December 28, 2020, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code.

1. **Call Meeting to Order** The Vice-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 Pillow and Director Satterwhite who attended via Zoom, thus constituting a quorum. Also attending for the District were: Mike Kelly (Engineer) with Bleyl Engineering, Jonathon Smith (General Manager), Jim Ferguson (Operations Manager), Amanda Phillips (Human Resources Director), and Wendy Pafford (Bookkeeper).

Participants of the Board Meeting attending in person:

Brian Williams with Pulte Homes
Andrews Johnson Engineer for Pulte

Participants of the Board Meeting attending via Zoom:

Director Pillow
Director Satterwhite
John-Thomas Foster, Attorney with Radcliffe, Bobbitt, Adams, and Polley

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

Director Ruonavar asked Mr. Williams and Mr. Johnson if they had any public comment, they both deferred until their agenda item was presented. No public comment.

3. Review and Approve Minutes

- a. Minutes of the Regular Meeting on November 30, 2020.

Upon motion by Director Barr, seconded by Director Ashy after full discussion with all Directors present voting aye, the Minutes of the Regular Meeting on November 30, 2020 was approved. Motion carried unanimously.

4. Old Business

No old business presented.

5. New 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, including scheduling special meeting.

Director Ruonavar stated that the Senator and Representatives were unable to attend and would like to respond with dates for a special meeting. Mr. Smith elaborated that they expressed a Thursday meeting would work better for their schedules and asked the Board to consider approaching them with the dates of January 7th or January 14th at 6:30 p.m.

- b. Review, discuss, and take any necessary action approving the District's Schedule of Rates, Fees, and Charges, effective January 16, 2021.

Mr. Smith presented the draft Schedule of Rates, Fees, and Charges. Mr. Smith discussed the proposed changes, an increase in tap fees to re-coup the expense in time and materials, items like the bulk water rate and fire line charges have been added to the schedule. Mr. Smith recommends the surcharge period be extended to May 15th – October 15th. Director Ruonavar stated she noticed the changes in fees. Mr. Smith stated he recommends the service application fee to be increased from \$25.00 to \$40.00. Previously the District charged a \$60.00 disconnect fee, Mr. Smith recommends changing the name of the charge to delinquent fee and the amount to \$100.00. The CSI inspection fee will be set at \$50.00. Mr. Smith explained the need for an MCAD research fee and set the amount at \$50.00. Mr. Smith explained the meter testing fee was being set at \$100.00, when customers dispute the accuracy of the meter it is pulled, another installed, to meter in question is shipped to Austin, Texas and tested for accuracy. If the meter is accurate the customer will be charged \$100.00. Director Pillow asked for confirmation that we would charge the customer if the meter is correct, Mr. Smith responded yes, the customer would not be charged if the meter was inaccurate. Mr. Smith explained the need for a meter tampering fee that is set at \$250.00. The NSF fee is \$35.00. Requests for paper copies would be \$0.10 per page for black and white, and \$0.25 per page for color copies. Director Ruonavar asked if we would not charge for the first two pages.

Upon motion by Director Barr, seconded by Director Bridges after full discussion with all Directors present voting aye, the District's Schedule of Rates, Fees, and Charges, effective January 16, 2021 were approved pending the change in two copies at no charge. Motion carried unanimously.

Director Ashy asked if the Wholesale customers were notified of the new rate schedule, Mr. Smith confirmed that the District is required to give notice 60-days before the rates go into effect. Mr. Smith stated the notice went out certified mail and the District has received some responses.

6. Financial Report by Municipal Accounts

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

Director Denham asked why two checks were issued to Municipal Accounts, Mr. Smith responded that the invoices for two separate months were processed in the same month. Director Denham asked what was purchased from Tractor Supply and coded to uniforms. Mr. Smith responded a new employee needed a winter coat. Director Pillow asked about the status of the Independent Bank account. Mr. Smith stated that Independent bank was sent a letter to reactivate the account, and he will follow up with them, and see what the next steps are. Director Denham asked were Staff's fees of office were going, Mr. Smith responded to salaries. Director Denham asked about the Collier Construction partial tap refund, Mr. Ferguson responded that it is for the Fire Station on 1314 they paid for a 3" tap and they only needed a 2" tap. Director Denham asked if the Deluxe charge were for checks and if we could get checks elsewhere for a

better price, Mrs. Pafford responded yes, and she would look at other vendors. Director Ruonavar asked if PennComp LLC the District's IT service, Mrs. Pafford responded yes. Mr. Smith stated they are upgrading our Network System and helping with software installation integrating with the Firewall. Director Denham asked about the Board Training GL code at zero and two Board Members attending PFIA training. Mr. Smith responded that the PFIA training could have been coded out when it was paid for a few months earlier, but the fees of office reflect on the report. Director Ruonavar was stating that the checks paid to Bleyl Engineering do not add up on the GL list for Engineering Fees. Mr. Smith stated he will request a breakdown of charges. Director Pillow asked about the charges GL code #5126 for Contract Services, Mr. Smith stated he believed a portion of it was for the Water Rate Study, he will request a breakdown of charges. Director Ruonavar stated that the amount in GL code #5138 does not add up to the amount for the two checks for Municipal, and office supplies GL code #5190 did not either. Mr. Smith will also request breakdowns for those items. Director Ruonavar stated it appears there was no on-call amount under GL code #5109, Mr. Smith stated that was incorrect and he will request a breakdown of charges from Municipal. Director Ruonavar asked when the District will stop using Payclix, Mr. Smith responded it would be in January, at that time it will transfer to Starnik. Director Ruonavar asked about the answering service, Mr. Ferguson stated it was going well. Director Ruonavar asked about the SUD Elections, Mr. Smith answered it was charges from the Attorney for work on the upcoming 2021 Election. Director Ruonavar stated she could not see the numbers on several pages of the report, Mr. Smith stated he will work on reformatting the report. Director Pillow asked where the District status was on Phelps & Dunbar, and Postle, and the cost of easements. Mr. Smith responded Sorters Rd. was at approximately \$190,000.00 and Ford Rd. at \$17,800.00.

Upon motion by Director Pillow, seconded by Director Barr 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

Mr. Smith stated that Ardurra will be at January's meeting, and give an update on their correspondence with the TCEQ.

8. Engineering Report by Bleyl Engineering

a. Developments update

- i. Review, discuss, and take any necessary action regarding Montgomery Crossing, including authorizing preparation of the development agreement.**

The Feasibility Study is complete, and the plans are currently under review. Mr. Kelly is asking for authorization to prepare the development agreement.

Upon motion by Director Ashy, seconded by Director Barr after full discussion with all Directors present voting aye, the Board approved authorizing preparation of the development agreement for the Montgomery Crossing development. Motion carried unanimously.

- ii. Review, discuss, and take any necessary action regarding Pulte Development, including approving the feasibility study and Preparation of the development agreement.

Mr. Kelly presented the feasibility study for approval and requested approval to start preparation of the development agreement for the Pulte Development, consisting of 51 acres located in the Hendrix Tract. Mr. Kelly stated that Brian Williams was here representing Pulte Homes, and Andrew Johnson with A&S Engineering was Pulte Engineer. Mr. Williams is requesting if the development agreement could be presented for approval at the upcoming special meeting. Mr. Williams was requesting a date before the projected closing on the property on January 15, 2021. Mr. Kelly continued to give description of the findings of the feasibility study, the development would have approximately 241 single family homes, and commercial reserves for future development. Director Ruonavar asked if fire hydrants would be installed in the subdivision, Mr. Johnson stated yes. Mr. Kelly stated he will speak with Mr. Polley and Mr. Smith next week to work out the logistics of the development agreement. Director Satterwhite asked if there were actions the developer could take to save the trees in the development. Mr. Kelly stated that it would be difficult due to the lot sizes and drainage, Mr. Williams stated it would be very difficult to save the trees.

Upon motion by Director Barr, seconded by Director Ashy after full discussion with all Directors present voting aye except for Director Satterwhite who abstained, the Board approved authorizing the feasibility study and preparation of the development agreement for the Pulte Group Development. Motion carried.

Mr. Kelly stated that Pulte homes is requesting a utility commitment letter from the District, Mr. Smith stated the District will provide the requested letter.

Mr. Smith stated he will schedule the presentation for the development agreement for the Pulte Group Development when the Board meets for a special meeting in January 2021.

Mr. Williams and Mr. Johnson left the meeting at 8:01 p.m.

- iii. Review, discuss, and take any necessary action regarding Kelly Estates, including approving the feasibility study and Preparation of the development agreement.

Mr. Kelly presented the feasibility study for the Kelly Estate development with 116 single family homes, located to the east of E. Knox Dr. The developer would be responsible for their pro-rata share for the upsizing of the waterline on E. Knox Dr. The development would also be responsible for their portion of the waterline extension.

Director Satterwhite asked for information about the feasibility study, Mr. Kelly responded it is a study that looks at the Districts ability to provide water service to the development.

Upon motion by Director Bridges, seconded by Director Barr after full discussion with all Directors present voting aye, the Board approved authorizing Kelly Estates, including approving the feasibility study and preparation of the development agreement. Motion carried unanimously.

b. General Fund Projects update

- i. Review, discuss, and take any necessary action regarding the E. Knox Drive Waterline Upsizing Project, including conditionally awarding the contract to RS Smoke Test & Multi Service pending satisfactory review of qualifications.

Mr. Kelly stated that he has not worked with RS Smoke Test & Multi Service, the feedback received from references were positive, there were no jobs to scale of the E. Knox Drive project. The Board requested more information about the other companies that presented quotes. Mr. Kelly stated that it could be potentially a savings to the District to re-bid and include the work necessary for Kelly Estates.

Upon motion by Director Barr seconded by Director Bridges after full discussion with all Directors present voting aye, the Board chose to table the contract for the E. Knox Drive Waterline Upsizing Project until January 2021. Motion carried unanimously.

Director Ashy asked about the status of talks with the property owner near the District's surface water treatment site. Mr. Kelly stated the owner should be back in town after the holiday's and will schedule a meeting.

c. Update on Impact Fee Capital Improvement Projects update.

No further items.

9. General Counsel's Report

- c. Authorize Eminent Domain reporting compliance pursuant to Texas Government Code, Section 2206.151-157, as amended.

Upon motion by Director Denham, seconded by Director Barr after full discussion with all Directors present voting aye, the Board approved authorizing Eminent Domain

reporting compliance pursuant to Texas Government Code, Section 2206.151-157. Motion carried unanimously.

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

Mr. Kelly left the meeting at 8:14 p.m.

The Board recessed for a break at 8:14 p.m., and reconvened at 8:18 p.m.

Adjourn to Executive Session at 8:18 p.m.

Executive Session ended at 8:39 p.m. by Director Ruonavar.

Regular Session reconvened at 8:39 p.m. by Director Ruonavar.

Upon motion by Director Denham, seconded by Director Ashy after full discussion with all Directors present voting aye, except for Director Satterwhite who voted nay, the Board approved Crystal Springs settlement offer. Motion carried with a vote of six for and one against.

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

This item was tabled.

10. General Manager's Report

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

Mr. Smith stated that lead and copper sampling was complete for 2020. MUD 56 has been invoiced for emergency water usage. Director Ruonavar asked about the status of the generator on Andrew Lane, Mr. Ferguson stated that we are waiting on lead time for procurement. Mr. Smith stated that the AWBD Mid-Winter Conference is 100% virtual, Director Pillow, Director Ruonavar, Director Denham, and Mr. Smith are registered. Director Ruonavar asked about the status of the Copeland well. Mr. Ferguson stated the District started using a lab that he has used in the past to analyze samples. He stated he was eager to see their analysis results to get an idea of what the District's next steps will be. Mr. Ferguson stated that staff is continuing to exercise the well. Director Ruonavar asked what could be done about taste and odor in the water, Mr. Ferguson stated that charcoal filtration is a popular method of treatment. Mr. Ferguson stated the key part is to understand the cause of the taste and odor. Director Ruonavar how much money and time was needed to get a good product from well #8, Mr. Smith stated that a filtration system would be a better option than risking drilling another well and potentially having the same outcome. Mr. Smith stated it may be a good option to sample at different depths of the well to see if the taste and odor are coming from sections of the

well. Mr. Ferguson stated that the District has investigated over 30 locations of potential multi-dwellings and are starting to send out enforcement letters. Mr. Ferguson stated that the District installed a fire-line for Four Arbors Townhomes. Mr. Ferguson stated that the no smoking signs have been installed at the plants and the SCBA and fire extinguishers have been inspected. Mr. Ferguson stated the District purchased a trailer for the shoring box. Mr. Ferguson stated that staff had to pull booster pump #1 at well #5 due to an electrical short. Mr. Ferguson stated that an inspection of all lights at plants are working at night. Director Pillow asked about a policy being in place for developments. Mr. Smith stated yes that Developers are required to complete an application, pay fees, and the Engineer signs off.

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

No further information

11. Directors Comments

No further comments.

12. Next Board Meeting

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

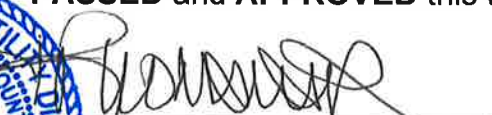
13. Adjournment

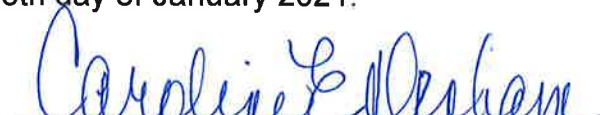
At any time during the meeting and in compliance with the Texas Open Meetings Act (Chapter 551), the Porter Special Utility Board of Directors may meet in executive session on any of the above agenda items for consultation concerning attorney-client matters (551.071); deliberation regarding real property (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 Barr, seconded by Director Ashy after full discussion and all Directors present voting aye, the meeting was adjourned at 9:06 p.m.

PASSED and APPROVED this the 25th day of January 2021.




Vice President, Board of Directors


Secretary, Board of Directors