

PORTER SPECIAL UTILITY DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

June 28, 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, June 28, 2021, 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, 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), Amanda Phillips (Human Resources Director), and Wendy Pafford (Bookkeeper).

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 Barr.

2. Public Comment

The District's previous Operations Manager, Jim Ferguson thanked the Board of Directors before the meeting and left before the start of the meeting. No public comment.

3. Review and Approve Minutes

Director Pillow stated that Director Ruonavar would be conducting the meeting because he may have to leave unexpectedly.

a. Minutes of the Regular Meeting on May 24, 2021.

Prior to the meeting Director Ruonavar requested a change on page 4 section c. Director Ashy requested that only staff should be attending Chamber of Commerce Luncheons, not Board Members. Director Ruonavar requested the additional wording that it was agreed that Board Members would not receive a per diem for attending yet could still attend Chamber Meetings. The wording was changed prior to the meeting, and all Directors were provided an update draft of the minutes. Director Pillow commented that the Board had questions from the May meeting that they have not received responses. Mr. Smith stated he will follow up with Municipal regarding the financial questions, and work with Starnik to compile a water loss report.

Upon motion by Director Pillow, seconded by Director Barr after full discussion with all Directors present voting aye, the Minutes of the Regular Meeting on May 24, 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 he has not been in contact with Mr. Prykryl, a Director with Lone Star Groundwater Conservation District. Mr. Smith stated Mr. Prykryl has stated he would attend the last two District Board Meetings and has failed to attend. Director Ruonavar asked Mr. Smith if he would reach out to Harry Hardman, a Director with Lone Star Groundwater Conservation District to extend an invitation to speak with the District. Mr. Smith stated he would email Mr. Hardman and include their General Manager.

5. New Business

- a. Review, discuss, and take any necessary action regarding request from Century Communities to approve and execute Consent to Assignment for the Water Facilities Development and Service Agreement with Maple Heights

Mr. Smith stated that Maple Heights is being purchased by Century Communities. Century Communities intends on purchasing the whole property and existing agreements. No action.

- b. Discuss and take any necessary action regarding the District's employee health insurance plans, including medical, dental, and vision

Mr. Smith stated that the existing health insurance renewal increased by 61% effective August 1, 2021. Mr. Smith stated the District was able to get better quotes from a new Broker with Allsavers/United Healthcare. The Allsavers/United Healthcare plan is 11.2% over budget. Mr. Smith gave the Board his recommendation of the District selecting the Allsavers/United Healthcare Option 3 EPO, with 100% employee coverage and 80% dependent coverage.

Director Ashy made a motion for Allsavers/United Healthcare Option 3 EPO, with 100% employee coverage and 75% dependent coverage.

Upon motion by Director Barr, seconded by Director Satterwhite, and ayes from Director Denham and Director Bridges to select Allsavers/United Healthcare Option 3 EPO, with 100% employee coverage and 80% dependent coverage was approved. Director Pillow, Director Ashy, and Director Ruonavar voted nays. Motion carried.

6. Financial Report by Municipal Accounts

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

Director Ruonavar spoke about the \$20.00 for GL Acct#16303 for Board Training, she stated she had a check to reimburse the District for the cost of the Chamber Luncheon she was not able to attend.

Upon motion by Director Ashy, seconded by Director Pillow, after full discussion with all Directors present voting aye, the Board rejected reimbursement for the \$20.00 Chamber Luncheon from Director Ruonavar. Motion carried unanimously.

Director Pillow asked if the funds in Independent Bank were transferred, Mrs. Pafford confirmed they were. Director Ruonavar asked why Intouch GPS was paid twice in May, Mrs. Pafford explained the original invoice was short-paid. Director Ruonavar asked if a copy of the Birdnest daily plant log sheets could be added to the Board Books, Mr.

Smith stated that the information from Birdnest data is compiled into the Operation Report. The information is exported into the Operation Report spreadsheet and is not in a log-style print format. Director Ruonavar asked about the line locate invoices, Mrs. Pafford explained that the District is charged per line locate request. Mr. Smith explained it is free for the public to call in and have lines located, but it is a charge to the utilities. Mr. Smith stated that the District is a Class "B" Facility and is ending the contract with Texas 811 (line locates), which will require residents and contractors to call the District directly for line locates. Mr. Smith stated that the District receives up to 30 calls a day for line locates, and as few as 3 will be legitimate calls for the area. Director Ruonavar asked about the charges from Community Print and Copy, Mr. Smith responded, printing paper for bills. Director Ruonavar stated that the answering service asks many questions when she has called after hours. Mr. Smith responded when the District has a problem like a main break, Staff informs the service of the leak and gives information about the repair to keep the calls shorter. Mr. Smith also stated that the District sends the service a list of disconnected customers and instructs the service if the resident is off for nonpayment to contact the office during working hours. Director Ruonavar asked about 2 checks (#5597 and #5598) for GenSolutions, both referenced Sears Rd. for the same amount. Mrs. Pafford stated she would check into the invoices. Director Bridges asked about the excavator repairs, Mr. Smith responded that there was a track repair. Director Pillow asked about Aquaworks, Mr. Smith responded that they took over the Kamstrup Meters for S&J Meters. Director Ruonavar noted that the Entergy ACH was duplicated for Sears Rd. and Well #9, Mrs. Pafford stated she would verify the dates. Director Pillow asked Mr. Smith if anything could be done about the charges from Entergy, the demand charge is higher for the Briartree Plant. Mrs. Pafford stated she has made inquiries about the charges and was offered no resolution. Director Ruonavar asked if water usage was down significantly, Mr. Smith said yes, the demand is low. Director Ruonavar stated that there are no returned check fees, and no interest on investments. Director Denham asked how the Groundwater Fee is a negative, Mr. Smith stated the fees are paid quarterly. Director Ruonavar asked why there was a credit amount in uniforms, Mrs. Pafford stated the invoice payment was duplicated and the vendor refunded the duplicate payment on the credit card. Director Pillow asked why the GRP numbers are not the same, Mr. Smith stated he would inquire with Municipal the reason why. Director Ruonavar asked if someone did not get paid for on call, Mr. Smith responded that employees will not receive on call pay if they do not document they are on call. Director Ruonavar asked if there was no trash service payment, Mrs. Pafford stated the bill came in late. Director Ruonavar wanted to confirm the District is paying Porter MUD monthly, not annually. Mrs. Pafford stated yes, and she would be following up with Porter MUD regarding the status of the current bill. Director Ruonavar asked about no charges in Water Bill Printing, Mr. Smith stated that the new water billing printing company will start at the beginning of July. Director Ruonavar asked about the Board Meeting charges, Mrs. Pafford stated she would check into the charges. Director Pillow asked where the \$90,666.00 was transferred to from the Compass GRP account, Mrs. Pafford stated she would have to speak with Municipal who does the transfers. Mr. Smith stated the 2012 A Bonds will be paid in early July, and the 2014 Bonds will be callable in December. Mr. Smith stated the Board could discuss a plan for paying the 2014 Bonds at July's Board Meeting.

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

The Board recessed for a break at 8:15 p.m., and reconvened at 8:24 p.m.

Director Satterwhite left the meeting at 8:21 p.m.

7. Engineering Report by Ardurra Group

a. Surface Water Treatment Plant Pilot Study Update

Mr. Smith stated there were no updates on the Surface Water Treatment Plant Pilot Study.

8. Engineering Report by Bleyl Engineering

a. Developments update

- i. Review, discuss, and take any necessary action regarding Waterline Easement Agreement for Lone Star Square (Frankenburger 2, LLC) at 21379 W. Wallis Drive, including ratifying signed agreement)**
- ii. Review, discuss, and take any necessary action regarding Waterline Easement Agreement for Road Star #5 (Ford Business LLC) at 22541 Ford Road, including ratifying signed agreement)**

Upon motion by Director Denham, seconded by Director Pillow after full discussion with all Directors present voting aye, the Board agreed to approve Waterline Easement Agreement for Lone Star Square (Frankenburger 2, LLC) at 21379 W. Wallis Drive, and the Waterline Easement Agreement for Road Star #5 (Ford Business LLC) at 22541 Ford Road including ratifying the signed agreements). Motion carried unanimously by all remaining Board Members.

b. General Fund Projects update

- i. Review, discuss, and take any necessary action regarding Copeland Water Well Rehabilitation project, including Authorizing the BESST Survey**

Mr. Kelly stated he received a quote for the BESST Survey of \$110,000.00. Mr. Kelly stated Intera Engineering (BESST Inc. partner) is working to see if it was possible to reduce the cost of the project. One cost variable with the project is finding an equipment

access, it may require lifting the motor and shaft to create access for equipment at a cost estimate of \$17,400.00.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, the Board agreed to approve the BESST Survey project not to exceed \$120,000.00. Motion carried unanimously by all remaining Board Members.

ii. Review, discuss, and take any necessary action regarding
E. Knox Drive Waterline Upsizing Project

Boot Construction performed the required waterline pressure test, the test passed. The Contractor is offering an extended 18-month warranty. 12 of 23 of the installed service connections have repairs on the waterline due to being over-tightened. The Board decided to create a Negotiation Committee to discuss and take action on the next steps of the E. Knox Drive Waterline Project with Boot Construction.

Upon motion by Director Pillow, seconded by Director Barr after full discussion with all Directors present voting aye, the Board agreed to create the Negotiation Committee for the E. Knox Drive Waterline Project consisting of Director Ruonavar, Director Bridges, Mr. Kelly, and Mr. Smith. Motion carried unanimously by all remaining Board Members.

iii. Review, discuss, and take any necessary action regarding Well #9 Generator project, including (1) approval of Field Order #1 for upsizing the gas line from the meter to the generator using contingency funds that are already built into the contract and authorizing payment for Pay estimate #1 to McDonald Municipal industrial in the amount of \$79,289.10 for the period ending 06/22/2021.

Upon motion by Director Pillow, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board agreed to approve approval of Field Order #1 for upsizing the gas line from the meter to the generator using contingency funds that are already built into the contract and authorizing payment for Pay estimate #1 to McDonald Municipal industrial in the amount of \$79,289.10. Motion carried unanimously by all remaining Board Members.

c. Update on Impact Fee Capital Improvement Projects update.

Mr. Kelly stated the Impact Fee Study was on hold. There were no updates for the US-59 Waterline Crossing project. Director Pillow stated that the County Commissioners website has the Sorters Road Project with a start date of July 2021. Mr. Kelly stated that Montgomery County's final plans should be completed tomorrow and ready for bidding.

9. General Counsel's Report

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

Mr. Polley stated that the District met with the City of Conroe to discuss the Water Supply Agreement last week.

- b. Review, discuss, and take any necessary action regarding the Wholesale Water Supply Agreement with Montgomery County MUD #24, including approval of third amendment to the agreement

Mr. Polley stated that he is still working on the agreement for MUD #24. Item tabled.

Director Pillow left the meeting at 9:09 p.m.

- c. Review, discuss, and take any necessary action regarding Amended and Restated Order Establishing a Records Management Program and Designating a Records Management Officer

Mr. Polley referenced the draft Order of the Records Management Program, Director Ruonavar asked if it could be discussed at the next Board Meeting. Item tabled.

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 all 9 easements on Sorters Rd. have been acquired. Mr. Smith stated that there are remaining easements on Ford Rd., the District is waiting for Montgomery County's plans to know how many remain. Director Ruonavar asked if MUD #56 paid their last invoice, Mr. Smith responded he was expecting payment in July. Director Ruonavar spoke to the Board about the upcoming AWBD Mid-Winter Conference on January 28th and 29th at Moody Conference in Galveston. Director Ruonavar stated the AWBD will be adding new classes to the schedule. Director Ruonavar asked if Well #8 was being exercised on schedule, Mr. Smith stated no, according to the well report. Mr. Smith stated it will be addressed. Director Ruonavar asked about the 2009 Ford F-150, Mr. Smith stated the District still has possession. Director Ruonavar asked about the purchase of new trucks, Mr. Smith stated he was told inventory would not be available until later this year due to computer chip shortages.

Adjourn to Executive Session at 9:35 p.m.

Executive Session ended at 10:03 p.m. by Director Ruonavar.

Regular Session reconvened at 10:03 p.m. by Director Ruonavar.

11. Directors Comments

Director Ashy requested that Staff continue to reach out to Elected Officials. Director Ruonavar and Director Denham requested to be signed up to attend the upcoming AWBD Mid-Winter Conference. The Board requested Dominos Pizza for the meeting next month.

12. Next Board Meeting


Regular Meeting scheduled Monday, July 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 Barr 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 July 2021.



Vice President, Board of Directors



Secretary, Board of Directors

