

PORTER SPECIAL UTILITY DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

December 20, 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, December 20, 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: 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). Ben Cohen, Senior Manager with Belt Harris Pechacek (Auditing Firm) was in attendance. Mike Kelly (Engineer) with Bleyl Engineering was present by phone.

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 Ruonavar.

2. Public Comment

No Public Comment.

3. Review and Approve Minutes

- a. Minutes of the Regular Meeting on November 29, 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 November 29, 2021, were approved. Motion carried unanimously.

4. Old Business

- a. Discuss and take any necessary action regarding vacant position on the Board of Directors

There are no updates.

5. New Business

- a. Presentation of FYE 2021 Annual Financial Audit by Belt Harris Pechacek

Mr. Ben Cohen introduced himself as a Senior Manager with Belt Harris Pechacek, he then proceeded to present the FYE 2021 Annual Financial Audit Report. Director Ruonavar asked about the Management letter item Developer Advances Reconciliation, Mr. Cohen stated that there were adjustments made due to changes in the accounting process, so they notated it in the report.

- b. Review, discuss, and take any necessary action regarding the FYE 2021 Annual Financial Audit, including acceptance of audit as presented

Director Ruonavar stated that in the Required Auditor Disclosure Letter, item no. 5 needs the date corrected. Mr. Cohen stated it would be corrected on the final report.

Upon motion by Director Barr, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the FYE 2021 Annual Financial Audit, including acceptance of audit pending date corrections were approved. Motion carried unanimously.

Mr. Cohen left the meeting at 7:13 p.m.

- c. Review, discuss, and take any necessary action regarding New Caney ISD putting school logos on the District's elevated storage tanks

Mr. Smith stated he received an email from New Caney ISD expressing interest in having the District School logos installed on the District's elevated tanks. Mr. Smith stated it would probably require a rehab project for the elevated tanks, if the Directors are interested the District would need project and pricing information from the Engineer.

Upon motion by Director Denham, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board agreed to investigate the process and cost of putting school logos on the District's elevated storage tanks. Motion carried unanimously.

- d. Review, discuss, and take any necessary action approving revisions to the District's Schedule of Rates, Fees, and Charges, effective March 15, 2022.

Mr. Smith presented the proposed rate schedule to Directors. Mr. Smith stated that there is wording clarifying wholesale water rates supplied to storage tanks not under direct pressure, and water supplied under direct pressure. Mr. Smith also stated that 1" to 3" fire line sizing was added to the schedule. Director Ruonavar asked about the base rate for residential customers, Mr. Smith stated the increase on this schedule would affect wholesale customers. Mr. Smith stated he would update the rate model and bring it to the Board in the future. Mr. Smith stated when these revisions are approved the District must notify the give wholesale customers notification 60-days before the effective date of rate change.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved revisions of the District's Schedule of Rates, Fees, and Charges, effective March 15, 2022. Motion carried unanimously.

6. Financial Report by Municipal Accounts

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

Director Pillow was asking about the Health Insurance cost on the report. Mr. Smith stated that the District recently upgraded to the new server, and Municipal Accounts was reconciling to the QuickBooks account on the District's old server. Municipal Accounts will need to correct the report for November 2021. Director Pillow asked about the meter readings for Crystal Springs, Mrs. Pafford responded that it is not reflecting on the report but has been invoiced. Director Ruonavar asked if there were any charges for Data Shredding Services, Ms. Pafford stated on her QuickBooks it is reflecting a charge, the report is not.

Mr. Smith stated that once Municipal Accounts enters all the monthly information on the new server, he will ask for a revised Financial Report and email it to Directors.

No action on the Financial Report

Director Ruonavar asked who tracks vacation time, Mr. Smith responded that Mrs. Pafford and he track vacation time. Director Ruonavar asked about job descriptions, Mr. Smith stated that staff is still working on updating descriptions.

Adjourn to Executive Session at 7:27 p.m.
Executive Session ended at 7:37 p.m. by Director Pillow.
Regular Session reconvened at 7:37 p.m. by Director Pillow.

7. Engineering Report by Ardurra Group

a. Surface Water Treatment Plant Pilot Study Update

No updates.

8. Engineering Report by Bleyl Engineering

Mr. Kelly presented his Report via telephone.

a. Developments update

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

No Action.

- ii. Review, discuss, and take any necessary action regarding
Maple Heights**

No Action.

b. General Fund Projects update

- i. Review, discuss, and take any necessary action regarding
Copeland Water Well Rehabilitation project, including any
Matters related to the BESST survey**

Mr. Kelly stated that the lab work for the BESST survey is complete, and he will have recommendation to present to the Board next month. Mr. Kelly stated that it has been reported that at 460 feet the equipment used for testing was in a bind, there will be a review the video to see if there is an obstruction or it is due to the well casing being crooked. Director Ashy asked about longevity issues, Mr. Kelly stated that the well alignment can be a potential concern if the pump hits the casing when lifted. Director Ashy asked if it was possible to straighten the well during a rehab, Mr. Kelly stated no.

- ii. Review, discuss, and take any necessary action regarding Well #9 Generator project

Mr. Kelly stated that the generator start up was scheduled today, during the start up there was an issue with the alternator. The Contractor is having the alternator repaired and the start up will be rescheduled for a later date.

Director Ruonavar asked if the Engineer for Dunn Right RV park submitted everything. Mr. Kelly stated yes and that the TXDOT and railroad permits have been submitted.

- c. Impact Fee Capital Improvement Projects update.

Director Ruonavar asked if a Capital Improvement Meeting is on the horizon, Mr. Smith stated a meeting could be scheduled after the Holiday's.

Mr. Kelly left the meeting at 7:45 p.m.

9. General Counsel's Report

- a. Acceptance of easements or other property rights related to District facilities

Mr. Polley presented several easements and other property rights for approval by the Board.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, the Board approved conveyance of the easements and other property rights presented. Motion carried unanimously.

- b. Resolution Evidencing Intent to Reimburse Operation Fund with Bond Proceeds
- c. Resolution Authorizing Application to TCEQ for Change in Project Scope and/or Use of Surplus Funds

Item b. and c. are to reallocate money from Bond proceeds for the budget shortfall on Sorters Rd. Waterline Project. There is a possibility that money may have to be used from the Operation Fund due to the timeline of the Sorters Rd. Waterline Project, the District is requesting the ability to reimburse the Operation fund if the TCEQ authorizes approval for reallocation of funds.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, the Board approved the Resolution Evidencing Intent to Reimburse Operation Fund with Bond Proceeds and the Resolution Authorizing Application to TCEQ for Change in Project Scope and/or Use of Surplus Funds. Motion carried unanimously.

- d. Resolution Declaring Public Necessity, including authorizing eminent domain proceedings for Maple Heights Waterline Project

Mr. Polley states this item relates to the waterline from Copeland Water Plant to the Maple Heights Development and authorize condemnation if necessary.

Director Ruonavar, motioned that the Board of Directors of Porter Special Utility District, in a single record vote applicable to all units of property, adopt the proposed Resolution and authorize the use of the power of eminent domain to acquire property interests, including but not limited to easements and right-of-way, necessary for the construction, installation, operation, and maintenance of water transmission facilities necessary to serve the District with an adequate supply of potable water, at the general location and along the general route as depicted in Exhibit "A" attached to the Resolution, and delegate the authority to initiate condemnation proceedings to the District's General Manager as the District's Chief Administrative Official, seconded by Director Barr with all Directors present voting aye. Motion carried unanimously.

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

No updates.

- f. Annual Agenda for 2022

Mr. Polley presented the Annual Agenda for 2022.

- g. Eminent domain reporting pursuant to Texas Government Code, Section 2206.151, et seq.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, the Attorney will file the required information for Eminent domain reporting pursuant to Texas Government Code, Section 2206.151, et seq.

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 Ruonavar stated that a hole pictured in the General Manager's Report looks like a hole on Briar Willow past the mailboxes that appears to be a water leak. Mr. Smith stated he would have the leak looked at by staff. Director Ruonavar asked if Copeland was flushed while testing occurred. Mr. Smith responded that flushing did not occur to avoid interference with the BESST Survey. Director Ruonavar stated that the report shows two vehicles out of service. Director Ruonavar asked why the transmission is not

being repaired in Unit no. 102, Mr. Smith stated that the truck is inline to be traded in. Director Ruonavar asked about Unit no. 104 being repaired after an accident. Mr. Smith stated it was from the reported accident in July on 1314. Director Ruonavar stated she noticed District vehicles being parked by the dumpster and requested the trucks to be moved 50 feet from the location of the dumpsters. Director Ashy asked about the water accountability, Mr. Smith stated the District can account for 95% of the water pumped in November.

11. Directors Comments

12. Next Board Meeting

The next Board Meeting scheduled the January Regular Meeting on Monday, January 31, 2022, 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 8:02 p.m.

PASSED and APPROVED this the 31st day of January 2022.



President, Board of Directors



Secretary, Board of Directors

