

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
October 24, 2022

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, October 24, 2022, 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
Donald Bell	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 Polley PLLC, Campbell Colyer (Attorney) with Radcliffe Bobbitt Adams Polley PLLC, Mike Kelly (Engineer) with Bleyl Engineering, and Jonathon Smith (General Manager).

- b. **Director Qualifications and Disclosures**

Mr. Smith stated there were no updates on Director qualifications and disclosures.

c. Invocation

Invocation led by Director Bell.

d. Pledges of Allegiance

Pledges of Allegiance led by Director Barr.

2. Public Comment

Former Employee Sushana Cline wanted to address the Board. We went into Executive Session at 7:05 pm due to personnel matters being discussed.

We came back into Regular Session at 8:00 pm with no decisions being made.

3. Review and Approve Minutes

- a. Minutes from the Regular Board Meeting on September 26, 2022.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Minutes of the Regular Board Meeting of September 26, 2022 were approved. Motion carried.

- b. Minutes from the Regular Board Meeting on June 27, 2022

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, except for Director Ashy and Director Barr voting nay, the Minutes of the Regular Board Meeting of June 27, 2022 were re-adopted as revised with page 3 being redacted. Motion carried.

4. Old Business

- a. N/A.

5. New Business

- a. N/A.

6. Financial Report

- a. Financial Statement for the period ending July 31, 2022.

Upon motion by Director Bell, seconded by Director Barr after full discussion with all Directors present voting aye, the Financial Statements for the period ending July 31, 2022 was approved with the corrections that were made. Motion carried.

- b. Financial Statements for the period ending August 31, 2022.

Tabled

7. Engineering Report by Bleyl Engineering

- a. Update on Development Projects

- i. Royal Pines (MCMUD #24), including draft feasibility study

Country Colony/Royal Brook – 665 connections in the feasibility study at 230,000 gallons/day; Royal pines has 448 connections 178 connections are accounted for leaving 270 connections which affect the impact fee; there are 1152 under current supply agreement; asked for 201,600 additional gallons per day. Two issues: 1) direction tonight 2) attorney and consultants working through. Well capacity is .6 gallons/minute/connection. Interconnect/wholesale agreements 2400 connections Valley Ranch, Woodridge 2,400 connections at a certain gallons/day. Discuss wholesale vs. retail. Director Ruonavar states not using well 8? Technically, yes because it is approved with TCEQ. We still have additional capacity with Well 8. We could take out and drop number for 12,000 connections. Mr. Polley stated that whatever the TCEQ has on paper should probably stay on paper. Director Bell thinks Well 8 should not be included, but if it makes TCEQ happy. If taken out still good per Mr. Kelly. In 2026 we will need the capacity, but we will have Well 10 up

at that point. We have one issue north of Royal Brook that is in Porter SUD CCN, but not all in Porter SUD Boundary. 50 lots in and 200 are out. Consider extending wholesale agreement to them. Director Pillow says yes. MUD 24 closer to retail. Should annex into boundary to match CCN? The landowners would have to sign on per Mr. Polley. We have leverage to do a contract amendment. De-annexed area from allowing wholesale customers to be able to vote. This is at the end of Ford Road. It is different from any other wholesale customer. They create their own pressure in their system. Base fee of \$5.00/connection. Expanding size of “the property”. More like a retail connection. We are not fixing leaks or collecting money – only being billed on what they take. Incentive to actually use our water that we have reserved for them. We want them to use us instead of just reserving. It is a weird situation. Jerry Lovelady had no consent of notice requirement then. MUD 24 formally protested and correspondence goes dark and district was created including that area. When developer came along to do Royal Brook they realized in both. What to do now? We expected to do retail service. Continue as we are and extend same financial terms to this property. We were concerned that the subdivision could remove whole board so removed from district. Extending boundaries is not a good move. Conditional approval to make sure on the same page. Contract amendment.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all directors present voting aye, we are giving conditional approval to Royal Pines/MUD 24. Motion carried.

ii. New Caney ISD Elementary School (Loop 494)

No update other than in report.

b. Update on General Fund Projects

i. Sorters Road Waterline Relocation project.

No action item. Had meeting today. SER starting water line installation again. Early 2023 completion. Now working with two crews on it, but conflicts. Doesn't have big conflict for District. They are a ways out from having done. County is

administering, they are in control. Not impacting us. Crown Castle to relocate their utility again, setting county back a couple of months. SER \$26,000 change order to add some for laterals for fire hydrants. Crown Castle should pay. Have them relocate everything or work around.

ii. Ford Road Waterline Relocation project

No update except what is in report. Getting approval to advertise starting tomorrow.

c. Update on Impact Fee Capital Improvement Projects

i. Valley Ranch Parkway Waterline Extension

Director Bell asked about any updates about awarding contract to Bull G. Contracts to sign tonight. We should put in extra inspections on project. After they get so much work done and they can put in for another draw. Once again during the process when inspections take place. Inspections any day they are working. Pay estimate – our inspectors make sure it's accurate and using material that is in spec. What about issues getting material? There should not be any issues getting materials. They are willing and able to do the work. They have indicated they have the manpower. Contract and bond are in place. We will verify everything and hold retainage. We won't pay for all materials up front only what is in ground. Not even if in laydown yard.

Haven at Woodridge – Mr. Kelly states there was an email this afternoon from the developer saying having issues with COH getting a capacity letter and would like capacity from the district. Woodridge MUD should annex and do a thing like MUD 24.

8. **General Counsel's Report**

a. Settlement Agreement with Conroe

Conroe plans to ask for approval from City Council on November 10 or 11th, 2022. Little has changed from call with the Legal Committee a couple of weeks ago. Just a few tweaks. Motion to approve agreement and payment of sum. Mr. Polley not crazy about some changes, but comfortable enough to get the deal done. Write a fresh check and get the other one back.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, the payment for the City of Conroe is approved in the amount of \$235,000. Motion carried.

- b. Conduct public hearing on exclusion of land from the district boundaries

Tabled

- c. Adopt Order Excluding Land and Redefining Boundaries of the District

Tabled

- d. Adopt Amended District Information Form

Tabled

- e. Accept conveyance of Access and Utility Easement and Waterline Easement from American Realty Group (La Marketa de Porter development)

- f. Accept conveyance of Water Meter Easement from Dennis McDonough (Porter Heights Retail development)

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Utility and Waterline Easements (e and f above – three easements) are accepted. Motion carried.

9. General Manager's Report

- a. District Property, facilities, infrastructure, vehicles, equipment, projects, developments, compliance, reporting and personnel matters.

Well one backwash pumps are not working, correct? Yes. Director Ruonavar is asking is it worth gambling redundancy if using polyphosphate. It is regulated through flow with a rotameter. Water Utility Services adjust every quarter based on each individual well. Well 1, 9, 5 and 7 have blended polyphosphates and ortho phosphates regulate corrosive materials thanks to Detroit, MI. Only 1 and 5 have filter systems asked Director Barr. The filters are not needed. The filter system on Well 8 is different it is for SBR and IBR's not chemically able to be taken out. Aeration does not work on organic materials. To have the filters on Well 5 rehabbed (media changed, etc.) does the same as phosphates, but at a higher cost.

Director Ruonavar asks about Well 5 if repaired and working properly. Well 7 booster pumps are working and they took pump two to redo the bearings. It is all in this week's update. Why couldn't the fire department change the light on Well 9? We did not have an ascender and neither does the fire department. It is only \$45/bulb for Texas Tank to change. It has been done already. The Antenna is an extra relay for Kamstrup. It is redundant, but we are getting another one to put up there. Any news on oil leak being fixed? Rental motor is the problem. Alsay charges \$3,200/month others \$14,000/month. Buying 5 gallons every 4 – 6 weeks. There is a small leak, work being done by another electric company (Northstar possibly). Lubricating motor bearings. Thinks it is a busted seal that is under warranty. Water loss report 95.5% under 12 months. Anything under 10% is good for water loss.

Director Ruonavar asked about Trucks. Fleet Report indicates that Toby James does lots of going in the district. Chad takes on call when he can. Sorters Road call with SER this weekend asked Director Barr. Chad took call truck 111 and he fixed. We do water testing on weekends. We do not do a lot of extra stuff on the weekends due to overtime. Has there ever been any thought of doing A and B schedules asked Directors Barr and Bell? We have two schedules currently one week on, one week off. To have a 7 day schedule we would need more crew/more trucks/more benefits. Overtime is cheaper than getting more crew at this time. If we had more

people to work, maybe we could get more done ourselves and not contract out. Not feasible at this time. Who does background checks on employees? Do we do on employees that still work every 3 years, asked Director Ruonavar. There are issues we need to address. Why are their Geo Fences on all director's homes? These are GPS Alerts. They are also on Stripes and the plants too. Per Mr. Smith not looked at or updated. Director Ruonavar feels it is an invasion of privacy. The past Board decided to do. Mr. Smith will delete them tomorrow.

We went into Executive Session at 9:10 pm to discuss personnel matters. Mr. Kelly left at this time.

We came out of Executive Session at 9:46 pm with no decisions being made.

10. **Director Comments**

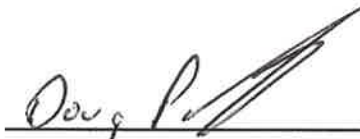
None.

11. **Next Regular Board Meeting – November 28, 2022 at 7:00 p.m.**

12. **Adjournment**

There being no further business to come before the Board, upon motion by Director Ashy, seconded by Director Bridges after full discussion and all Directors present voting aye, the meeting was adjourned at 9:46 p.m.

PASSED and **APPROVED** this the 28th day of November 2022.



President, Board of Directors



Secretary, Board of Directors

