

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
November 28, 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, November 28, 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 Denham.

d. Pledges of Allegiance

Pledges of Allegiance led by Director Bridges.

2. Public Comment

No public comment.

3. Review and Approve Minutes

- a. Minutes from the Regular Board Meeting on October 24, 2022.

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

Director Bell asked Mr. Smith if all GEO fences had been removed. Mr. Smith replied that the only GEO fences are currently around dead end flush valves and water plants. Just to see activity on trucks. The GEO fences were done originally to make sure all dead end flushing was being done.

4. Old Business

- a. N/A.

5. New Business

- a. Presentation of FYE 2022 Annual Financial Audit by Belt Harris Pechacek, including acceptance of audit as presented

Robert Belt with Belt Harris Pechacek provided an explanation on the Financial Statements. Excellent news on Page 2 of report. Healthy fund balance. GRP –

retired two debts. Excellent budget variance. Thanked Mr. Smith and Mrs. Pafford for their help. It was a rough process this year with the change of Bookkeepers. Letter a little longer due to some boiler plate language required in two separate areas. It is an unmodified report, which is good.

Upon motion by Director Bridges, seconded by Director Ashy after full discussion with all Directors present voting aye, the Annual Financial Audit for the FYE 2022 was approved. Motion carried.

Mr. Belt left the meeting at 7:18 pm

6. Financial Report

a. Financial Statement for the period ending August 31, 2022.

Director Ruonavar's questions on the August and September Financial Statements to be answered in next two days. Already made the December 1 payment on two of the debt service and principal on another. Director Ruonavar had a question about Quest in Kingwood, but Mr. Smith stated that they do not do pre-employment drug screens, but that the Quest off of 1960 does. Post-accident is Fast Test Labs in the Woodlands because we can get the results immediately. Director Ruonavar asked if we could continue reaching out to Kelsey Sebold to see if they can do the random and pre-employment drug testing. We understand they do not do after hours testing. Any idea when we can get caught up on the financials? Mr. Smith said it is up to the Bookkeeping firm. A question was asked about the LSGW Historical Use Permit. It is tied to Wells 1, 5 and 6 (now well 8). Operating Well Permit to Wells 7, 9 and 8 and future well 10 to be added. It has to do with the timing of when they put together the rules. Cannot change the Historical Use Permit. It is what it is. Mr. Smith will send out new P & L with backup for August. The Safety Deposit Box should show up in the October financials. Director Bell asked if we could get better interest rates on the Money Market Account. Independent Bank has the best rate right now.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors Present voting aye, the Financial Statements for the period ending August 31, 2022 was approved. Motion carried.

b. Financial Statements for the period ending September 30, 2022

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Financial Statements for the period ending September 30, 2022 was approved. Motion carried.

c. Quarterly Investment Report for the period ending August 31, 2022

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, the Quarterly Investment Report for the period ending August 31, 2022 was approved. Motion carried.

7. Engineering Report by Bleyl Engineering

a. Update on Development Projects

- i. Royal Pines (MCMUD #24)
- ii. New Caney ISD Elementary School (Loop 494)

No update other than in report. Director Barr asked about Haven at Woodridge and Mr. Kelly stated that at Porter MUD's meeting the Engineer said they are working with Woodridge MUD for water. They will still be in our CCN.

b. Update on General Fund Projects

- i. Sorters Road Waterline Relocation, including Pay Application #7 in the amount of \$0.00, Pay Application #8 in the amount of \$0.00, and Pay Application #9 in the amount of \$203,940.78

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, Pay Estimates #7 and #8 for \$0.00 were approved. Motion carried.

Upon motion by Director Bell, seconded by Director Ruonavar after full discussion with all Directors present voting aye, Pay Estimate #9 for \$203,940.78 was approved. Motion carried.

Maps of waterlines are not all correct. Valves have never been mapped. It is a challenge we are working through. We have found most of the meters. Some data errors. Sorters Road project about 60% complete right now.

ii. Ford Road Waterline Relocation project

No update except what is in report. Wrapping up final design. Permission to advertise and take bids. Start in December with opening in January. Advertised in Conroe Courier. SIBCAST main one everyone uses. Charges us for posting but does not cost the contractor anything. Most efficient way to do it. Large contract 6 - 9 months to do. Engineer’s design and contractors find best deal they can find. Lots of competition. Cost savings in past that District bought and did. Time and Material very complicated.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, Bleyl has our permission to advertise and take bids on the Ford Road Waterline project. Motion carried.

c. Update on Impact Fee Capital Improvement Projects

i. Valley Ranch Parkway Waterline Extension

Valley Ranch has about 1,000 ft of line with a couple of valves and hydrants done.

8. General Counsel’s Report

a. Settlement Agreement with Conroe

City of Conroe Contract is officially done. They have check via hand-delivery at City of Conroe.

b. Exclusion of land from District boundaries

No action taken.

Supplemental Agenda – election related items in MOCO in Spanish. Two items – Designated Agent is usually RBAP. Point all questions to RBAP. Start taking applications on January 18, 2023 and ends February 17, 2023.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, RBAP is appointed as Designated Agent and Notice of Deadline to File Applications for Place on Ballot is February 17, 2023.

9. **General Manager’s Report**

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

Fire hydrants in Briar Tree were discussed. All hydrants on Briar Berry on 6” lines. Need to be on 12” lines. In future we will make extensions off of 12” lines and eliminate the 6” lines. Per Director Ruonavar Briar Tree HOA paid for a hydrant at Briar Berry and Briar Chase, but it was “misplaced” by a former employee. The question was asked if we can set hydrants on both sides of a road. Mr. Smith said yes. It was asked if Fire Department should be included where fire hydrants are located and if we have a good relationship with the Porter Fire Department. Mr. Smith said yes.

Generator on Well 5 ran most of day yesterday (November 27, 2022). There were no power outages, but a transformer caused it. Our on-call was doing monthly night check of lights and found the generator running. New SCADA will let us know if this happens in future. Fuel was rechecked. We are coming to the end of hurricane season.

No use on Well 1 (only every so often). Costs more to run it due to inefficiencies. Plus, it doesn't add a whole lot to the total. Just monitoring and running it. The oil is checked daily on Well 9. On-call and Operations Manager take trucks home daily. Chad does a lot of on-call. He does a lot of back and forth daily too. Meter Techs are not on the on-call rotation. They verify reads, replace meter boxes, locate meters, help with disconnects and reconnects and do work orders to verify meter sizes. We have extremely low errors on meter reads. The question was asked about backflow preventers on pools. Are they permitted? MOCO doesn't permit anything. It isn't a PSUD issue, it is actually a county issue. Alarm and fire permitting are the only permits done by MOCO. There is no enforcement mechanism to enforce policies. RBAP can help write policies but cannot enforce. Mr. Smith to look into cross-connection control policy. We'll see what we have and go from there. We do CSI inspections, just not backflow inspections.

b. Christmas bonuses for District Employees

Structured same way as in past. Includes the two new employees that started today (Harold Clark and Nicholas Hall). Plus, all employees get \$25.00 gift cards from Walmart.

Upon motion by Director Bell and seconded by Director Ashy after full discussion with all Directors present voting aye, a Christmas Bonus is approved as on the list. Motion carried.

c. Update regarding new SCADA system

We are in the process of getting quotes. VT SCADA looks at tower and pressures and controls when pumps come on and off. SCADA stands for Supervisory Control and Data Acquisition. The question was asked who will be trained to run this? Mr. Smith answered that Roland Wilson is the main lead, but all operators and Chris will know how to work it. There are no chemical feed adjustments through SCADA. We will keep administrative privileges to one to two people and others can check it. The Board asked for a demonstration so they can get a grasp of what you are talking about. A video or YouTube of it, preferably. Alan Bradley is most used. Not upgrading the PLC's, just the supervisory control parts.

We went into Executive Session at 8:44 pm to discuss personnel matters. Mr. Kelly left at this time.

We came out of Executive Session at 10:14 pm.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, except Directors Ruonavar and Barr were nays, the pay that was discussed in Executive Session was accepted. Motion carried.

10. Director Comments

None.

11. Next Regular Board Meeting – December 19, 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 10:16 p.m.

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



President, Board of Directors



Secretary, Board of Directors

