

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
May 22, 2023

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, May 22, 2023, 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, Mike Kelly (Engineer) with Bleyl Engineering, and Jonathon Smith (Operations 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 Mr. Smith.

2. Public Comment

There was a public comment by Mr. Ricky D'Olive. He was questioning his monthly invoice regarding the infrastructure fee. It is more than the water bill. How can that be? He has used more water than usual due to son, etc. being home. Can he get his bill reduced? GRP was \$1.75/gallon required by LSGD. They did away with it. Now it is called an Infrastructure fee – Debt service and aging infrastructure. Rehabbing 50-year-old wells and storage capacities. All retail and wholesale customers pay the infrastructure fee. The fee may never go away, but as we do projects, it will hopefully go down. Mr. D'Olive asked if there was any leniency? Mr. Smith will do some research due to Mr. D'Olive's billing going from \$44.00 to \$144ish. There may be a leak and he can get some credit that way. Mr. D'Olive left the meeting at 7:10 pm. He lives at Shadowland Retreat off of 1314 and Old Sorters Road.

5. a. Employee Recognition

- i. Chad Alaniz – 5 Years of Service
- ii. Amanda Phillips – 5 Years of Service

Both Mr. Alaniz and Ms. Phillips were given awards and their names are on a plaque in the hallway. Both left the meeting at 7:12 pm.

3. Review and Approve Minutes

- a. Minutes from the Regular Board Meeting on April 24, 2023.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, the Minutes of the Regular Board Meeting of April 24, 2023 were approved. Motion carried.

4. Old Business

- a. Transfer funds from Amegy Bank

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to transfer the funds (Escrow funds with very little dividend) from Amegy Bank. Motion carried.

5. New Business

- b. Authorize Director Attendance, and Director Fee of Office, for the 2023 TAGD Texas Groundwater Summit to be held at the Hyatt Regency Hill Country Resort (San Antonio, Texas) on August 29-31, 2023.

Upon motion by Director Pillow, seconded by Director Ruonavar after full discussion with all Directors present voting aye, Director Attendance and Fee of Office for the 2023 TAGD Texas Groundwater Summit to be held at the Hyatt Regency Hill Country Resort (San Antonio, Texas) on August 29-31, 2023 is approved. Motion carried.

Mr. Polley entered the Meeting at 7:16 pm.

- c. FYE Budgets for fiscal year ending May 31, 2024, including approval of budgets as presented by the Budget Review Committee

Expenses under the Fire Line Fees had been adjusted since the Budget Review Committee meeting. Starnik will bill us for the credit card and e-checks. Budget numbers are a very conservative estimate. E-checks are a dollar. Credit Card minimum of \$3 or 3%. We are looking for other alternatives for billing

software. As of now, we can only use Starnik. Should we charge a convenience fee? We will put on the Agenda for next month to discuss. Director Bell wants maintenance reports on the two trucks that need replacement. Debt service should not be paid by Impact Fees. In future should go to zero when no more land is available for growth. Infrastructure Fee pays Debt Service.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, the FYE 2024 Budgets for fiscal year ending May 31, 2024 as presented by the Budget Review Committee, with changes above, were approved. Motion carried.

6. Financial Report

a. Financial Statements for the period ending April 30, 2023

Looks better. Safety equipment – invoice date. Employees incentives or employee’s appreciation? What is the difference? When were plaques for the two five-year employees done? Mr. Smith to check. Director Denham asked about the GM Car allowance \$250 budget. Working on tool inventory. New Answering Service – Extension 19 – starts June 1. Should save some money and get better customer service. Why is January bookkeeping service paid in April? They just got the bills out. They will look at expenses on trucks that want to replace. Backhoe repairs – budgeted \$25,000. Major repairs said one and another redid filters and hoses, etc. \$4,800 instead of \$25,000. Bottom of page 10 – Director Ruonavar on 4/28/23 over \$18,000 in interest at Independent.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, the Financial Statements for the period ending April 30, 2023 were approved, with answers coming from Mr. Smith, being answered. Motion carried.

7. Engineering Report by Bleyl Engineering

a. Update on Development Projects

- i. Royal Pines (MCMUD #24)

Nothing new at this time.

- ii. Peppervine

Nothing new at this time.

- iii. New Caney ISD Elementary School (Loop 494)

Nothing new at this time.

- iv. 25021 FM 1314 Strip Center

Nothing new at this time.

- v. Hendricks 50-Acre Tract, including approving feasibility study

Developer never came to meeting. Some coordination with offsite utilities. No action at this time.

b. Update on General Fund Projects

- i. Sorters Road Waterline Relocation, including awarding contract for Phase II on rebid of revisions to south end of project

Received 10 bids. KC properties was the lowest bidder after a \$500 math error, so okay. They have provided references, etc. There was also a math error with them on the NCISD bid. They have no office within 60 miles. Their office is in Lufkin. Bleyl has no history with them but has no problem with them. Blazey was the second lowest bidder. Per Mr. Polley, we can roll the bid due to their errors or waive non-conformity and go with them. They probably put their employees in a hotel since they are so far away. Blazey is doing a great job

on their project. They are known and will do trenchless. KC never worked with us. A lot of money to go from KC to Blazey. Bull G was #5. Booth did Adams. Where are they asked Director Ruonavar? Mr. Kelly is not sure as they have not bid anything else. \$444,508.49 for KC and Blazey was \$496,934.70. Price is price. Bleyl has checked their references. They have comparable projects done in the past. 60 miles is an arbitrary cut-off. They are bonded and insured. Blazey is doing Ford Road and they did Valley Ranch Boulevard.

Upon motion by Director Ruonavar, seconded by Director Barr after full discussion with all Directors present voting aye, Blazey Construction Services was awarded the contract for the Sorters Road Waterline Relocation Project, Phase II. Motion carried.

- ii. Copeland Elevated Storage Tank, including approving Pay Application #2 from Randy Roan Construction, Inc. in the amount of \$6,952.05

This is for the remainder of clearing and grubbing and part of (1/2) the extra due to the wet property.

Upon motion by Director Bell, seconded by Director Ashy after full discussion with all Directors present voting aye, the Pay Application #2 in the amount of \$6,952.05 is approved. Motion carried.

- iii. Ferne Water Plant

Hopeful for drawings, etc. in the next month and be able to go out to bid after meeting with Mr. Smith and Mr. Wright.

- iv. Ford Road Waterline Relocation, including Pay Application #2 from Blazey Construction Services in the amount of \$388,631.78

Upon motion by Director Barr, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Pay Application #2 in the amount of \$388,631.78 is approved. Motion carried.

c. Update on Impact Fee Capital Improvement Projects

i. Impact Fee Study

Nothing at this time.

d. One-Year Warranty

Nothing tonight.

Break at 8:26 pm

Back from break at 8:38 pm

8. **General Counsel's Report**

a. Approve Resolution Authorizing Application to the TCEQ for Approval to the TCEQ for Approval of Project and Issuance of Bonds

TCEQ 2023 Application \$3,897,000 goes to wriggle down the total bond money we could (otherwise it would have been \$14 million) have done. It should be filed in the next couple of weeks.

Upon motion by Director Barr, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Resolution Authorizing Application to the TCEQ for Approval to the TCEQ for Approval of Project and Issuance of Bonds is approved. Motion carried.

b. Sole Source Procurement Resolution related to security devices

See the handout. Solicit three bids or publicly advertise. There are some exceptions. If only one source to buy it, you do not have to advertise and the exception to specific security devices applies. Both apply here.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Sole Source Procurement Resolution (correcting the whereas clause on Page 3, deleting well numbers 1 and 9 and changing to all district water sites) relating to security devices is approved. Motion carried.

Mr. Kelly left the meeting at 8:42 pm

c. Policy regarding Director Credit Cards/Purchasing

Credit Cards for Directors added Section 6 to Director Fees of Office and Expense Reimbursement Policy. Can be tweaked and changed. No urgency to adopt today. Change to 72 hours (at bottom of page 2).

Upon motion by Director Ashy, seconded by Director Barr after full discussion with all Directors present voting aye, the Policy regarding Director Credit Cards/Purchasing, with change, is approved. Motion carried.

d. Memorandum regarding walking quorums

Mr. Polley discussed what is a meeting? Must post Agenda for a meeting. He quoted Statute language (if 3 elements exist) deliberation, quorum of Directors and business discussed. Emails, texts (not referenced, but assumed), Walking Quorums – 4 Directors. Quorum, but never at the same time. (In total 4 involved – text and emails happen most often). Attorney General says it is a quorum. Would be an illegal meeting. Subject to a \$500 fine and/or incarcerated for 6 months. Just an overview. Secretary of State online course only once within 90 days of taking office. Would be good to refresh yourself occasionally. No motion needed.

e. Supplemental Notice of Public Meeting regarding election items

size is needed. We need to put a fire under Well number 7 – needed to run booster pump one. Well 8 (Copeland), Randy Roan construction is finished. Bacteria is going to be horrible. We are supposed to put in a filtration system to take care of it. We need to start exercising it again as soon as the hydromulch takes. Ground storage wells – do we have to put pumps on them to pressurize? Usually, the first level of contact time (with chlorine and/or polyphosphates). EST will ride on the system – booster pumps will pump directly onto Water Well Road. Supplies to system demand. Any extra water fills EST. Supply/Demand. Need EST's or hydropneumatic tanks. EST is the biggest source of water pressure. Booster pumps get water up into EST's. Well to EST design on #9. On rest can flow in and out. Bottom of EST (#9) drains as center pipe fills. GST behind Well 9 and booster pumps. GST to get away without using contact (30 minutes-can not go from well to system without the chlorine contact). Will have a little bit of redundancy. The ones we have now are Well 1 (we will have a 500,000 gallon one), Copeland GST is a 200,000-gallon tank. Big enough to use but depends on demand. Well 10 500,000 gallon one planned. Director Ruonavar on page 9 of 17 of report, hydrant sits at end of Briar Berry and School. Can a cage be built around it for protection? A 4-wheeler came with a hair of hitting it recently. Not wet barrel hydrants, dry barrel hydrants. Please thank the guys for getting it done. Kennedy and 1314, broken flange, plus riser. June 1 is the official start of hurricane season. SUD on-call schedule looks nice. Conferences – GEMC – Director Ruonavar and Mr. Smith cannot attend due to the conference in Austin. 2023 TAGD – Director Bell wants to attend. Loss water report is staying in mid-90s. On the last page, trucks, trailers, equipment, etc., the bottom of page tells issues of each piece of equipment. Can we get a YTD for each piece of equipment? Mr. Smith to get it done. Original purchase price of the vehicles, if possible. How often do we do inspections on trucks and trailers – daily walk around. Both trailers have lights that are messed up. Director Barr saw while outside smoking.

10. Executive Session

None.

11. Director Comments

Director Ashy thinks we can have a President and Co-President and make Director Bell a VP.

12. Next Regular Board Meeting – June 26, 2023 at 7:00 p.m.

13. Adjournment

There being no further business to come 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 9:39 p.m.

PASSED and **APPROVED** this the 26th day of June, 2023.



President, Board of Directors



Secretary, Board of Directors

