

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
June 26, 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, June 26, 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, except Director Barr, thus constituting a quorum. Also attending for the District were: Jonathan Polley (Attorney) with Polley Garza 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 Denham.

2. Public Comment

We received a letter from Mr. Pitre, but he did not show up in person to the meeting. Mr. Smith indicated that we could do a U-Branch and he could pay for a second meter, thus giving him a bit of a break. Director Ashy asked if we have a 12-month payment plan on the impact fees and will work with him on tap fees. No decisions were made.

5. a. Employee Introductions

- i. Brian Johnson – Distribution Apprentice
- ii. David Ellenburg – Distribution Apprentice

Chris Wright, Operations Manager introduced David Ellenburg and he told us a bit about himself. Brian Johnson left at 7:03 pm as he was on call. Tachus hit a line and he had to go check on it.

Mr. Wright and Mr. Ellenburg left the meeting at 7:04 pm and Mr. Johnson will come in again at another time to be introduced to the Board.

3. Review and Approve Minutes

- a. Minutes from the Regular Board Meeting on May 22, 2023.

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 May 22, 2023 were approved. Motion carried.

4. Old Business

None.

5. New Business

- b. StarnikPay online payment fees for credit cards, debit cards, and e-checks

Director Ashy asked if auto pay was associated with that? Director Ruonavar stated that Starnik was nice in Corpus Christi at the summer Conference. Director Ashy is a big fan of the on-line payment thing. If District can't absorb fee, maybe if it gets out of hand, maybe a convenience fee? Now 3% or minimum of \$3.00. What if we don't charge the whole \$3.00? Maybe ½ of the fee. Mr. Smith estimates that 1,200 – 1,600 customers take advantage of the auto pay feature. Quite a few customers call in to pay their bill, which is basically the same thing as paying online. Not even ½ of our customers take advantage of it. We also have lots of foot traffic that pays here at the office. Mr. Smith will find out the exact numbers and we will take a look again next month.

- c. District Board Committees

Director Ruonavar states that in Corpus Christi's summer conference it was talked about having Boil Water Notice Committee and notifications need to be in English and Spanish too. Mr. Smith says that we follow TCEQ guidelines. Director Ruonavar says we need to be able to reach our customers in every way possible. We have 24 hours to issue a Notice. Text, roto calls, emails plus news media are possible ways to notify. In past we have not notified the Spanish Channels. Per Mr. Smith that is in the procedures now. It's not in any written policies, we just follow TCEQ template. Director Ruonavar believes we need a written procedure and have a committee to do it. Mr. Polley believes in best practices. Per Director Ruonavar there are 2,000 Superior Water Systems in Texas. We are one of them and she would like us to keep that status. Mr. Polley states Boil Water Notices are issued in extremely rare cases. Director Bell asks what are our steps? Mr. Smith states that once we are up to pressure, after doing flushing and bacterial samples

then, we can rescind the notice. That is in writing as part of sampling for samples and lab. Director Bell wants a copy so we can take a look at it. Mr. Smith will take care of it. There was no action taken at this time.

Director Bell asked if there were any other Committee issues? We were told that the Economic Development Committee has an opening. Director Ruonavar will look at new realtors as the two currently on the Committee have not responded this year. Director Bell wants to be on the Economic Development Committee. Everyone agrees.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to add Director Bell to the Economic Development Committee. Motion Carried.

Mr. Wright and Mr. Kelly are not actually on the Committee, they are just attending, but Mr. Polley will look into it.

6. Financial Report

a. Financial Statements for the period ending May 31, 2023

Director Ruonavar asked why all electric and utilities are done ACH now? Per Mr. Smith, due to ease of operation. She noticed there was nothing from MUD 24. Mr. Smith stated that there was a transfer from the Operations account to the Capital Fund account of \$460,000.

Lawncare – Mr. Smith said they looked into it about two months ago. They have not heard back from the three they reached out to. Director Ruonavar indicated there were lots in Kingwood that were hungry. She will share the names of some she knows of. The one we currently have is not that good, she says. Our employee Terry Sanders always has to come back at Well #5 as they do not engage the blades when doing the outside and around the fire hydrant. Mr. Smith does not want the grass too short. He will check the companies that Director Ruonavar provides. Director Bell says to tell the guy to lower the blades. They also do not mow the side that Terry does. Terry also mows Well #9 site.

Director Bell asked about the Small Tools account # 16505. Mr. Smith will check into it and let us know. They are still working on a list of tools. He asked if they are marking the tools? Mr. Smith said yes. Director Bell believes the employees should provide their own small tools. Mr. Smith says we should, as they need them to perform their jobs. Director Bell wants to know the logic in supplying the employees with tools. Mr. Smith said we don't, that we supply a truck with tools, not the employee. Mr. Bell says inventorying should be a high priority. He wants to know what happened to the hoses. Mr. Smith said the truck may not have had any, they may have been damaged or collapsed, had holes, etc. Mr. Smith to send email breakdown of what \$1,760.00 is for. We need to make sure each truck has what it needs. Director Ruonavar asked about Account 16513 – Water bill printing? Mr. Smith will check to see when invoices were received. Account 16518 shows \$12,574.03 – Online payment service – is that just water bills or payment to the Company doing it? Mr. Smith to check and see. Account 16523.8 - \$200 for baby gift card? Mr. Smith to check and see. No new taps and service, no expenses? Office Equipment – Mr. Smith to check. Water conservation? New water leak tablets, etc. Check #8314 – 6,000 coins bought? That is how we make our payments. This is why we are looking for other alternatives. They have a monopoly. Agient Security has done a phenomenal job so far, says Mr. Smith. They are still working on the Plants. Starting next month, the reports will look a bit better. They look cleaner and neater. Looking very nice.

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 May 31, 2023 were approved, with answers coming from Mr. Smith, being answered. Motion carried.

- b. Review Quarterly Investment Report for period ending February 28, 2023
- c. Review Quarterly Investment Report for period ending May 31, 2023

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Quarterly Investment Reports

for the period ending February 28, 2023 and for the period ending May 31, 2023 are hereby approved. Motion carried.

d. General Operating Fund

- i. Approve transfer from GOF TexPool (0001) to IOF Independent (4805) in the amount of \$3,200,000.00

Tabled for now. Not enough funds to do. (\$3.4 to \$2.7 – accountant did) Director Ruonavar wants to make sure we are not stopping TexPool.

e. GRP Fund

- i. Approve transfer of entire account balance from GRP TexPool (008) to IOF Independent (4805) and closing GRP TexPool (008) account

Dollar amounts change on interest that is earned. (6ei) there will be no more GRP fund. It will be going to the Infrastructure fund. Page 1 is not correct. It is being corrected as we are doing away with it.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it is approved to make the transfer of the entire account balance from GRP TexPool (008) to IOF Independent (4805) and closing GRP TexPool (008) account. Motion carried.

- ii. Approve transfer of entire account balance from GRP TexPool (007) to IOF Independent (4805) and closing GRP TexPool (007) account

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it is approved to make the transfer of the entire account balance from GRP TexPool (007) to IOF Independent (4805) and closing GRP TexPool (007) account. Motion carried.

- iii. Approve transfer of entire account balance from GRP TexPool (0010) to IOF Independent (4805) and closing GRP TexPool (0010) account.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it is approved to make the transfer of the entire account balance from GRP TexPool (0010) to IOF Independent (4805) and closing GRP TexPool (0010) account. Motion carried.

f. Debt Service Fund

- i. Approve transfer from DSF Independent (6092) to DSF TexPool (0004) to get reserve balance to \$980,000

This is one years' worth of debt service that we do NOT touch.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it is approved to make the transfer from DSF Independent (6092) to DSF TexPool (0004) to get reserve balance to \$980,000. 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, including Pay Application #1

Pay Application #1 in the amount of \$209,833.56 from Bull G Construction

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, Pay Application #1 in the amount of \$209,833.56 from Bull G Construction was approved. Motion carried.

- iv. 25021 FM 1314 Strip Center

Nothing new at this time.

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

Nothing new at this time.

b. Update on Infrastructure Fee Projects

- i. Copeland Elevated Storage Tank, including Pay Application #4, Change Order #2, Pay Application #5 and Final

Copeland EST site clearing Payment #4, Bleyl recommends rejection. There is a Change Order to remove item from Construction, Payment #5 \$3,082.45 is an adjusted amount.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, Payment #5 in the amount of \$3,082.45 to Randy Roan Construction was approved. Motion carried.

Director Ruonavar asked Mr. Kelly if anything was in the works to plug and abandon anything on Well #8? He said no, but on Well #6, when we did Well #8, we did a test well that went deeper, and it was plugged, and we went higher. Well #6 was offered to GSGS for a monitoring well but was never committed. They didn't want to, so we are plugging it to make things easier with TCEQ.

- ii. Well #5 Rehabilitation, including authorizing engineering

We need to do a rehab on Well # 5 this winter, so we need to do the engineering now.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to have Bleyl Engineering do the engineering for the rehab of Well #5. Motion carried.

iii. NorthPark Waterline Relocation

No action was taken.

iv. Plugging Yancy Well and Well #6, including awarding contract

The Yancy Well needs to be plugged because it is not worth anything to the District. It is a District Asset that needs to be plugged and abandoned. This action item also includes Well #6.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was approved to plug and abandon both the Yancy Well and Well #6. Motion carried.

c. Update on Capital Bond Projects

i. Bond Application Report #2

Nothing at this time.

ii. Bond Application Report #3

Nothing at this time.

iii. Sorters Road Waterline Relocation

Nothing at this time.

- iv. Ferne Water Plant

Nothing at this time.

- v. Ford Road Waterline Relocation, including Pay Application #3

Section from Sears to Ricewood should be tested and brought online soon.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, Pay Application #3 to Blazey Construction Services in the amount of \$400,021.20 is approved. Motion carried.

- d. Update on Impact Fee Capital Improvement Projects

- i. Impact Fee Study, including approving Resolution Adopting Impact Fees

We will need a public hearing. It is tabled and we will come back at a later date.

- e. One-Year Warranty

No action at this time.

8. General Counsel's Report

- a. Acceptance of waterline easements

There are two to serve Peppervine Development but owned by Hendricks

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the waterline easements are accepted. Motion carried.

b. Resolution Declaring Surplus Property and Authorizing Sale of Surplus Property

We have extra PVC pipe and valves. We have a buyer, so we need to designate as surplus. We also have two metal tanks that are not on this resolution that we need to have cut up and gotten rid of. The pipe and valves we have are 6" to 12".

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, the Resolution Declaring Surplus Property and Authorizing Sale of Surplus Property is approved. Motion carried.

Mr. Polley said they are working through the laws that have been passed that may pertain to Porter SUD. ETJ has some. 5% of the voters in the area to petition City has to call an election on ETJ. The city will have to call and pay for it. Would love to escape City of Houston ETJ. There has also been a change in the rules for the Director's Fees of Office. It is now \$150/day. It has been changed to mirror what applies to the legislators. The Rules are adopted by the Texas Ethics Committee. It has been raised to \$221/day. It takes a Policy Amendment – bring it back next month. It became effective June 18 and can be retroactive. They did not increase the annual amount for a total of \$7,200. There should be a way to rewrite that amendment to mirror the statute. We will take a look at it next month.

9. General Manager's Report

- a. Update regarding wells and facilities, water production and demand, fleet vehicles and equipment, drought and weather forecasts

Well #1 – 6/21/23 shows routine operations, Director Ruonavar asks what it does? Mr. Smith states that it runs ever so often. She asks if Well #5 is repaired? Mr. Smith says it is currently running. It has a new breaker, new VFD and a rental motor. Our motor is being rebuilt and should be back within a couple of weeks. The soft start got fried. The lead time on a new soft start was 36 weeks. We were able to get the same manufacturer asked Director Bell? Mr. Smith does not know. Well #7 we were able to get our hands on a new impeller. Director Ruonavar is asking if Well #8 is being exercised? Mr. Smith said this week. They have to

throttle the valve to let the tank drain slowly so does not mess up the new cleanup. Well #9 has a rental motor. Warranty repairs are being done at the Northside shop on our motor. We are happy with Alsay, but not Northside, indicated Mr. Smith. We will not continue to use Alsay if they continue to use Northside. Director Pillow asked if we have ever checked with Houston Armature as they do pumps. Mr. Smith will check. MUD #24 had issues and we are still carrying them. They were hoping to stop two weeks ago. Their contractor messed up, costing them lots of money. They had the wrong pump on it. Director Ruonavar asked if our guys are still wearing their PPE? Mr. Smith said they had better be. Director Bell asks if we have ever heard of Dynamic Water System? SCADA downloads information (water model). Has Mr. Kelly ever heard of them? He says he has not. They take information from SCADA and look at the different levels inside of the system. Contractors are putting back ditches and we have positive flow says Mr. Smith. Mr. Bell asks who is doing the work on the feeder road by Auburn Trails? Are they putting sod in? It was indicated that MUD was doing the work. Director Bell says there is no place for the water to run off. If it rains, there is no where for the water to go. Mr. Smith says it is not one of our contractors. There is a chance they will clean it up and probably hydromulch it too. It has nothing to do with Peppervine. He also asked where the leak was. No one reported back anything. On page 14 of 16, where the fire hydrant is, there is grass blocking the culvert and mud around the fire hydrant. We are done with the bore. One of our contractors did it. It is not our responsibility. It is a Precinct 4 issue or TXDOT. If State Highway contact TXDOT. On page 19 of 26 the area at Well #5 is to house and protect rock, sand and loam. Relocating meters outside of fences. Director Ashy asked Mr. Smith if we have found all the meters from the list? Mr. Smith indicated we have and will probably find some more in the next few years that were not on the list. Director Ruonavar asked why District employees' information is not in the financials? There were none listed for April and May. There were two hired in April, why DMV record check done on initial background through Accuscreen? Mr. Smith will check this. How is the schedule working out for on call? Mr. Smith said it was okay. Directors Ruonavar, Bell and Denham asked a favor. When we ask to go to seminars and conventions, etc. Please set aside enough hotel rooms for all, then we can go back and pay for them. Because the one in August, Director Ruonavar is away from everyone else. Prefer the host hotel. Director Ruonavar is going to one in January and next

summer. AWBD managed 14 hotel contracts because the hotels in Corpus Christi are small. The January meeting is in Dallas and the Annual Conference in June is in Fort Worth. We prefer the Omni. Mr. Smith does not know who is speaking at the Chamber Luncheon next month but states that Kingwood Hospital is the sponsor.

b. Update regarding Lone Star Groundwater Conservation District

i. Letter regarding Phase 3 Subsidence Study – Coring and Monitoring Program

Update: Samantha Rider resigned three weeks ago effective June 15, 2023. They have no Manager at this time. They are opening up District Rules for a comment period. They are requesting comments on current District Rules. At the last meeting or the meeting before, Phase III of Subsidence Study, they were asking for more sampling. They sent a letter wanting partners as it is expensive. They are looking for financial partners. They could use our sites for subsidence study. Mr. Smith has offered in a couple of letters and conversations. On Wednesday at 10:00 am they will be here to speak with Mr. Smith and a couple of the Board members to talk about letter and financial partnerships. Mr. James Beech a hydrogeologist and James Spigener, the Board President will be here. Only three members can attend. Directors Ruonavar, Denham and Pillow can make it if no one else can.

c. Update regarding GMA 14 Joint Planning Committee Meeting

They are currently looking to improve their model – GW availability 23 model. Working through GAM concerns. Technical meeting soon regarding their standards. Spoke to TWBD and gave card and said would share data. Get as much information as we can for free from Lonestar. Anything lacking, Mr. Smith can help.

d. 2022 Consumer Confidence Report

On the website, multi units and with the TCEQ.

10. Executive Session

None.

11. Director Comments

Director Bell regarding the Economic Development Committee, by taking Mr. Kelly and Mr. Wright off, it needs to be 40% (three Board Members and two Real Estate Agents, that will show up).

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to have Director Ruonavar, Director Bell and Director Denham, as well as two Realtors on the Committee. Motion carried.

Director Bell asked about building drawings. Mr. Kelly has not reviewed them yet. Director Denham suggested a Special Meeting as to not draw out a Regular Meeting. Director Bell agrees. Our next Regular Board Meeting is on July 31, 2023, so it was decided to have a Special Meeting on July 17, 2023 at 6:30 pm. Mr. Smith will send out a Calendar invite.

We also need review papers for Mr. Smith's annual review. He said he would provide for the July 31, 2023 meeting.

12. Next Regular Board Meeting – July 31, 2023 at 7:00 p.m.

13. Adjournment

There being no further business to come before the Board, upon motion by Director Ashy, seconded by Director Ruonavar after full discussion and all Directors present voting aye, the meeting was adjourned at 9:56 p.m.

PASSED and **APPROVED** this the 31st day of July, 2023.



President, Board of Directors



Secretary, Board of Directors

