

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
October 30, 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, October 30, 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, except Director Barr, in the District Board Room thus constituting a quorum. Also attending for the District were: Jon Polley (Attorney) with Polley Garza PLLC, Mike Kelly (Engineer) with Bleyl Engineering, Jonathon Smith (General Manager), and Mr. and Mrs. Rodney Powdrill who wanted to just view the process as they are property owners in our District, but currently live in Splendora.

b. Director Qualifications and Disclosures

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

c. Invocation

Invocation led by Mr. Smith.

d. Pledges of Allegiance

Pledges of Allegiance led by Director Denham.

2. Public Comment

None.

3. Review and Approve Minutes

- a. Minutes from the Regular Board Meeting on September 25, 2023

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Minutes of the Regular Board Meeting of September 25, 2023 were approved. Motion carried.

4. Old Business

- a. Party interested in purchasing District SWTP property

To be talked about in Executive Session.

5. New Business

- a. Engagement Letter with Belt Harris Pechacek for FYE 2024 Financial Audit

Only increasing \$1K, adding a couple more funds. They are doing a good job.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to approve the Engagement Letter for FYE 2024 with Belt Harris Pechacek. Motion carried.

b. Undine Texas, LLC Consent to Decertify Overlapping CCN

This property is not believed to be in Porter SUD's CCN.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to Decertify Overlapping CCN to Undine Texas, LLC at the Urban Acres area. Motion carried.

c. Schedule of Rates, Fees, and Charges

This is for a new increase across all meter sizes for impact fee, cost plus 20% on meter testing and Hydrant tampering, which will change to \$1K.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to increase the cost across all meter sizes for the Impact Fee, for Meter testing and for Hydrant tampering. Motion carried.

d. Personnel Policies

i. Section 1.7 Consultant Fee Increase Notice

We received draft copies of the Consultant Fee Increase Notice document. Director Bell believes that it is a start, but wishes it had more meat to it. Mr. Polley wanted an explanation on the "explanation for increase" portion. Did we expect to see his financials, etc.? No, we just need some sort of justification for an increase.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, the Consultant Fee Increase Notice was approved. Motion carried.

ii. Section 5.13 Maternity and Paternity Leave

Director Ashy wanted to know why this maternity thing came up. Mr. Smith said it was because we did not have one. Director Ruonavar has one thing bothering her and that does not apply for the adoption of a stepchild for a stepparent.

Upon motion by Director Bell, seconded by Director Ashy after full discussion with all Directors present voting aye, the Maternity and Paternity Leave Policy was NOT approved. Motion did not carry.

6. Financial Report

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

Director Ruonavar asked about page 1, where are the bonds listed? Mr. Smith replied that they are now listed in the Capital Projects fund area at the back of the report. We pumped a lot of water last month, which is great news. It was noted that the LSGWD is on a calendar year, and we are on a fiscal year. They gave us an increase for pumpage due to the drought, too. Account 14301-Late and Delinquent Fees are up. 61 disconnects last month. This month was not too bad. That is 61 accounts out of 6,800. Late notices have been 1,200 to 1,400. Late fees are 10% of the outstanding bill. Includes NSF checks or insufficient funds through credit cards too. Account 14401.1-Insurance claims still have stuff out there for Well #5. Well #5 is back to normal. Well #9 has been reinstalled but needs more warranty work. Northside has to warranty it. Telephones/Cell phones/Internet and Tablets-under budget by \$500. Account 16210/16518-online payment service. Mr. Smith will send a breakdown to us. Bulk mailings, folding and stuffing machine and postage machine will be in soon. Online payment fees will go down. 2.5% and Mrs. Pafford got it down to 2.35%. In 4-6 months, we will know what the number looks like for next year's budget. We will not pass costs on to our customers for 4-6 months in order to see if we need to have them pay some. Starnik could not split or provide a report. No coins should

be left with Starnik. Let them run out and PayStar will have things ready to go. No longer do business with companies that do "coins". They monopolized the business. Historical fees are paid quarterly. InfoSend does now. Notices and late notices have been ordered. Blue cards for late notices and whole sheets for notices. New taps and services-17001-anytime we make a new tap, tap saddles to polytube to curb stops. 2" tap is outsourced and comes out of new taps and services, but tap fee gets what they are paying. The District is not out of any money for contractors making taps. When is the lease up on the three trucks? They were 4-year leases, so probably 1 – 2 more years. Director Pillow asked if there were any big impact fees coming up or in? Mr. Smith said hopefully. Any news from Woodridge? They sent one check for \$16,800, but no connection report was included. Non-compliance letter-one time charge or \$1K charge for each non-compliance issue. Revamp the Feasibility Study to update new name of apartment complex. Repairs for Well #5, but not on schedule for the Engineer. They are reviewing contracts now, said Mr. Kelly. Bids on whole rebuild on Well #5. Televiser, clean well, inspect all equipment, etc. Mr. Kelly will report on this in his section of the meeting. Director Bell asked how much motors are going for now? Mr. Kelly will send it to us. Page 16, now. Mr. Smith to send out well #5 rehab costs.

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 September 30, 2023 were approved. Motion carried.

b. Review Quarterly Investment Report for period ending August 31, 2023

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, 2023 was approved. Motion carried.

7. Engineering Report by Bleyl Engineering

a. Update on Development Projects

Any questions?

- i. New Caney ISD Waterline Extension, including approving amendment to engineering services agreement
NCISD Amendment for \$13,528.00 – Page 2 of Engineers Report – Additional TXDOT coordination and School. 60-day contract instead of 30-day contract. 84% is school district cost and 16% is PSUD.

Upon motion by Director Denham, seconded by Director Bridges after full discussion with all Directors present voting aye, the Amendment for the New Caney ISD Waterline Extension was approved. Motion carried.

b. Update on Infrastructure Fee Projects

- i. Copeland EST, including approving advertising and bidding

Advertising and bidding for Copeland in December.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, it was approved to do the advertising and bidding for the Copeland EST. Motion carried.

- ii. Well #9 & Booster Station, including approving advertising and bidding

Advertising and bidding for Well #9 in November.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, it was approved to do the advertising and bidding for Well #9 Booster Station. Motion carried.

- iii. Plugging Well #6 and Yancy Well, including approving Pay Application #1 and Final

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was approved to pay

\$59,550.00 to C&C Water Services for Pay Application #1 and Final. Motion carried.

c. Update on Capital Bond Projects

- i. Sorters Road Waterline Relocation Phase II, including approving Pay Application #1

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to approve Pay Application #1 for Blazey Construction for the Sorters Road Waterline Relocation, Phase II in the amount of \$348,446.97. Motion carried.

SER has not gotten with us and done the punch list yet. Can we light a fire under them asked Director Ruonavar? Mr. Kelly said we can go through the Commissioner's Office to get them to pursue. Hugo is the contact person.

- ii. Ford Road Waterline Relocation, including Pay Application #7

Almost 85% complete on contract and 100% complete soon. Ahead of schedule. They struggled with the railroad track portion, which included an extra District expense. It took 3 days to locate a Tachus Fiber line which was 22' deep.

Upon motion by Director Denham, seconded by Director Ruonavar after full discussion with all Directors present voting aye, Pay Application #7 for Blazey Construction for the Ford Road Waterline Relocation in the amount of \$433,794.04 is approved. Motion carried.

d. Update on Impact Fee Capital Improvement Projects

Director Bell has a question about NorthPark – lack of coordination on the waterline with the City of Houston. COH had some local group spear-heading the overpass. COH reviewing and approving, but no coordinating. We only have 10-12 customers along NorthPark affecting that waterline. It is a dead-end waterline and has a quality issue. COH/Woodridge MUD not worth the expense to repay back. It would

cost \$650K, plus easements to do. They will be in our CCN, we just won't serve them. It is with COH legal right now. There is a Memorandum of Understanding (MOU). No compensation, but we do not have to build a new water line. Polo Loco is going to be Nick's (a Mediterranean) restaurant.

- e. One-Year Warranty

8. General Counsel's Report

- a. Lone Star GCD Interlocal Agreement regarding Drilling Project at the Copeland WTP site

Deep core sampling. Insurance provisions and have a term in their construction contract to indemnify PSUD. Substantial protection to the District. Any questions? All moving like we talked about. Already advertising. Now in the SE Corner as you are looking at Copeland. It stays away from future development. They should be in and out within a couple of months and then cap 1'-2' below grade.

Upon motion by Director Bridges, seconded by Director Bell after full discussion with all Directors present voting aye, the Interlocal Agreement with Lone Star GCD regarding the Drilling Project at Copeland WTP site is approved. Motion carried.

9. General Manager's Report

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

We pumped 142 million gallons in August and 104 million gallons in September. Last September (2022) we pumped 91 million, which was the most ever pumped. The end of hurricane season is November 30, 2023. On October 13, 2023 there was a Director's 201 Workshop which Director Ruonavar attended. The Fall Conference seminar was held tonight, but due to our Board meeting, no one from

PSUD attended. Paul Bettencourt, Cecil Bell, Jr., and Jacey Jetton were speaking tonight. Director Ruonavar will have a breakdown tomorrow morning if anything affects our area. If she gets the information to Mr. Smith, he will get it to all of the Directors. There is a water rate comparison page in the General Manager's Report. There are 20 – 25 different utilities in the area. Thanks to Directors Pillow and Ruonavar for their help in confirming some of them. Mr. Smith will have someone else confirm and then post something on Facebook for comparison. Director Ruonavar asked about Truck 103, why it had no mileage for September. Mr. Smith said he believed it was in the shop. He will verify and get back to us. Director Bell asked about Well #5. He had gone by a few times and the gate on Briar Tree was open and there was no one there. He says NO ONE was there. He asked Mr. Smith to please remind the Staff to lock the gate whenever they are leaving due to security issues. Mr. Smith said Contractors do NOT have keys anymore. They will be escorted in and out every time. Mr. Smith will double-check and remind all employees.

b. Update regarding Lone Star Groundwater Conservation District

Discussed under the Legal Counsel Section

c. Woodridge MUD letter regarding Impact Fees for the Preserve at Woodridge

Nothing from Woodridge but will discuss their request in the Executive Session.

10. **Executive Session**

Mr. Kelly and guests left at 8:28 pm

We went into Executive Session at 8:28 pm

Executive Session ended at 8:45 pm

As far as #4a – Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to accept

the offer from the Party interested in purchasing the District SWTP property for the amount offered. Motion carried.

11. Director Comments

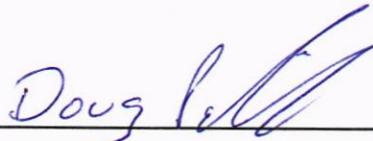
Nothing further.

12. Next Regular Board Meeting – Thursday, November 30, 2023 at 7:00 p.m.

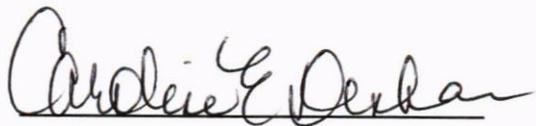
13. Adjournment

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 8:49 p.m.

PASSED and **APPROVED** this the 30th day of November 2023.



President, Board of Directors



Secretary, Board of Directors

