

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
December 21, 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 Thursday, December 21, 2023, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code.

1. **Call Meeting to Order** the Vice 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
Vacant	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 Pillow, 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. Charlie Lyons, a potential Director to fill the vacant seat left by the passing of Mr. Johnny Barr.

b. Director Qualifications and Disclosures

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

c. Invocation

Invocation led by Mr. Kelly.

d. Pledges of Allegiance

Pledges of Allegiance led by Mr. Polley.

2. Public Comment

None.

8. General Counsel's Report

A. Discuss filling vacant Director position

Charles "Charlie" Lyons, a resident of Porter for approximately 60 years, an Army Veteran, New Caney High School Graduate, Ball Park Volunteer and Election Volunteer wants to serve his community in any capacity and wants to be involved. He would like to be a member of our Board of Directors.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to have Mr. Charlie Lyons fill the vacant Director position once he takes the Oath of Office. Motion carried.

3. Review and Approve Minutes

a. Minutes from the Regular Board Meeting on November 30, 2023

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the Minutes of the Regular Board Meeting of November 30, 2023 were approved. Motion carried.

4. Old Business

None.

5. New Business

- a. Authorize Director attendance and Fee of Office for attending the Gulf Coast Water Conservation Symposium on Thursday, February 22, 2024 at the Embassy Suites Energy Corridor in Houston, Texas

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, the authorization for Director Attendance and Fee of Office for attending the Gulf Coast Water Conservation Symposium was approved. Motion carried.

6. Financial Report

- a. Financial Statements for the period ending November 30, 2023

Page 2, #15391 – Miscellaneous Income - \$968.20 – metal to recycling center; Page 3 - Director Pillow not feeling well – keep in well wishes and thoughts – he asked Director Ruonavar to mention that we have almost made budget on Income – Mr. Smith, please pass along to all employees from Directors Pillow and Ruonavar – Job well done! Director Ruonavar is watching the On-Call pay; Page 4 #16513- Water Bill Printing – over \$3K Director Bell not worried, Director Ashy got a bill – no emails – part of transition. Should receive emails next month; New Permit (\$1,500). #16521 – Postage Expense – adjusted \$663.89 now; #16972 – Billing and Work Order System – corrected. Envelopes moved to #16513; #17003 – Office Equipment – 2 printers and desktop upgrades being built – One of our employees, Cutter built at 1/3 of cost; #16505 – Small Tools – Mr. Smith to email a breakdown of what that is; Page 5 – #17004 – Office Furniture – 5 tier storage

shelving unit to hold water billing supplies; Page 6 when will the motor be back on Well #5 – it is on, but Well #9's is still being repaired – it is under warranty; CitiBank ACH – cuts down on expenses, mail time, etc.; ACH Amazon Computers – Desk top processors were purchased for building the computers instead of buying computers from Penn Comp – we got 3 – Mr. Smith, Ms. Pafford and Ms. Phillips got them and they run much better than Cutter's that Penn Comp did; page 7 – midway down – more parts for computers; page 8 – Director Bell asks how often #9031 Lone Star – you can pay up annually or pay quarterly and we choose to do quarterly; #9030 – uninstall and reinstall several times – over 3 or 4 months of them billing for lightning strike – well motor – warranty on work they did – Mr. Smith not sure of length of warranty. When reinstalled, will put grounding or lightning protection, yes and phase motors. Director Bell noticed the cost of energy of those plants and noticed the service factors on those motors is usually 1.5 how can we get better efficient motors? Mr. Smith is working towards no soft starts and VFD's. New designs for booster pumps and well motors. Green Energy Panels working on how to save on electrical costs; Starnik – any questions 11/14/23 – now on RVS usually take - \$12K was a September bill – lesson learned; Page 9 – more Amazon ACH – saved District \$ - built 3 for price as 1 – Cutter gave a mini class on how to build computers; Agient Security is currently only on the office – they are now working on the Plants; Page 10 – Bulk Permit of \$1,500 moved to correct account – Mr. Smith to send revised P&L; Cutter is Roland Wilson – Director Ruonavar is very pleased as where usually zeros – they were filled in this month. In her experience this is the most complete financials we have had.

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the Financial Statements for the period ending November 30, 2023 were approved. Motion carried.

7. Engineering Report by Bleyl Engineering

a. Update on Development Projects

Any questions?

- i. New Caney ISD Waterline, including approving Change Order #1 and Pay Application #3 & Final

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Change Order #1 was approved. Motion carried.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Pay Application #3 & Final were approved. Motion carried.

- b. Update on Infrastructure Fee Projects

- i. US-59 Waterline Crossing, including authorizing advertising and bidding

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, it was decided to authorize the US-59 Waterline Crossing, including advertising and bidding. Motion carried.

- ii. Bobby/Deuster Lane Waterline Improvements, including authorizing advertising and bidding

Mistakenly left on the Agenda from last month. No action taken.

- iii. W. Ford Road Waterline Improvements

Tabled.

- c. Update on Capital Bond Projects

- i. Sorters Road Waterline Relocation Phase II

Tabled.

ii. Ferne Well #10 Water Plant, including awarding contract

Total bid for R & B Group, Inc. was \$12.5M and WW Payton Corporation was \$14.5M for substantial completion. WW Payton has more days than R & B, but R & B could shorten time if ordered some things at start of project. In the end the Committee met and went through the criteria: Pricing 40/100 – substantial 20 pts, quality 15 pts, past relationship 15 pts, financial 5 pts, and safety from insurance 5 pts. Went through as unanimous to go with R & B Group – Recommendation to award contract to them. \$12.5 for both projects. No filters on Well 8 - estimates were for \$7M for Plant, \$2M for water well road, but costs are going up. Talked through options, looking at late Spring of 2025. If we do not do it, the costs will be more later on. Full Water Plant at Ferne, and Booster Pumps and GST at Water well road – concrete tank and three booster pumps; the new one tapped into the Evangaline Aquifer. Currently four. Some say conserve and others say Evangaline has plenty of water; Instruments need to be placed to get an accurate reading; 11,600 connections now and a full development projection will be 20 – 25K in 20 to 30 years. Director Bell talking about a regional water supplier and surface water, Lone Star could turn down permits and make people go to the Jasper Aquifer, which is deeper with more salinity. Do we award the contract? The committee recommends the award to R & B Group.

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, it was decided to award the contract for the Ferne Water Plant to the R & B Group, Inc. at \$12.5M. Motion carried.

Race Trac – Director Ruonavar asked if they are going to get permission? It is in PSUD's service area. On page 7/12 – Water Well #5, what was rehabbed on that well, asked Director Ruonavar? Mr. Kelly said the well was cleaned. He will get information and get back to us next month. It was cleaned and we went back with a larger motor. She asked who cleaned it? He will get the information to us next month.

iii. Ford Road Waterline Relocation

Generic placement in case it was needed.

d. Update on Impact Fee Capital Improvement Projects
Completed and will circle back with the Committee in 2024. It is the meeting with the two Real Estate Agents.

e. One-Year Warranty

Working through some and some are still pending.

We have two open Bond Issues. Moving all from 2 to 3, but TCEQ said no. It is the same amount of money, just what bucket it is in. Director Ashy wants to know about the project we just approved. Filters are next. What is the time frame? He wants to drink water out of that Well before 5 years!!!

8. General Counsel's Report

a. was moved to the top of the Agenda

b. Annual review of Ethics Policy, amend as necessary

Director Ruonavar asked when we could do the Director's Resolution/Code of Ethics? Can we update to have the newer Board Members on it? Mr. Polley indicated yes that things needed to be included and changes in the law. He would like to make comprehensive and do some housekeeping. Can he have authorization to update, revise and clean up for the Board?

Upon motion by Director Bridges, seconded by Director Denham after full discussion with all Directors present voting aye, it was agreed to let Mr. Polley make the Ethics Policy comprehensive and do some housekeeping on it. Motion carried.

c. Annual Agenda for 2024

It is an informational document and is not set in stone.

- d. Eminent Domain reporting pursuant to Texas Government Code, Section 2206.151 *et seq.*

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was agreed to authorize Mr. Polley to file the report as not being exercised. Motion carried.

- e. Attorney hourly rate adjustments

Directors Ruonavar and Denham believe the adjustments look okay.

Upon motion by Director Bell, seconded by Director Bridges after full discussion with all Directors present voting aye, approved the Attorney's hourly rate adjustments. 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

The Administration Building has been advertised and the bids are being accepted. The Bid Opening will be Tuesday, January 23, 2024 in The Woodlands. Mr. Smith is to confirm the place and time. There is no update on how many are bidding. On page 2/11 there are two vaults pictured. Director Ruonavar says thank you for cleaning up. They look nice. Blazey did a good job. The School one was a metal vault that was corroded, etc. It looks much better now. Blazey did the paving by the Church. Page 5/11, meter boxes. Director Ashy wants his meter box lowered so he can mow over it. February Meeting information business meeting of TAGD is in Round Rock at the end of January. January 30-31, 2024. The regular business meeting and boot camp. Our Board Meeting is on January 29, 2024. TAGD was informational last year until the Scientists started talking. There is a new report – Fleet Report. #110 is not Dominic Justice, but Sergio Martinez. Our part-timer is working out very well.

- b. Woodridge MUD letter re. Impact Fees for the Preserve at Woodridge

Tabled until the January 2024 meeting.

Director Bell asked if we needed an Executive Session on the Entergy matter. Mr. Polley said no that he has spoken to some counsel and if we push back, they should move. Director Bell wants Mr. Polley to call Entergy in-house Counsel. Mr. Polley will get us information when he has more.

10. **Executive Session**

11. **Director Comments**

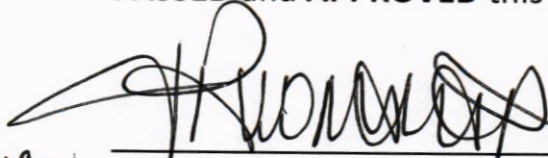
Director Ashy said a friend/neighbor called and said their refrigerator started leaking and they went to their meter and called the office, and the phone rang and rang. Director Ashy called and it was answered promptly. Our employees got out there fast and the neighbor is happy. Director Ruonavar gave an update on former Director, Johnny Barr's Memorial Service. It is on January 13, 2024. She will get us a time. Several of our employees helped his wife with some boxes of PSUD documentation and she was very appreciative. She said there are a few more boxes and she will get them to us. We will do flowers or something for the Memorial.

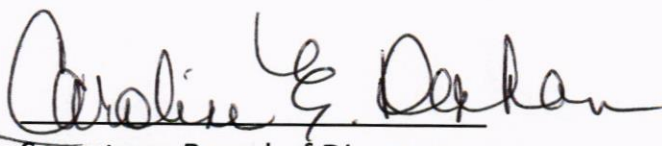
12. **Next Regular Board Meeting – Monday, January 29, 2024 at 7:00 p.m.**

13. **Adjournment**

There being no further business to come before the Board, upon motion by Director Ashy, seconded by Director Bridges after full discussion and all Directors present voting aye, the meeting was adjourned at 8:33 p.m.

PASSED and APPROVED this the 29th day of January, 2024.


Vice President, Board of Directors


Secretary, Board of Directors