

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
February 26, 2024

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, February 26, 2024, 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
Jason Ashy	Director
Donald Bell	Director
Charlie Lyons	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: Jon Polley (Attorney) and Gerald Ruiz, both with Polley Garza PLLC, Mike Kelly (Engineer) and Koy Sanson, both with Bleyl Engineering, and Jonathon Smith (General Manager).

b. Invocation

Invocation led by Director Ruonavar.

c. 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 January 29, 2024

One correction on Page 3, Item "B" Memorial Plaque at Briar Tree WTP (Well #5), change "Director Ruonavar wants" to "Director Ruonavar requests".

Upon motion by Director Bridges, seconded by Director Bell after full discussion with all Directors present voting aye, the Minutes of the Regular Board Meeting of January 29, 2024 were approved with one correction. Motion carried.

4. Old Business

None.

5. New Business

None.

6. Financial Report

- a. Financial Statements for the period ending January 31, 2024 (**TABLED**)

7. Engineering Report by Bleyl Engineering

- a. Update on Development Projects

Any questions?

- i. Adams Street Apartments, including approving the feasibility study

2" line extended to 8" line previously. 930' of 8" extension to end. 48 Apartment Units equivalent to 48 single family homes. TCEQ requires the District to treat each multi-family unit as a full connection for planning. The Impact Fee is based on the full 48 connections with a credit applied for the District's approved alternate capacity ratio (0.89). \$102,528 Impact Fee. Mr. Polley asked if this project will require a Development Agreement, and Mr. Kelly said it would. Mr. Polley asked if this is an Impact Fee project and Mr. Kelly indicated it was not. Mr. Kelly recommends approving the Feasibility Study.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Adams Street Apartments Feasibility Study is approved. Motion carried.

- b. Update on Infrastructure Fee Projects

None.

- c. Update on Capital Bond Projects

- i. Sorters Road Waterline Relocation Phase II, including approving Change Order #1 and Pay Application (Final) #4

Change Order #1 reduces contract by (\$63,246.00) and adds 7 days' time due to weather. Pay Application #4 (Final Payment) for \$21,684.44 is recommended.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Sorters Road Waterline Relocation Phase II, Change Order #1 for a reduction of (\$63,246.00) and Pay Application #4 in the amount of \$21,684.44 (Final) to Blazey Construction Services is approved. Motion carried.

- ii. Ford Road Waterline Relocation, including approving Pay Application #10

Pay Application #10 in amount of \$20,548.84 is recommended for payment.

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 #10 in the amount of \$20,548.84. Motion carried.

Mr. Kelly advised that Koy Sanson will be helping Mr. Kelly in the future. He has been with Bleyl for four years.

- d. Update on Impact Fee Capital Improvement Projects

- i. Copeland EST, including awarding contract

The Bidding Review Committee met about the Copeland EST and the lowest proposal was from Caldwell Tanks, Inc. in the amount of \$4,852,950. They have been in business since 1887. The bids ranged from \$4.8 to \$5.2 and there were 3 bids received. The Bidding Review Committee recommends awarding the Elevated Storage Tank Bid for Copeland to them. Directors Bell, Bridges and Ruonavar were on the Committee.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to award the contract for the Copeland Elevated Storage Tank to Caldwell Tanks, Inc. in the amount of \$4,852,950. Motion carried.

- e. One-Year Warranty

8. General Counsel's Report

- a. Amended and Restated Ethics Policy

Tabled.

- b. Memorandum of Understanding with City of Houston regarding service to tracts north of NorthPark Drive and east of Loop 494

The City of Houston has verbally agreed to accept the service to tracts north of NorthPark Drive and east of Loop 494, so we do not have to replace that line. The only expense to Porter SUD is our cost to replace connections to the City of Houston's system. The meters will have to be the City's meters. Our meters will not work, and we will be able to reuse them in our District. We do not have an estimate of the cost yet, but it is cheaper than a new waterline.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to approve the Memorandum of Understanding with the City of Houston regarding service to tracts north of NorthPark Drive and east of Loop 494. Motion carried.

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- c. Development Agreement with Altera Forest

Some Impact Fee projects and some not. The Developer pays for some and then we will make good on the balance.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to approve the Development Agreement with Altera Forest. Motion carried.

- d. Additional capacity request from Valley Ranch MUD

We received a letter from Valley Ranch MUD dated January 4, 2024 requesting additional capacity. They have been behind in keeping up requests. This is the additional capacity request. They can make one request per year. We are ready to accept this request. They are requesting an additional 270,000 GPD. We are already providing this amount. They actually used double that amount during the past summer. The total can be 900,000 GPD. Director Bell asks if there is any

mechanism if we cannot supply. They can drill their own wells, which they will not do as they are too expensive. We are fine. We are adding Well #10.

Upon motion by Director Bridges, seconded by Director Bell after full discussion with all Directors present voting aye, the Additional Capacity Request for Valley Ranch is approved. Motion carried.

e. Update on Entergy Easement Acquisition

Entergy is wanting an easement across and over Well #7 – Andrew WTP. In January they filed a Condemnation Petition. We have power too. Water trumps electricity. We should be able to coexist. Mr. Polley spoke to an associate attorney today and they are supposed to get back with dates for Mr. Smith, Mr. Polley, and the Engineers to work something out. Mr. Polley believes it was just a gesture on their part and does not believe they will win. Mr. Polley has spoken to several law firms and is having a tough time finding someone to represent us, that is a Litigation Firm. If necessary, we may have to get Brian Trachtenberg. involved. At a certain point we may need his firm.

f. Update on \$10,000,000 Waterworks System Revenue Bonds, Series 2024 (the “Series 2024 Bonds”), including:

- i. Schedule for sale and closing

Next month.

- ii. Preliminary Official Statement

Next month.

- iii. Order Adopting Official Notice of Sale and Bid Form, Authorizing Distribution Thereof and Preliminary Official Statement and Authorizing Publication of Notice of Sale

Next month.

g. Supplemental Agenda

- a. Supplemental Election Agenda on the May 4, 2024 Directors Election matters and take any necessary actions on same

The Election is not contested and will not be needed. The terms of the three Directors will now expire in May 2027.

- b. Adopt Order Declaring Unopposed Candidates Elected to Office and Cancelling Election

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was approved to Adopt the Order Declaring Unopposed Candidates Elected to Office and Cancelling the Election. 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

Mr. Smith asks if there are any questions. Director Ruonavar stated that Director Denham had a question on the warranty on Blazey Construction for the waterline on Sorters Road. Should the warranty start when construction ends? (Page 2 of 17) of the General Manager's Report. This is the Phase II section, and it is the waterline only. We are waiting on them to complete the punch list from the recent walkthrough. Director Ruonavar wanted an update on the rehab of Well #5 (Briar Tree WTP). The pumps are in bad shape. The upper screens are clear, but the lower are clogged. No recommendation from Alsay on cleaning yet. We should have that this week. It is offline. If we put another well on the same site, we would have to go to another aquifer, or alternate the use of the wells if the same aquifer. It is a big contingency expense. The 16" waterline across US 59/69 is a big push to help this issue. We do not want to push Well #1. The screens are going to be interesting to see when we rehab Well #1. We have three wells in production right now. Well

#1, #7 and #9. If we lose one, we can get an emergency well motor and pump. The contract is up in April. Late June is when we will see the draw on our system for the summer. We can always go to Stage Two Drought Contingency to restrict watering. We added Mr. Smith to the AWBD for the Summer. The AWBD Spring Seminar is on April 18. TAG will be open soon. Do not look at just one month on the Water Loss Report. Director Ruonavar asks why Chad's mileage is so much. Mr. Smith says it is due to where he lives and what he does as a Meter Tech. Maple Heights and Peppervine are all causing more time. Chad is also on call every other week and so is Cutter. As Jesse gets his license, he will also go on call rotation too. Mr. Smith to follow up on how far Chad lives out of District. Mo lives in Richmond. Director Ruonavar asks if there are any others.

10. Executive Session

None needed.

11. Director Comments

Director Ruonavar says that at the end of March (the 26 – 28) Directors Denham and Ruonavar are attending a Charity Golf Event in Hutto, Texas. It is called "Birdies for Kids" and is for Children with Cancer. They are trying to raise \$150K. It is a one-day tournament. They get goodies, buy raffle tickets, buy holes, etc. Does Porter SUD or anyone individually want to do it? Director Bell would like to do it, but it is the last few days before his retirement.

12. Next Regular Board Meeting – Monday, March 25, 2024 at 7:00 p.m.

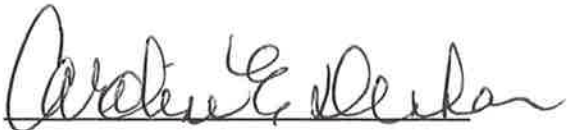
13. Adjournment

There being no further business to come before the Board, upon motion by Director Ashy, seconded by Director Ruonavar after full discussion and all Directors present voting aye, the meeting was adjourned at 7:36 p.m.

PASSED and **APPROVED** this the 25th day of March, 2024.



President, Board of Directors



Secretary, Board of Directors

