

**PORTER SPECIAL UTILITY DISTRICT**  
**MINUTES OF BOARD OF DIRECTORS REGULAR MEETING**  
**May 20, 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, May 20, 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) with Bleyl Engineering, and Jonathon Smith (General Manager).

**b. Invocation**

Invocation led by Mr. Smith.

**c. Pledges of Allegiance**

Pledges of Allegiance led by Director Ruonavar.

**2. Public Comment**

None.

**3. Review and Approve Minutes**

a. Minutes from the Regular Board Meeting on April 29, 2024

b. Minutes from the Special Board Meeting on May 6, 2024

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 April 29, 2024 and the Special Board Meeting on May 6, 2024 were approved. Motion carried.

**4. Old Business**

None.

**5. New Business**

a. FYE 2025 Budgets for fiscal year ending May 31, 2025, including approving budgets as presented by the Budget Review Committee

Director Pillow explained the process. Director Ashy thanked the Committee for their services. The directors on the Committee are Director Pillow, Director Ruonavar and Director Bridges.

Upon motion by Director Bell, seconded by Director Ashy after full discussion with all Directors present voting aye, the FYE Budgets for fiscal year ending May 31, 2025 as presented by the Budget Review Committee are approved. Motion carried.

b. District Schedule of Rates, Fees, and Charges

Mr. Smith explained a few of the highlights. Kamstrup was Aguaworks and now Ferguson and they will not commit to prices, so we have made the change to be the quote (of the meter) plus 20%. For ¾" and 1" we have been doing cost + 20%. There is no one else we can get the meters from. We can only use their local Distributor, which is Ferguson. They stock the meters on the shelf locally and we do not have to order them anymore. We already had taps, where if completed by District Contractors, if any Contractor fixes, we charge 20%. The other change is the Wholesale Water Rates. Two months ago, we increased MUD 24 base cost, just note that it is \$2.70 now. Everyone else is \$3.69 due to having direct pressure. This Schedule of Rates, Fees and Charges is effective as of June 1, 2024.

Upon motion by Director Bridges, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the District Schedule of Rates, Fees, and Charges effective June 1, 2024 is approved. Motion carried.

c. Authorize new bank account (\*\*\*6438) at Independent Financial for Series 2024 Bonds, including approving account signers

We will be depositing the Series 2024 Bond proceeds on May 29, 2024. The current signers are Director Pillow, Director Denham, Director Ruonavar and Director Bridges.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, the Board authorizes the opening of a new bank account \*\*\*6438 at Independent Financial with the signers listed above. Motion carried.

d. Consider approving Director attendance, and Fees of Office, for the EMC Hurricane Preparedness Forum on May 23, 2024, at The Atrium Center in New Caney

Director Ashy and Director Lyons do not believe Directors should be paid to go to this Forum. It is free to the Public. No action taken.



- e. Consider approving Director attendance, and Fees of Office for the TCEQ Public Drinking Water Conference on August 6-7, 2024 in Austin or virtually
- f. Consider approving Director attendance, and Fees of Office for the Water for Texas 2024 Conference on January 27-29, 2025, at the AT&T Hotel and Conference Center in Austin

We are doing both e and f as one motion and on the Water for Texas Conference it will be for January 26 – 29, 2025. The Hotel reservations open soon. Also, AWBD Mid-Winter Conference is January 24-25<sup>th</sup> in Austin as well.

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, Director attendance, and Fees of Office are approved for the TCEQ Public Drinking Water Conference and the Water for Texas 2024 Conference. Motion carried.

## **6. Financial Report**

- a. Financial Statements for the period ending March 31, 2024
- b. Financial Statements for the period ending April 30, 2024

Upon motion by Director Bridges, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Financial Statements for the period ending March 31, 2024 and April 30, 2024 are approved. Motion carried.

## **7. Engineering Report by Bleyl Engineering**

- a. Development Projects
  - i. Angels On The Way, including feasibility study

Located at Farris Green and Loop 494, on page 3, a proposed 6" meter would require the extension of a 12" waterline from Ferris Green to the south end of the site where it would reconnect with the existing 4" waterline. A 4" meter could be tapped off the existing 6" waterline along the east side of Loop 494. The service would have to be permitted through TXDOT and constructed to their standards. Do upgrade across their property on easement and impact fee project. Upsize it works out for them to make improvement. See report for proposal. Include authorization of Development Agreement, plus new cost of meter fee.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Angels On The Way Development Feasibility Study is approved. Motion carried.

ii. Mayer Road Townhomes, including approving feasibility study

On the north side of 1314 past Dunn Road, a 2" line. There is a 6" line nearby. 25 Townhomes all the way down on the left. Currently an overgrown field. They will need a multi-family master meter. Impact fee of \$53,400 projected for a 4" meter. They indicate a 3" meter and it is close, so we probably would not object. Director Bell asked about the waterlines and easements if they were verified, and we know where they are. Mr. Kelly will get to that in a minute. There is a small ROW. The County makes us design to be on the back slope. It is tight and congested. Upsize on Mayer Road. Not an Impact Fee or Capital Fee project. It is a Developer Fee project. Fire protection for Mayer Road and water service. Mr. Kelly asked if there were any questions. Director Bell asks since it is so congested, will we have some sort of utility survey done? Mr. Kelly indicated we would do it as part of the design process. Mr. Smith went out to verify what was there and saw a fire hydrant. Had Delta come out. We have a blowout. Director Bell said to make sure we verify and that they should pay for it. It will be ours when done.

Upon motion by Director Bridges, seconded by Director Lyons after full discussion with all Directors present voting aye, the feasibility study for the Mayer Road Townhomes was approved. Motion carried.



Mr. Kelly asked if we could do an 8" instead of a 10", just for his information. No motion needed.

b. Infrastructure Fee Projects

i. Well #5 Rehabilitation

No action. Waiting on pump. They are 63 days late. Director Bell asks what is the delay? Mr. Kelly said the motor is ready, but the pump is the delay. The pump is in and went to testing and it did not meet the specifications. They are re-working it. Director Pillow asked when it was ordered. Mr. Kelly said we will be looking for the documentation from the Contractor once it is in. The rehab is complete. Everything looks good, asks Director Ashy?

ii. N. Plantation Waterline Improvements, including approving proposal

Tabled.

c. Capital Bond Projects

i. Ford Road Waterline Relocation

Not a specific action item, but a summary is in Mr. Kelly's report. It was pushed to mid-January. Another 52 days passed that to substantial completion. Now at 68 days and counting. \$200/day for liquidated damages, then \$100/day. If added up there is \$17,400 potential liquidated damage claim as of the date, we calculated. We have to show we actually have damage. We need expenses. Additional Engineering of \$14,500 may qualify, believes Mr. Kelly. Do we want to track and explore? They were fantastic for the first 6 – 8 months of the contract. Subcontracted out and was good. At the end, the subcontractor was gone. The high-quality crew was gone, and the cleanup crew was slow. If we offset fees, Directors Pillow and Ashy believe we should pursue. Not an action item.

d. Impact Fee Capital Improvement Projects

- i. Bobby & Deuster Lane Waterline Extensions, including approving Pay Application #1 from Faith Utilities in the amount of \$169,990.20

Mr. Kelly recommends paying Faith Utilities the Pay Application #1. Director Pillow asks when started. Mr. Kelly said last month. They are submitting the Pay Application about 6 weeks into the project. They are about 2/3 of the way complete. They will have weather delays due to the bad drainage. They are showing good progress and doing good work.

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the Pay Application #1 from Faith Utilities in the amount of \$169,990.20 for the Bobby & Deuster Lane Waterline Extensions is approved. Motion carried.

- ii. US-59 16" Waterline Crossing, including approving Pay Application #2 from Bull G Construction in the amount of \$232,302.60

This is for the waterline within the Plant Site and US-59 Frontage. Primarily 16" waterline. Mr. Kelly says they are doing well. The holdup has been easements - Momentum Projects and no approval from the County. Once onsite, they are moving fast.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the US-59 16" Waterline Crossing, including approving Pay Application #2 from Bull G Construction in the amount of \$232,302.60 is approved. Motion carried.

e. One-Year Warranty

Mr. Kelly is done. Are there any other questions? Director Lyons asked about US-59 Crossing – approval for County – is the approval for Ford Road? Mr. Kelly said in some cases it is in the County ROW. Just a slow process with the County. They



have received the comments and have responded. There is about a 60-day wait. They are understaffed.

## **8. General Counsel's Report**

### **a. Development Agreement for Momentum Business Park**

Mr. Polley says it follows standard terms. The Developer fronts the money and gets credit for any Impact Fees. It tracks the Feasibility Study from a couple of months ago. The Feasibility Study is complete.

Upon motion by Director Lyons, seconded by Director Bridges after full discussion with all Directors present voting aye, the Development Agreement for Momentum Business Park is approved. Motion carried.

### **b. Amended and Restated Wholesale Water Supply Agreement with Montgomery County Municipal Utility District #24**

Mr. Polley provided an update of the Contract. It is not ready yet. It should be ready next month. All parties have agreed in principle due to the other two Amendments. It will be better to look at one Agreement, than looking at an Agreement with three Amendments. They are removing some verbiage that is done and no longer matters. This item is tabled.

### **c. Grant of Electricity Utility Easement to Entergy**

No action. It is tabled for now. They are having some back and forth on terms of easement. They had a very productive phone call with their Condemnation Counsel and their In-house Counsel. Generally, have an agreement with them as to what can and cannot be done for us and them, in and outside of the Plant. There needs to be some revision to the easement. There is a verbal agreement for what should be. Within the Water Plant we will be able to operate and maintain as we do now. If we make changes in their easement, we will have to get their permission. Approximately from the front of the building to the ROW line. Probably 30' – 40'



into the Plant. We want someone to stake it and get a separate property description for the easement within the Water Plant. Wants clearly defined as an Exhibit to the Agreement. They agree. It is progress after 7 – 8 months. We did not build on their easement. They want it, but we are discussing it. Now we have to make the document reflect that and compensation too.

d. Approve District Registration Form

Will be after Supplemental Agenda, Terms of Office, and Officer Positions.

e. Supplemental Agenda

Started at 7:41 pm.

1. Election Agenda

a. Issue Certificates of Election;

Directors Pillow, Bridges and Lyons have been re-elected. They need to complete the Certificates of Election exactly as was emailed. They need to be completed so that they can take the Oath of Office.

b. Qualification of Directors;

Done.

c. Administration of Oaths of Office; and

All are signing. All Official.

d. Elect Officers

There was a general consensus to leave the Officers as they are currently.

The Series 2024 Bond closes on May 29<sup>th</sup>, which is Wednesday of next week. The Attorney General has to review and issue a Preliminary Approval Letter that should be received by the end of this week.

## **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 says there is a lot going on in the District. There are several pictures throughout the Report, in addition to the weekly update. The Caney Creek Apartments had a delivery of wrong materials and have had new ones re-delivered.

On page 5 is a picture of God's Water Plant. It is a picture of a dead pine tree that a customer is complaining about. It is still there and has been passed to the County as it is their issue. On page 12, June 1<sup>st</sup> is the official start of Hurricane Season. Due to La Nina, there is a more active Gulf and Caribbean. Water production is about the same as last month. We are still breaking records. There is lots of growth. HOA's and Commercials are still watering grass even with all the rain. Director Bell, on page 9, Montgomery Pines, 8" crossing. Where they move tractors across. Director Ruonavar asked about the Budget that was presented. Can Mr. Smith bring up an item about trucks? Can we not keep the replaced trucks in the fleet? Truck #103 is running rough. Truck #104 might, but we have dropped money into both. We are looking at Rangers and Colorado's for the Meter Techs. We do not need full-sized trucks. Can the office personnel use smaller trucks? Mr. Smith or Mr. Wright make the bank runs. Director Bell wants us to be very careful when dropping deposits. One reason is due to safety. Page 18, there is a 7-day total rainfall for the area. The maximum was 23" + by Livingston. Director Pillow checked last Friday for the year and Huntsville has gotten 48" of rain. Also, FYI, the 2023 Consumer Confidence Report in the Book, on Facebook, in the next billing, on the website, etc. All billing issues are straightened out – emails through PayStar. Resent bills out. There was a glitch on their side. Director Bell asks if sent out to each home? They were sent via email, Facebook, alerts, copies here, on the water bill and on the website. TCEQ ran for us. We have to provide them with a



Certificate of Delivery that we have done according to State Statute. Director Ruonavar asks about virtual training for the TCEQ Public Drinking Water Conference in August. Mr. Smith said we can sign up for it as it was approved earlier.

b. 2023 Consumer Confidence Report (aka Water Quality Report)

Director Bell asks if sent out to each home? They were sent via email, Facebook, alerts, copies here, on the water bill and on the website. TCEQ ran for us. We have to provide them with a Certificate of Delivery that we have done according to State Statute. Director Ruonavar asks about virtual training for the TCEQ Public Drinking Water Conference in August. Mr. Smith said we can sign up for it as it was approved earlier.

10. **Executive Session**

None needed.

11. **Director Comments**

Director Ashy is appreciative of all the Committee Members' meeting attendance. Director Bell is looking for lead and copper issues like Detroit. Mr. Smith said we will not have one here. It was a cover-up from the State level all the way through their leadership. Lead leached out into the water. They went to jail for "saving money" because they stopped the chemicals that were needed. We do not have lead on our or the customer's side. Anything after 1988 is considered lead-free. We have to go through tax rolls, anything that is pre-1988 we will have to do investigations. We only have to look around the meters. The first phase is identification. The second phase is the unknowns, and we have to check further. We have to take a 5-liter sample and it shows what is in the home and where it is. If it comes back lead-free, then it is okay. We do have some galvanized piping, but not lead.

12. **Next Regular Board Meeting – Monday, June 24, 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 8:03 p.m.

**PASSED** and **APPROVED** this the 24th day of June, 2024.

  
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President, Board of Directors

  
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Secretary, Board of Directors

