

**PORTER SPECIAL UTILITY DISTRICT**  
**MINUTES OF BOARD OF DIRECTORS REGULAR MEETING**  
**June 24, 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, June 24, 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, Chris Wright (Operations Manager), and Jonathon Smith (General Manager).

b. **Invocation**

Invocation led by Director Bell.

**c. Pledges of Allegiance**

Pledges of Allegiance led by Director Ashy.

**2. Public Comment**

None.

**3. Review and Approve Minutes**

- a. Minutes from the Regular Board Meeting on May 20, 2024

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 20, 2024 were approved. Motion carried.

**4. Old Business**

None.

**5. New Business**

- a. Discuss and take any necessary action regarding emergency with Well #7 failure

We had a catastrophic failure of the pump downhole. Entergy deenergized the Well on Thursday. Pulling through top special, more damage further downhole. Pulled existing pump out. Entergy gave us until Monday morning. We have a rental pump and motor, temporarily. It ran for four hours, and they took a sample. If good, we will start using tomorrow. If the sample comes back bad, we will have to do a repeat sample. We may have to disinfect the well.

With Well #7 going down, while we still had pressure, we back fed water to fill up the storage tanks for peak demand and overnight. We ran Well #1 for over a day.

We topped off Well #9 EST and even overflowed it a bit. We cannot push enough water than a 6" will allow to the other side of US 59. By backfilling Well #7, we had a one-time opportunity because we cannot boost the chlorine residual. The point of chlorination is the well itself before the GST. So, we monitored SCADA very carefully. Peak demand is 7:30 – 9:30 ish. We kicked on the boosters at 7 and let run until it hit low level lockout at 6 – 7'. 23' is the top. Set point is a foot below the overflow. Throughout the day we are only running Wells #1 and #9. No other wells are running at this time. We are just watching pressures on the west side. We have to get water in the EST at Briar Tree. Early morning we did all we could do. On Friday, we decided if we have to issue a boil water notice to have water to boil and then empty lines. The sample was good, good to go. Repeat was good, another yesterday, then bad this morning. If good tomorrow, then we are in the clear. If bad, boil water notice. We lost system pressure below 20 psi, flush lines, no water in lines. Bad situation. Raw water well sample is what failed. Passed once and failed twice. Not E.coli. Chlorinate to get rid of and we have not been able to do so. No raw water into the system. We signed a quote for the rental pump and motor on Saturday/Sunday. Alsay took a second sample, Water Utilities and second sample. Alsay's was bad. Saturday night called, emailed, and texted TCEQ and Sunday morning, the repeat sample came back negative. Because they were licensed and Alsay was not. Tomorrow waiting on two samples. Repeat for Well #5 negative is good, and we will be great. Well #7 is about the same time, if good we can put well in service, if bad we will repeat and possibly disinfect the well. We will need one of the two and issue a boil water notice. We have been juggling a ton of things. The contractor wants to connect a 12". We are in Stage 3 Water Restrictions. Monday or Thursday if even/odd, etc. We notified the Wholesale Customers of the Water Restrictions as well. They have to issue a minimum of Stage 3. MUD 24 is not using. MUD 84 is not using and opened the interconnect. MUD 56 wanted to do work on their automatic transfer switch and they could not at this time. With Wholesale under Stage 3, they have to lessen to 70% of usage and breach of contract if not. HOA at Oakhurst splash pad can be used for recreational use on Friday, Saturday, and Sunday when there is no other water use. Actual work from Alsay for Board's review. There are several things highlighted. Green is the current cost. Orange is the monthly rental amount. When we demobilize it, the cost will be around \$23K ish. Director Bell asking if we are going all the way back to when the motor had catastrophic failure. What happened? The

bolts that mount the base onto the platform. The top special two, one sheared and snapped. Was it out of line, did it work loose, or what? The pump failed downhole. Pieces of the pump were in the lines. Do we do a maintenance schedule on those pumps? Mr. Wright was asked when was the last time we did maintenance on the pump? He said we do monthly by doing the oil feed into the pump. It is food grade oil, and we verify the feed rate and that is the maintenance we do. Who checks torques or bolts on the motors? Mr. Wright indicated that we do not make any adjustments on hardware. Motors have torque on them. We do not mess with mechanical parts. Mr. Smith said we do not do that. Was the failure due to lack of maintenance? Long-term lack of maintenance down hole. Not sure what was done prior to Mr. Smith's arrival. Nothing looked new. Just long-term wear and tear. It is on schedule to do this winter, but we have to do it now instead. Well #5 was our priority. The Alsay quote is for a new pump and motor. Most likely nothing will be covered by insurance. The well is 15 years old and last year produced 40% of the District's water. The lead time is 10 – 12 weeks for the pump assembly. We have not done anything with anyone other than Alsay because we have not had time to do and it would cost us another weeks' time. 420' deep. Mr. Polley said we need to declare an emergency, so we do not have to go through public advertising. He is working on an Order Declaring an Emergency condition right now that says the Board has been advised of an emergency condition that may create a health hazard, etc. Well #7, District wants to award due to the water code and has findings to that effect. If we award Alsay we can reach out ourselves and see if something is available elsewhere. What is wrong with the rental pump and motor? Can we buy it and rehab it this winter? Mr. Kelly believes it is something to explore. Mr. Smith asks what if the Board approves not to exceed an amount over \$260K and explore with Alsay and compare and reach out if a pump is available faster than 10 – 12 weeks. How old is the used one and what shape is it in, asked Director Bridges. It is a band aid right now. Will it burn up? Once we get Well # 5 up, we are not going to be running it hard anyway.

Upon motion by Director Bell, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board declared an emergency situation. Motion carried.

Director Pillow asked if we should set up a committee to make any decisions about the emergency situation at Well #7. Mr. Polley said we have several different options. An order gives the Staff authority to make a call. That is the most time efficient. But balance since we own the problem. Legal, the order gives them authority. The balance is how to get it done. Committee or Special Meeting?

Director Bell made a motion to create a committee and Director Ashy seconded. Mr. Polley indicated that a motion was not needed. Director Bell, Director Ruonavar and Director Bridges volunteered to be on the committee. They need to get rolling. It is the Well #7 Emergency Committee.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Alsay Invoice #1 in the amount of \$62,960.00 was approved. Motion carried.

The Well #5 rehab is way behind. Over 90 days so far. The pump failed the factory test, but they were behind even before that. Mr. Smith and Mr. Kelly are keeping up with liquidated damages. If Well #5 was up, we would not be having a problem.

Well #5 Contractors only have access to the site, not the buildings. They are often in vehicles with no markings. They are looped into Well #7 too. Director Pillow thanks everyone for the late nights and for Mr. Wright and Mr. Smith, as well as their Staff. Very impressive.

Director Ashy asked when will the 16" waterline be done. They have been doing the dam and dike excavation. It is moving forward. If the pipe had been done by 4/1/24, it would have allowed us to get water to the west side of the District. It may not have helped up to North Country, but these issues did not help. If the filters were on Copeland, that would have helped as well. Technically, we do not have Copeland because the motor is in the shop. Part of the planning over the last 18 months to set up bid in September and awarded in December so we would not have been in this predicament. The two most critical projects have been slow. Director Bell asks about the US 59 boring. They are now motivated. They should have bore pits done and one week to get dry bore done.

## 6. Financial Report

### a. Financial Statements for the period ending May 31, 2024

Send Mr. Smith an email and he will follow up. If worried about expenses they will come out of Well #7 rehab. Account 15391 – Miscellaneous Revenue of \$13,677.45 – Mr. Smith to follow up. On the Infrastructure Fees Account 14202.1 and 14202.2 – have changed in the last two months. They transferred, but the money comes into the GOF and then goes into the Infrastructure fund. We do not want to show as O&M. Impact Fees GOF gets transferred. Account 16109 – Electricity Wells with Well #5 being offline? Lower than last year pumping since rain. M&R Wells is Well #5 account 16110 – Meters, M&R Wells, Insurance Claims, please explain, asks Director Ruonavar. Page 4, account 16513 Water Bill Printing and account 16518 – Online Payment Services. When will be start nailing for ½? PayStar for about a year to compare with StarNik. It is down from \$12K to \$6,500. Can find out more information to see if possibility we can do ½. It may be all or nothing. Director Ashy wants to ease into it. We are the cheapest water around by far, says Director Ruonavar. Mr. Smith can give an example of what online payment fees look like with variables when we get close. On page 5, account 17001 – New Taps & Services on income, just has tap fees \$95.80 and \$81.20 – what is the difference? When do ourselves and supplies we get from Agua Works. Great deal on poly so stockpiled parts and supplies. Offset on income. Commercial businesses go through the District Contractor, and we charge an additional 20%. There was a spot that had a lot on Amazon. Page 5, bottom – middle income – net income difference between gross income and expenses of year. Fantastic said Director Pillow, made over \$2M. Page 11 – lots of Amazon charges. Mr. Smith indicated that they were for wall plates and phone and/or cell phone cover. Cutter is running the CAT6E, and he is running it and other company that did 6 – 7 years ago did not make sense. He has also built three computers. One in the front was doing 10 mbts and he ran a temporary one and got over 100 mbts. While he was in the military, he was IT. He worked with SCADA on Well #5. He is going to run new jacks and plates in the walls. Where we need internet access, he is upgrading to improve the speed. Director Ruonavar asks on page 12, the 5/23/24 ACH is for an Amazon chair mat for office and tile floor did nonslip in front as the rugs were moving so we could keep someone from falling. On page 13, check 9727 for \$4K, but one on another page.

Bought stamps before the new price increase and due to bulk mailings, we have to have enough to do water billings.

- b. Review Quarterly Investment Report for period ending May 31, 2024

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, 2024 and the Quarterly Investment Report for the period ending May 31, 2024 were approved. Motion carried.

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

- a. Development Projects
- b. Infrastructure Fee Projects
  - i. Well #5 Rehabilitation

Discussed previously in meeting.

- ii. N. Plantation Waterline Improvements, including approving proposal

Proposal with cost estimates and exhibit, behind Engineer's Report. Not a full loop but will eliminate any errors – several fire plugs. N. Plantation from Sorters and S. Plantation close enough to cover the whole area with fire protection.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Proposal for the N. Plantation waterline improvements is approved. Motion carried.

- c. Capital Bond Projects
  - i. Ford Road Waterline Relocation

d. Impact Fee Capital Improvement Projects

- i. Bobby & Deuster Lane Waterline Extensions, including approving Pay Application #2 from Faith Utilities in the amount of \$207,432.00

To date 6,000 LF of waterline has been installed and it covers most of that. It is behind schedule, but they have done good due to water issues. They did the last bore today. Wanting to flush, but not now.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Pay Application #2 from Faith Utilities in the amount of \$207,432.00 for the Bobby & Deuster Lane Waterline Extensions is approved. Motion carried.

- ii. US-59 16" Waterline Crossing

e. One-Year Warranty

Any questions? Director Ashy asked about the filters on Well #8, when are we getting them? How long are the improvements going to take? Mr. Smith said boosters during the second quarter of next year. The 16" bore? US 59 crossing by second week of July, but still additional work to be done. Working on design with Well #8. Auburn Trails has a 12" and 16" at back. Running 16" line at the entrance up US 59 West across storage facility site and then undeveloped tract. Going north before Pats Donuts and goes back towards Briar Tree. It floods at the entrance on Auburn Fields. Is there a drain? The County will have to approve. Retention ponds in back paid by MUD. Director Ashy asks what is the timeline on the filters? Before totally committing to the filters, we are looking to treat with Chlorine Dioxide. Looking at a pilot that is better at treating. Director Ashy just wants it done before any rules and regulations are changed since in another aquifer. Current condition of the aerator? The aerator blower was sized to get proper airflow. Plan with rehab of Copeland will get airflow through 100% of the aerator. Director Ashy does not want it to fall off the radar.



## 8. General Counsel's Report

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

Not a final contract. It is over at MUD 24 now. They want to add more land and get more water. Strips out all of the language before Ford Road waterline, as it has been completed. Had the original plus two amendments and is now being rolled into one document. May get some feedback and revisions. This covers all business points. We can approve and Mr. Polley recommends, but if any substantial changes are made, he will come back to the Board.

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the Amended and Restated Wholesale Water Supply Agreement with Montgomery County Municipal Utility District #24 is approved. Motion carried.

- b. Grant of Electric Utility Easement to Entergy

We are still going back and forth. Only one issue remains, and Mr. Polley has not had time to visit it. The compensation is just starting. No action just yet. Once the final document and number, will then recommend to the Board. How are Entergy's lines on top of our well and we cannot work on it? They were installed between 2017 and 2019. Now they are wanting to put a big transmission line 68' above the plant at the lowest point. Hopefully, we will not have this problem again and this current line is going away. It should not be over the water plant, and it is. It is a weird history said Mr. Kelly. Signorelli designated for the plant, parkway, and Entergy ROW. They have an aerial access easement, and we are not aware of one.

- c. New Administration Building, including approving contract documents

Architect and Contractor Payment and Performance Bond. Architect did not have one. We took one that we have and customized it for the Administration Building.

Mr. Polley says they are not going to like it for doing private work. It is still under review and no feedback, but they will most likely need more money. Not in the bid documents. If you want a project, you have to do it and it will be at our expense. Usually included in the bid up front. Table it until next month and we will then approve the Contract and Change Order #1.

## **9. General Manager's Report**

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

Done previously tonight.

- b. Consider approving purchase of two (2) new trucks to replace Trucks #103 and #104

We are not looking for full-sized trucks. These are mid-sized trucks for the meter techs. We have quotes for Chevy, Ford, and Toyota. Taking out tax, the Ford Ranger is the lowest cost. Why 4-door and not a cab-½? We do not want a 2-door. They have a small back seat. We budgeted \$50K each and will be well within the budget to go with the Ford Ranger since they are the lowest price.

Upon motion by Director Lyons, seconded by Director Denham after full discussion with all Directors present voting aye, it was approved to purchase two Ford Ranger trucks per the pricing on the quotes received of \$33K+. Motion carried.

They need to keep the trucks clean. Mr. Smith thanked the Board for approving the new trucks.

## **10. Executive Session**

None needed.

## **11. Director Comments**

Director Denham asked several questions from the AWBD Conference. Director Ruonavar gave an update from the Austin Conference. She said it was an interesting trip and learned a lot about Governor Abbott. There is an Emergency Fund loaning funds to water entities. Spoke about Surface Water that touched Ground Water issues. She enjoyed both. She wishes everyone would go to at least one of these conferences. Some Grant money is available. She got the name and number of the lady that is Governor Abbott's cheerleader. He is her boss. Director Bell asked about best practices on VPN apps for SCADA Systems, password changes, and developing PFA's. He and Mr. Smith spoke about these items. Lead service line project is 35 – 40% done. No lead service lines. Never had and have to list every single connection and what type of material is on each side of the meter. No businesses that have 3" meters are automatically good. Anything prior to 1989 have to investigate. PFOs and PFAs have heard around the entire nation. DuPont and Military Installations found in Teflon and Firefighting Foam. PFCs in popcorn, etc. leaked into groundwater. UCMR 3 – all public water systems have to test every five years. 2017 – 2019 first time PFCs tested for. In Colorado had a certain level – unregulated. Advisory limit is 400 and theirs was 550 and Peterson AFB was 13K. Ionic exchange plants to take out PFCs. Nothing detected here. UCMR 5 2023-25, our sampling is 4/24 and nothing for any of the 23 acids related to PFC change. Next in 10/24 and then will be done. Five years to solutions but we do not have to worry about. If the homeowner has lead pipes, who is responsible for replacing them? True to EPA's track record and do not give clear guidance and direction and usually does not work well. Part of plan to be enacted in Phase 2 – they will have to be done in Phase 2, if galvanized replaced in Phase 2. Galvanized absorbs lead. If lead on our side, no, then no. If possible, 5 bottle test to see if any in service lines on customer side. The District has to replace our side and give resources to homeowners to get help. We are not responsible for their side. They will get help from the State. We just have to direct them to the help. Not sure about what happens inside the home. Lead and copper have always been one of the fun ones. Fixtures the customer buys or lack of care for solder used on copper pipes.

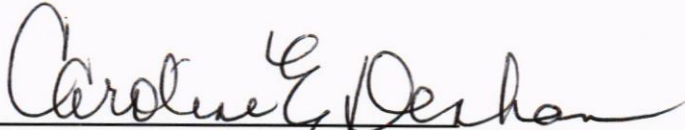
12. **Next Regular Board Meeting – Monday, July 29, 2024 at 7:00 p.m.**

13. **Adjournment**

There being no further business to come before the Board, upon motion by Director Ashy, seconded by Director Ruonavar after full discussion and all Directors present voting aye, the meeting was adjourned at 8:44 p.m.

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

  
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President, Board of Directors

  
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Secretary, Board of Directors

