

**PORTER SPECIAL UTILITY DISTRICT**  
**MINUTES OF BOARD OF DIRECTORS REGULAR MEETING**  
**JANUARY 20, 2025**

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, January 20, 2025, 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, except Director Bridges (who arrived at 7:05 pm), thus constituting a quorum. Also attending for the District were: Jon Polley (Attorney) with Polley Garza PLLC, Mike Kelly (Engineer) with Bleyl Engineering, Wendy Pafford (Finance Manager), Chris Wright (Operations Manager), and Richard Tramm (General Manager).

**b. Invocation**

Invocation led by Director Denham.

**c. Pledges of Allegiance**

Pledges of Allegiance led by Director Ruonavar.

**2. Public Comment**

Attendees: Ms. Robin Masters (member of Oakhurst Board of Directors), Mr. Jeff Maynard (member of Oakhurst Board of Directors), Mrs. Nelda Atkinson and Mr. Arland Atkinson (residents of Porter).

Mr. Maynard from Oakhurst has issues with multiple lights being damaged, or broken and missing. Entergy fixed the street lights. The entry monument has 5 – 6 broken lights around it. Mr. Wright, Mr. Kelly and Bull G are aware of the issue. Lynn Dow is the contractor doing the clearing for Momentum also in that area. If Bull G is responsible, he feels they need to fix and/or pay for the damage or PSUD does need to pay for it. Mr. Kelly says there was no certain indication in his previous review that these were caused by Bull G working for the District. Mr. Maynard says he has brought it up 4 times and it needs to be fixed.

Ms. Robin Masters from Oakhurst says we have a problem with PSUD/MUD doing massive damage. The water bill sent for account number 168149 for Auburn Fields (irrigation meter at the Oakhurst entrance). Somewhere around 9/8/24 someone hit one of the 4" mains and no one was notified and it ran for 2 ½ days (she was out of country). The meter was then shut off by someone. On an Invoice dated 10/15/24 they were billed almost \$1,800 for 206,000 gallons that leaked out. Smart water readings showed 3800 gallons were leaking per hour. She would like to know why no one was notified since our meters are supposed to provide staff alerts. She only found this out by water bill and when their guys are trying to plant flowers and could not find out why they did not have any water. They then turned on the meter and said the leak was like a geyser was going up. \$435 of work was done was taken care of by Yellowstone Landscape. When the new waterline was installed, all interconnections at the monument irrigation needed to be replaced. She wants to see compensation for \$4,447.27. She asked

why was this not brought to her by staff when water was turned off? She supplied invoices for \$435 and \$2,235 for the repair work completed. Mr. Kelly is not familiar with this specific item, but stated if Bull G is responsible, we will bring it to them to get it addressed. Director Ashy wants to know why no one from staff caught this if the District's meters are supposed to notify staff of leaks. Ms. Masters said that it occurred 9/8/24 – after Labor Day on a Sunday and spiked upward. They have previously had issues with their splash pad issues and PSUD work with them on that. Their prior bill was only 9,300 gallons and then went to over 206,000 gallons. She feels this was not acceptable. She provided supporting information and her contact information to Mr. Tramm and Director Pillow also has her contact information. Mr. Tramm will reach out to both Ms. Masters and Mr. Maynard after they have had time to review all the information. They left at 7:15 pm

Mr. Atkinson spoke next. Director Ruonavar acknowledged him for his service in the United States Navy. He stated that he lives off Wood Hollow and informed the Board that he has had 4 leaks in front of house. He has gotten good service in the past. He stated that before New Years he had a leak, and it has been leaking ever since. He thinks it should have been fixed after the first of year and would like to know when it would be fixed? Per Director Pillow, Comcast has 80 teams working in the area, and many leaks have come from their work. He understands that if bigger lines are broken that would be a bigger priority, but he still wants his fixed. He stated his lines were installed in 1970 and asked if any upgrading or replacement plans were in place. When asked by staff, Mr. Wright said that he was on the Wood Hollow south of 99 and off FM 1314. He is 78 years old and hopes it is done before he dies. He stated that his desire is not here to complain but wants to find out from the Board what steps can be taken to find out if we are upgrading water lines. Mr. Kelly said this street was not in the current plans for upgrading but ee will look at it and see if it is something we should add to a future project. Director Ashy asked how we look at determining if this neighborhood is, or when it will be upgraded and what funds are used for such projects. He understands we are converting from a rural system, but this subdivision is old, and he feels the older areas should be considered, too. Mr. Kelly said we will take it into consideration for future work. Another consideration we use is the number of connections on a line and the overall benefits that can be seen by a

future project. Sounds like a thin wall pipe. Director Ashy asked what the recent similar upgrade projects were, to which Mr. Kelly replied Lazy Lane, Knox, and Adams. Director Bell says there are a lot of costs involved in making these decisions. The Engineer acknowledged the Director comments and said we want to take care of it. He would like to see it done sooner rather than later. Mr. Atkinson said he appreciates what we do and if we could get his area taken care of, and added if the contractors would keep from hitting the water lines, it would help. He had a 4' gusher in his front yard. They put saddles on it. It seems it would be more cost effective to just replace it. The Board told Mr. Atkinson they would have Mr. Kelly and Mr. Tamm look into these items and that we always appreciate good compliments on our employees. Mr. and Mrs. Atkinson left at 7:26 pm

Director Ruonavar reported that she had heard from Mr. and Mrs. Love in Briar Timber / Briar Berry. Comcast went under their driveway, and they were ignored when they were told that they were going too deep. Comcast hit the water line there. Our guys went and cleaned the area so it will not flood the Love's property in future rains. The Loves said to tell each and every PSUD employee thank you. Comcast would not respond, and they could not even get in or out of their driveway. They are very thankful for PSUD for helping them out. They are very appreciative for the help in cleaning it up. Mr. Wright has a line of communication with Comcast. Director Bell said his neighbor said someone is using hydrants without a meter and asked if they were stealing water. Mr. Wright said if someone would just call us, we would get someone out to check those out. When water is stolen it causes issues with water quality in the system. Director Bridges mentioned he left a message with Mr. Wright about a water leak off Andrew Lane on Baldwin. Mr. Wright replied that was where a 6" main was hit. The way leaks are reported was asked. Mr. Wright replied that we most often know when customers call with water pressure complaints or see a leak. Director Bell wants to know if SCADA shows a drop in pressure. Mr. Wright replied that SCADA shows the readings at plants. It would cost \$100,000 or more dollars for sensors at all of the meter locations to show water pressure.

### **3. Review and Approve Minutes**

- a. Minutes from the Regular Board Meeting on November 18, 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 November 18, 2024 were approved. Motion carried.

#### **4. Old Business**

##### **a. Starnik data**

Per Mrs. Pafford, we have gotten all needed data from the Starnik system. All of the data. We only used Penn Com for a total of \$387 in IT support on that. We did not pull down everything but did pull the history we thought we needed. We had to do it manually in-house an account at a time. Now Starnik wants to know if we are going to pay the \$53,700 on the outstanding invoice? Mr. Polley said he advises that the District compensate for services the District received. He believes that the \$53K is the remaining amount if we have completed the contract. This is a second billing attempt. Do we actually owe them was the question? They re-opened access to their system so we could get the data. From their perspective we owe them, from ours we do not. It is up to us to decide what we will do. We had another year on the agreement. Did we pay up until we stopped? We tried to get out the needed data. We used a lot of man hours doing so. Director Ruonavar does not agree with the amount. Her opinion is not to pay for something we did not get or did not use. Mr. Polley's opinion is to hold to our original reason for going elsewhere. That is why we terminated early. He tried to get the guy to give us a price for doing this to begin with. They did not. RVS is more cost effective than Starnik. Mr. Polley would not pay them. Director Bell asks that if at any point did we say if they did XYZ, we would pay XYZ. Director Ashy says to keep their feet to the fire. Director Lyons said to hold their feet too. Director Denham agrees, Director Bridges and Director Bell all agree. If we do not pay, what are the repercussions? Mr. Polley said that they would most likely sue us for breach of contract. There was a general consensus to not pay for the services not used or received.

##### **b. Administrative Building**

The fee to re-bid will be \$6K plus expenses. It was the Architects error that led to this. There has been no response from them on paying for the added costs. Do we want to use them or move on? WMr. Polley believes we may be able to still use the plans for the project as they were designed. Mr. Polley does not know what the cost is if we go elsewhere at this point. Their level of service is not good and will not likely get better. Due to us being a governmental entity, they used the wrong forms. It was asked if this can this be tabled until next month or decision to find someone elsewhere. Director Ashy may know someone and will provide that information to Mr. Tramm. Most everyone agrees to find someone new. We will take more action in the future. Martinez Architects were the other one we spoke with in the past. Mr. Polley will reach out with them and ask if they would be willing to take on this item and what an estimated cost might be and report back and Director Ashy will reach out to his contact too.

## **5. New Business**

## **6. Financial Report**

### **a. Financials review**

Mrs. Pafford answered most all of Director Ruonavar's questions prior to the meeting. Director Ruonavar believes that the Cintas medicine cabinet may be too high a cost up front, and asked if we could stock from Sam's and save money. She said we would still need the defibrillator as a separate item. What are their feelings of others? Mrs. Pafford said she talked about it today and before. It could leave us in a liability if we don't have some supplies that are needed at some point or if those became expired. Mr. Ashy pointed out it could be time consuming to maintain our stock properly and right now it is on Cintas.

Upon motion by Director Bridges, seconded by Director Denham after full discussion with all Directors present voting aye, the Financial Statements for the period ending November 30, 2024 were approved. Motion carried.

### **b. Audit Update**

Mr. Tramm told us to look at page 6 on the lower right. The District's total net position improved over \$4MM. It was a good year in terms of valuation. He had three main points the auditors presented: Lacking documented procedure from moving billing services from one to another; lacking procedure for following through on customer deposits (Mr. Tramm and Mrs. Phillips will create it); and Journal Entries that bookkeeping has made that should have been coded differently. Mr. Tramm recommends for the Board to approve the audit. Director Ashy wants to know if we did better than the Pentagon? Mr. Tramm reported we had a balanced audit with no theft or misappropriation found.

Upon motion by Director Ashy, seconded by Director Lyons after full discussion with all Directors present voting aye, the Annual Financial Report for Porter Special Utility District for the Year Ended May 31, 2024 is approved. Motion carried.

c. Arbitrage update

We had to make a payment to the IRS. Mr. Polley can not remember the exact timeline but it was November or December. We had to make a rebate payment on a required timeline. It has been made. The main point was we exceeded the amount of interest that could be legally kept on borrowed funds. The excess is required to be sent to the federal government, which we did. Mrs. Pafford filed with the IRS and with Arbitrage Compliance. This is only for informational purposes and does not require a motion.

d. Remove J. Barr as signer on all Independent/South State Bank and TexPool Accounts

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to remove J. Barr from all Independent/South State Bank and TexPool accounts due to his death. Motion carried.

e. Add new General Manager Richard Tramm to Independent/South State Bank and TexPool Accounts

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to add the new General Manager Richard Tramm to Independent/South State Bank and TexPool Accounts. Motion carried.

**7. Engineering Report by Bleyl Engineering**

a. Development Projects

i. Maple Heights

No Action needed. We will need to true up the Impact Fees in the future.

ii. The Highlands

Tabled.

iii. Porter Estates Mobile Home Park Revised Feasibility Study

Tabled.

Momentum – Entergy verbally didn't think improvements needed, but Fire Hydrant added, etc. Momentum will be responsible for cost

b. Infrastructure Fee Projects

i. Copeland Water Plant including approving Aerator Repair and Pilot Study proposal

Amendment to the Engineering Professional Services Agreement. The vendor is to do through their contract. We have done a similar Pilot Study in the past. We want to make sure the current conditions are good. Also, the Chlorine Dioxide Pilot Study (an alternative disinfection study down the road). Mr. Kelly said they would come back to the Board before we use it. It is a small-scale study to do a



reduced flow based on the results, we will do full run and add steps and a bleach system. About \$25K. If all goes as planned, then the final step. Total amount of \$11,150 (combo of steps), mini is \$5K, the second is \$25K and the third is \$25-75K. There is no specific time line. First step in next 30 – 60 days. Director Bell says maybe second quarter. Director Ashy asked if Mr. Kelly is feeling good about this process helping. He also says similar is doing straight aeration and bleach. He is not sure about the blower size. He believes upsizing the blower will be good.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, it was decided to approve the Copeland Water Plant including approving Aerator Repair and Pilot Study proposal. Motion carried.

- ii. N. and S. Plantation Waterline Improvements including authorization to advertise and bid.

Mr. Kelly has nine pay estimates and will discuss any and all. Director Ruonavar wants to know when the well rehab was started on Well #5. Mr. Wright says late 2023. Mr. Kelly said it was bid in September and started at the end of 2023 and early 2024.

All pay estimates can be done in one motion. Director Ruonavar says to take one by one.

Upon motion by Director Ruonavar, seconded by Director Denham after full discussion with all Directors present voting aye, it was decided to authorize and bid N. and S. Plantation Waterline Improvements. Motion carried.

- iii. Water Well 7 Rehabilitation including Pay Application Nos. 5 and 6 to Alsay, Inc. for \$180,667.00 and \$300.00

Upon motion by Director Ruonavar, seconded by Director Denham after full discussion with all Directors present voting aye, it was decided to approve the Pay Application Nos. 5 and 6 to Alsay, Inc. for \$180,667.00 and \$300.00. Motion carried.

c. Capital Bond Projects

- i. Bond Issue No. 1
- ii. Bond Issue No. 2

- 1) Ferne Water Plant including update on well and Pay Application No. 4 for \$407,700.00 to R & B Group, Inc.

Mr. Kelly can send field reports and meet Director Bell at the site. He believes we are waiting on some items to go forward. Only getting paid for foundation (progress milestones.) Director Bell would like to see photos of the site and Mr. Kelly said he will send those to the Board.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, it was decided to approve the Pay Application No. 4 for \$407,700.00 to R & B Group, Inc. Motion carried.

d. Impact Fee Projects

- i. Copeland EST including Revised Pay Application No. 2 in the corrected amount of \$276,106.05 and Pay Application Nos. 3 and 4 to Caldwell Tanks Inc. for \$281,899.80 and \$349,522.65.

Upon motion by Director Bell, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to approve the revised Pay Application No. 2 in the amount of \$276,106.05 and Pay Application Nos. 3 and 4 to Caldwell Tanks Inc. for \$281,899.80 and \$349,522.65. Motion carried.

- ii. Water Well Road GST and Booster Pumps including Pay Application Nos. 1 and 2 to R and B Group Inc. for \$261,900.00 and \$261,000.00.

Upon motion by Director Denham, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to approve Pay Application Nos. 1 and 2 to R and B Group Inc. for \$261,900.00 and \$261,000.00. Motion carried.

- iii. US 59 Waterline Crossing including Pay Application No. 6 to Bull G Construction for \$191,486.70

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 No. 6 to Bull G Construction for \$191,486.70. Motion carried.

## 8. General Counsel's Report

- a. Amended and Restated Wholesale Water Supply Agreement with Montgomery County MUD No. 24

Mr. Polley received comments last week, finally. This changed the Contract dramatically and is not ready for approval yet. We are pretty close. Tabled.

- b. Momentum Business Park waterline easements and Consent to Encroachment

We are allowing the Owner to build a few things in our easement. Mr. Kelly reviewed and does not believe it will cause any issues. A Letter of No Objections is subject to conditions. Everything checks out okay. The hydrant will have to be moved.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to approve the Momentum Business Park waterline easements and Consent to Encroachment. Motion carried.

- c. Adams Street Development Agreement

We approved the Feasibility Study and revised it in November for Townhomes.

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

d. Angels on the Way waterline and water meter easements

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the waterline and water meter easements for Angels on the Way was approved. Motion carried.

e. Order Annexing Land and Redefining Boundaries of the District

This is the last step in annexation to add land into the District. Once recorded the property is inside PSUD boundaries.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Order Annexing Land and Redefining Boundaries of the District was approved. Motion carried.

f. Amended and Restated District Information Form

We need to update the form to do e. above.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Amended and Restated District Information Form was approved. Motion carried.

g. Amended Resolution Regarding Director Reimbursement and Fees of Office Policy

Director Denham's fee to do minutes of the Board is changing.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Amended Resolution Regarding Director Reimbursement and Fees of Office Policy is approved. Motion carried.

h. Mills Branch LLC waterline easements

These easements are related to Peppervine Fuel Maxx.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Waterline Easements for Mills Branch LLC are approved. Motion carried.

i. Attorney annual hourly rate adjustments

These were presented retroactive to 1/1/2025 based on his original submitted December correspondence.

Upon motion by Director Bell, seconded by Director Ashy after full discussion with all Directors present voting aye, the Attorney annual hour rate adjustments were approved. Motion carried.

j. Dual certification agreement regarding Heritage Oaks

This is an investor-owned entity. It is for a strip of land at the rear lots of homes. It is within our boundaries but includes a small area of land with residences served by them. We are providing a limited consent to them to provide service to that specific area.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Dual certificate agreement regarding Heritage Oaks is approved. Motion carried.

k. Letter of "NO OBJECTION" with Entergy Texas, Inc.

See item b. above.

Mr. Polley, Mr. Kelly and Mrs. Pafford left the meeting at 8:18 pm to get home before the bad weather sets in.

**9. General Manager's Report**

a. Operations Updates

i. Wells and facilities

Are there any questions for Mr. Wright? Mr. Tramm said we are at full staffing levels and that 2024 was the third highest pumping in a calendar year in the history of the District.

ii. Water production and demand

No questions asked.

iii. Fleet Vehicles and Equipment

Director Ruonavar asked if the new Ford Rangers are good and if they are being kept clean and being taken care of. Director Denham asked why there are so many flats on Unit 107. This is due to the travels on local roads where there is a lot of construction. Director Ruonavar asked which 3 vehicles are the leased ones. Those are Units 12, 13 and 14. The leases should be up later in 2025 or early 2026. Director Ruonavar asked about the plans when we reach maturity and if we can we buy them. Mrs. Pafford has been having trouble getting a clear answer. She says they need to sit down with Enterprise and discuss this soon for this year's budgeting. We should get a portion of the equity back and will have the answers by May.

b. Personnel related matters and possible executive session on same

10. **Executive Session**

11. **Director Comments**

Director Ashy is asking about the Oakhurst issues from the visitors that were here. Have we been aware of or just now finding out about? Mr. Wright spoke with Doug Phillips and Bleyl and found out that Bull G was not responsible for the lights and irrigation. Director Bell told us about it about 3 months ago. Mr. Kelly said they spoke with the HOA then and then they reached out again on the same item months later after we thought the matter was settled. Director Bell says all damage was done when we were doing that water line. It was discussed to let Bleyl's engineers handle it and work with staff and the HOA. Was it our

contractor or not, asked Director Ashy. Director Bell said yes and that it should have already been taken care of. He is not happy with a leaking meter. Mr. Tramm said he will have it looked into. Mr. Wright wants to add that there is a module (app) that the Customer can notify the District. May be helpful for weekends and after hours. Director Ruonavar said that when Comcast/Xfinity tore up the ditches in multiple places that she does not want it ever said again from our office that it was not worth sending out a boil notice. She said she received 16 calls that there was mud in water in her subdivision. Mr. Wright and Mr. Tramm went through the process, and we did not hit the threshold for a boil water notice, which is why one was not issued. Director Ruonavar told the customers that they should not drink the water. She appreciates that our employees took care of the situation even though we did not create the issue at the Love's house. Director Ashy said the constant leak issue is aggravating and needs to be taken care of.

Mr. Tramm stated with the winter weather warning we are closed tomorrow, and some employees are working remotely. Mr. Wright is assisting some field staff to get the wells checked and they will see what Wednesday holds for staff in terms of working conditions. Director Ashy asks about the drip water or not debate and how our water supply will hold up. Mr. Tramm says we are okay as we have the capacity to handle that level of customer demand. Mr. Wright heard COH & Harris County are having a controversy over how to handle faucet dripping in winter weather.

## **12. Confirm or Propose Next Regular (and Special if needed) Board Meeting**

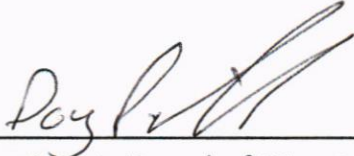
The next Regular meeting will be on February 24, 2025.

## **13. Adjournment**

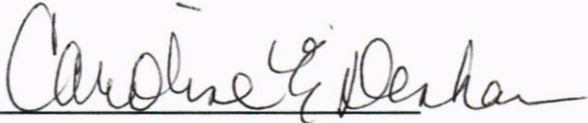
There being no further business to come before the Board, upon motion by Director Ashy, seconded by Director Ruonavar after full discussion and all Directors present

voting aye, the meeting was adjourned at 8:35 p.m.

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



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President, Board of Directors



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Secretary, Board of Directors

