

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
February 24, 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, February 24, 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, thus constituting a quorum. Also attending for the District were: Jon Polley and Tabitha Valverde (Attorney), both 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 Bell.

c. Pledges of Allegiance

Pledges of Allegiance led by Richard Tramm.

2. Public Comment

None.

3. Review and Approve Minutes

- a. Minutes from the Regular Board Meeting on January 20, 2025

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 January 20, 2025, were approved. Motion carried.

4. Old Business

- a. Administrative Building

No update.

5. New Business

None.

6. Financial Report

- a. Financial review

There are a few changes and corrections that were discussed.

Upon motion by Director Ruonavar, seconded by Director Lyons after full discussion with all Directors present voting aye, the Financial Statements for the

period ending December 31, 2024, with corrections and changes were approved. Motion carried.

b. Bank information update

Mrs. Pafford found out that the change will not affect us in any way. The new bank ownership is out of Florida. The name is changing and there will be additional services.

c. Cyber Security update

The testing is complete, and we have a 55-page long report. The good thing is that we did well. There were some critical issues with SCADA, but we are addressing and resolving those. There were a few minor things we needed tweaked, but they were simple five-minute changes and have been completed.

7. Engineering Report by Bleyl Engineering

a. Development Projects

i. Maple Heights

No Action needed.

ii. Woodridge MUD Additional Capacity Request

Their capacity request is in compliance with the Contract, and this should probably be the maximum needed for Woodridge MUD to fully develop. Mr. Kelly recommends approval.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, it was decided to approve the request for additional capacity for Woodridge MUD. Motion carried.

iii. The Highlands

No update.

Tabled.

b. Infrastructure Fee Projects

i. Lazy Lane Waterline Improvements

This is a non-action item but met with Mike and Staff. It is adjacent to the Lazy Lane project – Hempstead Street. The main benefit is preparing for future growth. The current line is 50 years old. There is currently no capacity issue in this area. It is a \$60K to \$70K estimate add this work to the current project. Director Ashy says we would already be mobilized in the area if we did it as part of the current work. Mr. Kelly said yes. If we have to come back later, it will cost more. It is more cost effective to do it now. The current project is a 75-day project. Mr. Kelly will come back next month with a change order.

ii. Plantation Waterline Improvements including awarding contract

The Bid Committee met before tonight's meeting and scored the bids. Capital Underground was the lowest bidder and Bull G the next highest. Bleyl has observed in another area, that Capital didn't always have English speaking staff onsite to communicate with staff and consultants. The Committee recommends Bull G as the District already has a successful working relationship in place and their bid was competitive.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to award the bid for the Plantation Waterline Improvements to Bull G. Motion carried.

c. Capital Bond Projects

i. Bond Issue No. 1

No action.

ii. Bond Issue No. 3

- 1) Ferne Water Plant including approval of Pay Application No. 5 to R & B Group for \$144,000.00

Director Bell and Director Ruonavar recommend that you drive by and see this site and the one at Copeland. In the next three weeks Copeland will be going vertical with construction. Director Bell asked questions about Ferne's depth, aquifer and pumpage. Mr. Kelly says that additional ground storage at Ferne will support the elevated tank at Copeland. There are also upgrades at Well #9 too.

Upon motion by Director Bridges, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to approve the Pay Application No. 5 for \$144,000.00 to R & B Group, Inc. Motion carried.

- 2) Ford Road Water Line Utility Conflicts.

In the Board packet there are two emails showing 8-9 potential utility conflicts, and they want us to move our waterline to avoid conflicts. We would be willing to move the water line, but at MUD's cost. Their response is that they will cover costs, but they reserve the right to come back and demand reimbursement from SUD in the future. Nothing has been fully determined at this point. Mr. Tramm says they have never acknowledged that they would have to pay the costs associated with moving the line. They say our lines are in their way, but they were provided with the location of the SUD's water lines before for their planning. We get no benefit from moving our water lines. Our lines have not been requested to be marked yet, and they will be working close to our lines. It is not a fair expectation that PSUD should move PSUD's lines at PMUD's convenience. We are trying to be proactive and will do our best to work with the MUD's contractors. We spent \$3.6MM moving our lines. We have some

flexibility in the water line adjustments but do not want them to do Band-Aid fixes. We have one full line that has not been piecemealed and has no offsets. Director Bridges asked where they were when all this was originally going on. Mr. Polley said we tried to coordinate with them and the County several years ago when the SUD began to acquire easements. The SUD's position is a good one. This is just for informational purposes. The MUD has a 400+ day contract. The SUD will stake lines ahead of the contractor's work after being notified. They should be able to work around us. We are aware of what their plans are and coordinate throughout construction. We are trying to find a way to work with PMUD so they do not tear our lines up, however they have not committed to the understanding that they will pay for any damage their contractor causes or if our water lines are moved. Director Bell wants to know how close we are working with PMUD. Mr. Kelly has done most of the communication with their Engineers. They have not even mobilized yet but could do so any day. PMUD contractors have proactively excavated before, and they did not want to do that. Once areas of potential conflicts are identified then we should have better information. Mr. Kelly is not familiar with their contractor, but they are doing two large upcoming projects with PMUD. Director Bell wants to know if someone other than Mr. Kelly will have to assign someone out there and expense it back to PMUD. Doug Phillips is the one that oversees. If he does, then there will be a cost to the District. Mr. Tramm has talked about having a SUD staff member out there to periodically monitor. It may be fairly easy to have staff that are driving by that area performing other duties to monitor this area. Director Bell believes that we need someone dedicated to it. Director Pillow understands and agrees, but it is not feasible. Hopefully, their contractor will interact with us, if not then we will be more active. Bleyl will continue to coordinate with the MUD Engineer, A & S Engineering.

d. Impact Fee Projects

- i. Copeland EST including approval of Pay Application No. 5 to Caldwell Tanks for \$116,453.02.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, it was decided to approve the revised Pay Application No. 5 in the amount of \$116,453.02 to Caldwell Tanks. Motion carried.

- ii. Water Well Road GST and Booster Pump Improvements including approval of Pay Application No. 3 to R & B Group for \$335,700.00 and approval of Change Order No. 1 to R & B Group to add 75 days.

The contract is set to expire in March. We have had wet weather and are behind due to the tank vendor.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 3 to R and B Group Inc. for \$335,700.00 and approval of Change Order No. 1 to add 75 days. Motion carried.

- iii. US 59 Waterline Crossing including potential damage at Oakhurst entrance.

No pay estimate. Still working with Entergy and damages at entrance.

8. General Counsel's Report

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

Mr. Polley provided a handout at the beginning of the meeting. The original contract came from this area being served under the contract being in the SUD's boundaries, but the development is also in MUD 24 and had an existing agreement with them to serve that area. The SUD had intended to serve the area prior to the developer's service request. The original contract structure and mechanisms reflected these realities. Since then the development has grown, and the our water system and their water demands have also grown. Changing the

contract structure to a new format will be beneficial to both parties. The new contract form will lock in a realistic amount for the MUD to have to pay and allow them to go over that with a reasonable overage allowance that would be charged a higher amount. The SUD would also not have to retain a large capacity for future potential development but would still agree to serve additional connections. Annual step ups in water demand based on estimated future growth are included. This should be close to a final form, though there may be some minor changes. The Attorney recommends approval, subject to Mr. Tramm and Mr. Polley's agreement with minor changes requested by MUD 24. We should have a signed contract soon. If there are any substantial changes requested, then it will come back to the SUD Board.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to approve the Amended and Restated Wholesale Water Supply Agreement with Montgomery County MUD No. 24, pending Mr. Tramm's and Mr. Polley's approval. Motion carried.

b. Attendance at Post Issuance Tax Exempt Debt Compliance Training on April 12, 2025

Doug Panke is coming to town to do this training to be coordinated by Polley Garza.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, it was decided to approve attendance for any Director that wants to attend the Post Issuance Tax Exempt Debt Compliance Training on April 12, 2025. Motion carried.

c. Amend Post Issuance Tax Exempt Debt Compliance Policies

This is a simplification of the policy and includes the removal of the annual checklist. It is not adding any significant value work for consultants to perform.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Amended Post Issuance Tax Exempt Debt Compliance Policies is approved. Motion carried.

9. General Manager's Report

a. Operations Updates

i. Wells and facilities

Copeland was delayed due to a power outage in the electric boxes at the main building. They must repull the wires for this. Staff is in the process of getting this repaired. Entergy and Contractor have both been out and determined this is an item for which SUD is responsible. The time frame of when Copeland is producing water will depend on the results of the Pilot Study. This should take place one to two weeks after the Contractor can mobilize.

We are implementing some training adjustments with Office Staff and Operations Staff and meeting with all Staff on a monthly basis. Mr. Tramm is coordinating this with staff proactively, this is not reactive to a specific issue.

We have two Staff openings. We need a Distribution Operator and a Meter Technician. Some interviews were done today.

Commissioner Gray met with Mr. Tramm about ongoing things in the District and what PSUD is doing and is going to do in the future. There will be a Town Hall meeting with Commissioner Gray at Randall Reed Stadium at 6:00 pm. This could be informative about projects within the district areas.

ii. Water Production and demand

iii. Fleet vehicles and equipment

b. Personnel related matters and possible executive session on same

10. **Executive Session**

None.

11. **Director Comments**

Director Bell is wanting electronic devices for Directors for meetings. There was discussion about emails or bid items or official emails if downloaded down to our personal devices. It gives him pause that if directors are using personal devices, then those devices may be available to the public. He asked Mr. Polley's opinion. Mr. Polley suggested that directors can use their District email account to contact staff, and those emails will be on the server. IT can research those without touching personal phones. If we were to create a new communication that is only a personal device, then it could become publicly accessible. Text messages are the most likely ones that could possibly be an issue. So, using emails or phone calls doe District business is recommended.

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

The next Regular meeting will be on March 31, 2025.

13. **Adjournment**

There being no further business to come before the Board, upon motion by Director Ashy, seconded by Director Lyons after full discussion and all Directors present voting aye, the meeting was adjourned at 8:10 p.m.

PASSED and APPROVED this the 28th day of April, 2025.



President, Board of Directors



Secretary, Board of Directors

