

**PORTER SPECIAL UTILITY DISTRICT**  
**MINUTES OF BOARD OF DIRECTORS REGULAR MEETING**  
**March 31, 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, March 31, 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 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 Pillow.

**c. Pledges of Allegiance**

Pledges of Allegiance led by Director Bridges.

**2. Public Comment**

None.

**3. Review and Approve Minutes**

- a. Minutes from the Regular Board Meeting on February 24, 2025

The Minutes were unavailable and will be presented at the April Meeting.

**4. Old Business**

- a. Administrative Building

Mr. Polley is having trouble contacting the guy he knows. Mr. Tramm spoke with Burdett and they could potentially step into with them or with one Director Ashy gave Mr. Tramm. Mr. Tramm forwarded the contact from Director Ashy to Mr. Polley and they would make contact with them and report back next month.

A Visitor arrived at the meeting, but did not wish to sign in, saying he only wished to observe.

**5. New Business**

None.

**6. Financial Report**

- a. Financials review

For January 2025. Director Ruonavar stated that she found a couple of double entries and had emailed them to Mrs. Pafford. Mrs. Pafford responded that she cannot respond to all the Directors on items between meetings due to Quorum issues, but the sewer service item was corrected. General Solutions (rental of generator) was two items for two different months. The December one was dated December but not received until January. The January invoice was dated and received in January. There was a question on the recording of gift card expense timing between Director Ruonavar and Mrs. Pafford. We would have to have a future policy and procedure meeting if we were to change the gift card policy.

Upon motion by Director Bridges, seconded by Director Ashy after full discussion with all Directors present voting aye, the Financial Statements for the period ending January 31, 2025 were approved. Motion carried.

b. Approval of updated Investment Policy Statement for the District's 401K plan

The Investment Management Company, Sheakley, was bought out by another company. Mr. Tramm and Mrs. Phillips worked with the new company to bring the new policy up to Federal Standards. One of the tenets of the policy is the Committee will have an annual meeting via Teams or Zoom to review investment options and get updated information about cycling and out mutual funds that meet the goals of the Investment Policy as the best investment options for staff. Director Bell asks if they did an audit before switching over to the new Company. An audit was done for all of their funds and did an individual accounting for PSUD as a whole and each employee. All funds were correct before and after the management change. Director Bell asked Mr. Polley if anything is required for a governmental agency. Mr. Polley is not sure of the federal process. This ran a red flag for Director Bell. He said it reads like something like they were selling it. Did they give us an opportunity to an audit or certification they did? Director Pillow explained that we only allow not high risk. Compliance questions are good questions, but it is their job to make sure it is done correctly, said Mr. Polley. Director Bell asks if it goes belly up, they are just a manager. It was explained that each employee owns their own investments in the plan and has the ability to



choose their investments. The investment management company tracks those investments but does not control the funds of the individual staff. Their job is to make sure rules and laws are followed. This is an update due to Sheakley being bought out by Pension Corporation of America. We contribute up to 5% of employee earnings. 3% is a Safe Harbor match, then a 1:1 match up to the next 2%. The matching money must be transferred every pay period to comply with federal law. Mrs. Pafford sends a spreadsheet to the management company regularly and the transactions show our financials. Mr. Tramm sees the money on his personal account, as can each employee who is part of the plan to monitor their investments. There are 25 – 30 different options each employee can invest in. There are low, medium, and high-risk options. Director Ruonavar has a question. Director Denham is listed as a President too. Can the signature line be corrected to show her as Secretary? Mr. Tramm said they could make that change.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, it was decided to change the Investment Policy Statement for the District's 401K plan with the signature line being corrected to show Director Denham as Secretary. Motion carried.

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the updated Investment Policy Statement for the District's 401K plan was approved. Motion carried.

c. Cyber Security update

PennComp is working with Epic, per Mrs. Pafford to get on cybersecurity issues. They are close to completing the items previously identified.

d. Budget update

Mr. Tramm is sending an email to the Committee to work on the Budget. Staff have already started working on the initial draft.

**7. Engineering Report by Bleyl Engineering**

a. Development Projects

No Action needed.

b. Infrastructure Fee Projects

- i. Lazy Lane Waterline Improvements including Change Order No. 1 to add \$76,464.00 and 14 days for the Huntington Drive addition to the project.

It would cost more if we waited and did it as a separate item than adding it to the current project.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Change Order No. 1 to add \$76,464.00 and 14 days to the Contract for Huntington Drive was approved. Motion carried.

- ii. Plantation Waterline Improvements including awarding Contract

Director Ashy asked about Andrew's generator. Co-Op to allow vendors and contractors on a website. It is like Amazon, but for Governmental entities. It is called BuyBoard. It may save us from having formal bidding processes as they do that work on the front side before listing items.

c. Capital Bond Projects

- i. Bond Issue No. 2

No action.

- ii. Bond Issue No. 3

- 1) Ferne Water Plant including approval of Pay Application No. 6 to R & B Group, Inc. for \$198,000.00

Upon motion by Director Bell, seconded by Director Ashy after full discussion with all Directors present voting aye, it was decided to approve the Pay Application No. 6 for \$198000.00 to R & B Group, Inc. Motion carried.

- 2) Ford Road Water Line Utility Conflicts.

No action.

d. Impact Fee Projects

- i. Copeland EST including approval of Pay Application No. 6 to Caldwell Tanks for \$194,088.38.

Upon motion by Director Denham, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 6 in the amount of \$194,088.38 to Caldwell Tanks. Motion carried.

- ii. Water Well Road GST and Booster Pump Improvements including approval of Pay Application No. 4 & No. 5 to R & B Group for \$335,900.00 and \$292,500.00.

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. 4 & No. 5 to R and B Group Inc. for \$335,900.00 and \$292,500.00, respectively. Motion carried.

Director Bell asks for an update on the elevated storage tank. Mr. Kelly said there is nothing to update at this time. They are working on the pedestal (which is now up to the tree line, 22<sup>nd</sup> level of concrete rings). They are continuing to make progress.



59 Waterline Crossing. We are waiting on Entergy to get out of the way and give us an all clear. The mats are still in place for them to use. It should take a week.

Mr. Kelly has not heard anything about the lights at the entrance to Oakhurst. Director Bell wants it done as well as a report on the water loss. Mr. Tramm said we looked into the water loss end and that he and Mr. Wright found that it simply did not happen as it was originally reported. After a certain point, there was a low flow with leak on their system but there was no large period of water leaking for several days. Mr. Tramm said Robin Masters disagreed and would go back to her sprinkler people and get back to him, but she has not yet gotten back to Mr. Tramm. He also explained the damage shows no compelling evidence that Bull G did the damage. It looks more likely that the gas company contractor did it based on the location of their materials in a worksite photo, but there is no evidence of either company doing it. Bull G had previously said they would reach out to Oakhurst. Other than being in the same general place at the same general time there is no evidence of their responsibility. The gas company was working closer to the lights than Bullo G was. Director Bell was not happy that nobody was taking responsibility for these matters. Mr. Tramm stated that he has provided additional reports and summaries to Robin Masters for her to review since she attended a previous board meeting. He went back to last spring and their water use patterns were substantially similar, where she had reported that they had never used as much water as they had recently. From a standpoint of being a good neighbor, Director Bell believes we should offer something. Director Ruonavar says no as we were nowhere near the problem and that Oakhurst should reach out to the gas company. There are no witnesses, and it cannot be verified who was at fault. The biggest thing they wanted back was water and there was no extra water used. Director Bell believes when someone bored power was cut into and then someone broke the lights. Mr. Kelly said Bull G was not there in September. Things do not add up in the story and timeline we were given. It is up to Bull G to decide what to do if they feel they have any responsibility. At the end of the project, we can do a damage claim if we feel Bull G was responsible. Mr. Kelly will follow up with Bull G.

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

a. Update regarding 89<sup>th</sup> Texas Legislative Session

Ms. Valverde gave an update on key bills which could significantly impact the District. HB1522 – Revises notice requirements to three business days instead of 72 hours for meetings and also requires Budget Proposal with Notice of Meeting. They will continue to monitor these items. SB 1209 – Elections – consolidate all elections to November. SB 2160 to expand PUC's jurisdiction over ratemaking authority by districts. The per diem limit will not be changed this Legislative Session. Mr. Polley believes it could be changed by the Ethics Commission as more affected voices complain about the per diem limit. HB 3213 does not apply to Water Districts. AWBD is working to get Districts covered by this bill. 811 is very expensive. A lot of Districts do not have the ability to locate their lines. 8,600 Bills have been filed. They will try to give another update next month. Director Ashy said we do not want to be under the PUC.

**9. General Manager's Report**

a. Operations Updates

i. Wells and facilities

Our office will be closed on Good Friday as it is a District holiday. The electrical lines at Copeland has been repaired. We are rescheduling the pilot study for the well. Director Ashy asked about the filters.

ii. Water Production and demand

No action.

iii. Fleet vehicles and equipment

No action.

b. Personnel related matters and possible executive session on same



Applications are being accepted, and interviews are being scheduled.

Mr. Tramm stated that we have been working with the Commissioner's Office regarding the contractors' damaging lines and we are also setting up a quarterly meeting about development items. They want to be more informed and be able to work in cooperation with the SUD. Director Ruonavar said we do a better job of mending the leaks than what the contractors do when they break the water lines. The SUD is working with the County and will help inform the County the drainage issues from contractor repairs where we can help. The goal is looking to have greater education of what the capabilities are across the Precinct. Director Bell asks if there are any updates on the situation with PMUD. Mr. Kelly said there are no updates. They are digging into areas to see if conflicts. Mr. Tramm has had conversations with the Board President and Mr. Wright with the Contractor and we are doing our part.

**10. Executive Session**

None.

**11. Director Comments**

Director Ashy asked about the Architect. He passed on a name to Mr. Tramm. Mr. Tramm said he would pass that on to Mr. Polley. Director Ruonavar said there is a May meeting of the Harris Galveston Subsidence District.

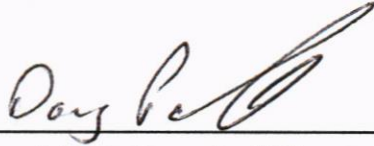
**12. Confirm or Propose Next Regular (and Special if needed) Board Meeting**

The next Regular meeting will be on April 28, 2025.

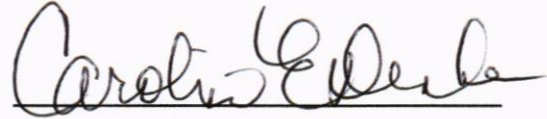
**13. Adjournment**

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 8:13 p.m.

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



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President, Board of Directors



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Secretary, Board of Directors

