

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
April 28, 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, April 28, 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 Ruonavar.

c. Pledges of Allegiance

Pledges of Allegiance led by Director Pillow.

2. Public Comment

These are the Woodridge Forest residents that were present: Jim Hammock, Yavonne Martinez, David and Dena Koerner, Eric Camdill, Whitney Darville, Carolina A. Acosta, Leticia Delos Santos, and Connie Hernandez.

Several homeowners from Woodridge Forest MUD and HOA spoke regarding brown water coming through their pipes. HOA President, Mr. Jim Hammock spoke first. He himself has not noticed brown water in his home, but others near him and all around the subdivision have. Mrs. Yavonne Martinez took the lead and spoke of her investigation and history of the subdivision and their community concerns. They understand that Inframark runs their system and that PSUD only provides the water to them as a wholesale customer. Their clothing gets stained in the laundry; the water affects their appliances and affects their children's baths. They are asking PSUD to work with their MUD and Inframark to figure out a solution. Flushing water costs them money. The subdivision has been in existence for twelve years. The water quality has been worse in the last several years. Their piping is PVC. Their taxes are increasing and they want clear water. They are asking for proper management, not wasting water, and having brown water. Mr. Wright told them that PSUD flushes between 150 and 200 dead ends flush points on a monthly routine basis, plus other instances as needed. It is done as a requirement of TCEQ to improve the quality of water. The only time we flush out of fire hydrants is if it is a 16" main. We do not flush all across streets. Mr. Tramm explained why we do not as it makes the situation worse. That is not normal. There were pictures the residents have taken that were shown to the PSUD Directors. Usually at the start of a hydrant flushing cycle the brown water is flushed out first due to the iron, but if over an extended period of time, there is an issue. It is part of the nature of groundwater. It can have metals in it. TCEQ has come out and checked our facilities and has taken samples at two entry points from PSUD going into Woodridge MUD. The color of the water is a

secondary standard. It is for aesthetic, not health. The water met standards prior to going into the Woodridge MUD system. PSUD is willing to regularly meet with Woodridge MUD so we can see what is happening and how we do things. We cannot legally do maintenance in the Woodridge MUD systems. But we will work with them closely to see if our experience will be helpful. Mrs. Martinez has asked other communities about flushing and is glad she has had the opportunity to meet with Mr. Tramm and Mrs. Phillips to follow the chain of command. They are looking for answers. Mr. Tramm is not saying that we do not ever have discoloration issues here, but we have an aggressive program to having the dead ends flushed. The polyphosphate chemical has to be within range to meet the standards and there will be an issue if it stays at the dead end of the line for too long. It can degrade and cause discoloration. Mr. Camdill speaks about sample points at the interconnect. He asks if we have had issues on PSUD side. It sounds to him that it is in their system, but it is a pressure system and should not be having this problem. Not sure when the Developer put the pipes in. The lines are being turbulated. Director Ruonavar has had some discoloration at her home. Mr. Camdill has been in the water industry for 40 years. His filtration system at his home has media in it and he is worried about it. TCEQ has samples and they have up to 60 days to complete their report and will distribute them to their HOA contact once completed. He asks if there is anything Inframark is not doing right. Mr. Tramm said we do not know specifically what they are doing there. Are they flushing daily or yearly, we do not know. Mr. Hammock was told by lawyer that they supposedly have automatic valves. Mr. Tramm believes automatic flushing valves could be programmed to come on at night without an operator being there. He conjectures that if all of their flushing that is going across the street is causing problems as much as solving them. Even though we had polyphosphate chemical, it does not last forever. If a looped line with low consumption and the water gets old, and stays put in the line, then the phosphate degrades, etc. and you end up with coloration. Director Bell asks when this started. Someone indicated in 2017 and they hesitated to call anyone due to working too much. Mr. Hammock has been there since 2013 but only has issues occasionally. Some residents have it and others do not. He himself does not have a filtration system, but his neighbor two doors down does. Mr. Tramm asks how it is laid out geographically, to be able to figure it out. It could be when a valve gate is dropped. It could be a valve that has created a dead end, but everyone still has

water. This is all hypothetical, of course. A map may be helpful. They are working on it. Mr. Tramm said we have had productive conversations with the Inframark management. Mrs. Martinez and Mr. Hammock said residents need to call complaints in so they know where the issues are. Posting on social media is not enough. One resident stated their water issues started about 3 – 4 years ago. Mr. Camdill said the solids look like gravel pack from a well. It is very dark. It looked like rusty water. Not gooey, but gritty. The Woodridge residents were told it was a PSUD issue and that is why Mr. Tramm met with them and now they understand a bit more. Next week they will tour our Water Well #9. Inframark is pointing fingers at PSUD and it is not right. The residents appreciate PSUD hearing them out. Director Pillow stated we have nothing to hide and we will be sharing the reports. If Inframark needs us to meet more frequently, just reach out to Mr. Tramm and he will answer and help as best he can. We cannot control what Inframark shares with us. Woodridge MUD has a meeting next week. Residents must complain to the water provider if there is an issue so they will know. Everyone except Mr. Hammock from Woodridge MUD left the meeting.

We moved item 7, a, ii up.

Mr. Ronnie Cook on Canterbury Lane is asking if it is possible to consider them (as contractor) to do the waterline improvements for their property as it would be less expensive for them. They are Century Holding and their other company, Century Concrete, would do the work. We have a Feasibility Study Report for a 30,000 sf Office/Warehouse with a 2" meter. The area is at capacity and the line needs to be upsized to an 8" line. 1,400' either direction (Rouse). The project cost is estimated to be \$231,500. The impact fee is approximately \$20,000. The main concern is it was not budgeted for. Their construction company does improvements and wants to be responsible for the construction of the waterline. They are bonded, etc. and could bid on it. They did send over a bit of information. Mr. Kelly quickly browsed it and says they have done similar size and scope of work before. They have provided references. He asks that we approve the Feasibility Study and approve proceeding with the design and when we get closer to the bid process come back and decide then. It is similar to some larger development projects. Estimate is \$180,000. They are confident they can do it much cheaper. It was asked if they would do open cut or trenchless. Mr. Cano,

the President said they do not cross driveways. There are four hydrants and a road bore. They do some work for New Caney MUD. Director Bell says they should go through the process. They believe if they do it inhouse they can get it done cheaper, like \$75,000. We are showing \$230,000. We can solicit bids, but not publicly advertise. They can get parts cheaper and they do this day in and day out. It will be permitted through Montgomery County, etc. It will be up to PSUD's standards and they will have to deal with the Fire Marshall, etc. Mr. Polley said to Director Bell's point that it is a no brainer. They can bid at wholesale pricing. It is a timing thing too. Mr. Polley does not have an issue as long as we follow procurement laws. Mr. Tramm says less hazards to do solicitations instead of bidding. May only be one driveway. The immediate item is to start on the design. The County has to approve. The District has to do the design and the County has to do the review. A good bit of the \$40,000 is engineering costs and should come down. We have some legal standards we have to follow. Mr. Polley believes they are qualified, but we could have others that are not qualified in the future to come in and ask for the same thing. We need to stick to normal processes as close as we can. Director Pillow says we can proceed that way. We need to approve the Feasibility Study and authorize engineering for waterline extension.

Upon motion by Director Bell, seconded by Director Ashy after full discussion with all Directors present voting aye, the Feasibility Study for the Century Concrete Office Warehouse at 17381 Canterbury Lane and consideration of Developer's Contractor for offsite waterline improvements as well as authorization of the engineering are approved. Motion carried.

Mr. Camdrill and Mr. Cano left the meeting.

Break from 8:00 pm to 8:05 pm

3. Review and Approve Minutes

- a. Minutes from the Regular Board Meeting on February 24, 2025
- b. Minutes from the Regular Board Meeting on March 31, 2025

Upon motion by Director Ruonavar, seconded by Director Lyons after full discussion with all Directors present voting aye, the Minutes from February 24, 2025 and March 31, 2025 meetings were both approved. Motion carried.

4. Old Business

a. Administrative Building

Mr. Polley spoke with David Slattery. He is willing to serve in an Owners Representative capacity to review and make sure construction happens. We still need the original design professional if any questions on the design intent or field changes that need to be addressed or redesigned. The original Architect may not be available. Mr. Polley wants to know if Mr. Wright has a digital copy and if Mr. Tramm can follow up through Lancaster & Wyatt. Mr. Tramm has no issues reaching out to him. Mr. Polley is optimistic about having information at the next meeting or we will have to start all the way over and spend more money. They just need to be available. Mr. Slattery would handle the bidding process.

5. New Business

None.

6. Financial Report

a. Financials review

Mrs. Pafford handed out some questions with answers. She will have to reach out to QuickBooks because she gets the report directly out of the system. She has nothing to do with it and will have to reach out to them to get an answer. On page 2 sections, 14705 & 14706 are showing no disconnects for January and February. Every other month or so this happens. Director Ruonavar said Mrs. Pafford needs to reach out to Tommy at Inframark because he says he sends them to us every month. She spoke with Directors Bell and Ruonavar at last week's AWBD Spring meeting. He is MUD 110 that is run by Inframark. Section

16201 – numbers were very blurry. On Extension 19, Mrs. Pafford cannot keep the customers from calling. The customers call, but our phones roll over to the answering service at 4:00 pm. Agent Security monitoring is only for this office right now due to inaccurate infrastructure at our plants. Mrs. Pafford is working on getting fiber lines to the plants. January and February charges, bad debts charged off for a development that got closed out. On pages 7 & 12 there was a line that was a deposit and was shown as a debit and should have been a credit. When she gives us fees of office, we still have to pay taxes and she has to pay that into the Treasury Department. Director Ruonavar says we need to word that differently – it's taxes on the fee of office, but she said it cannot read like that. Director Bell asks what we can do to help Mrs. Pafford get caught up with the Financials. It is the CPA Firm. In reality, it is the most accurate to be a month behind and if she had March in here, she still got March invoices today. February is the most accurate at this point. It is the most accurate representation of our income and expenses. It makes sense to Director Bell. He would rather have completed than incomplete. She just processed Mr. Polley's invoices for March. Director Bell asks about page 2, Section 14100 water sales in February. Why less? Water usage was down in February and we don't have anything to worry about. It was a cold and short month and it is not unusual to be low. TexPool has more interest. Budgeted a low amount, but glad it was more. Director Pillow said shoot low and come in high.

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the Financial Statements for the period ending February 28, 2025 were approved. Motion carried.

b. CPA update

Mr. Creighton of our Bookkeeping Company retired. The business was sold to Amy Turpin and the name will change. This is for informational purposes only at this time.

c. Proposals for Annual Audit

There are two items in the Board Book. Mr. Tramm recommends the ABIP. It was hard to get quotes due to the late audit. The new firm is \$5,000 cheaper.

Upon motion by Director Bridges, seconded by Director Ashy after full discussion with all Directors present voting aye, it was decided to use the firm ABIP as our Auditor this year, with a cost not to exceed \$35,000. Motion carried.

d. Budget update

There will be a Budget Committee meeting on May 8, 2025 so we can have the information for the May meeting.

7. Engineering Report by Bleyl Engineering

a. Development Projects

- i. Authorize advertising and bidding of 99 Business Park Waterline Improvements

It is at TXDOT and County for approval.

Upon motion by Director Bell, seconded by Director Ashy after full discussion with all Directors present voting aye, it was authorized to advertise and bid the 99 Business Park Waterline Improvement project with a Bid meeting of May 8, 2025 and a Bid Opening of May 15, 2025. Motion carried.

- ii. Century Concrete Office Warehouse was moved to the Public Comment Section. (See pages 4 – 5)

b. Infrastructure Fee Projects

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. 7 to R & B Group, Inc. for \$511,200.00

Upon motion by Director Bridges, seconded by Director Denham after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 7 for \$511,200.00 to R & B Group, Inc. Motion carried.

- 2) Ford Road Water Line Utility Conflicts.

No action. Mr. Kelly said there was nothing new. PMUD is relocating and may want us to move some of our lines. Mr. Wright has our guys in the field watching.

d. Impact Fee Projects

- i. Copeland EST including approval of Pay Application No. 7 to Caldwell Tanks for \$155,270.70.

Upon motion by Director Bell, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 7 in the amount of \$155,270.70 to Caldwell Tanks. Motion carried.

- ii. Water Well Road GST and Booster Pump Improvements including approval of Pay Application No. 6 to R & B Group for \$569,853.90.

Director Bell asked where they stored. Mr. Tramm indicated it is in the yard and now on the pad and hooked up to yard piping.

Upon motion by Director Bridges, seconded by Director Ashy after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 6 to R and B Group Inc. for \$569,853.90. Motion carried.

Mr. Kelly gave a brief update on the Impact Fee Committee Meeting. We will have the next 18 to 30 months to do an update on the Impact Fee Report.

8. General Counsel's Report

a. Update regarding 89th Texas Legislative Session

Ms. Valverde gave an update. They are still watching. On HB 1522 – some traction – bill revises notice requirements from 72 hours to 3 business days. It passed the House and passed to Business and Commerce. Hesitant on PUC jurisdiction. Left pending, no action so far. Senate 1209 – Election Date passed senate and referred to elections. Get rid of May Uniform Election Dates. Director Bell asks if we combine all elections together. Passed by senate and went to House Committee to pass to house floor. It looks like it may pass. Mr. Polley believes it will most likely pass. Move us from May 2026 to November 2026 and all subsequent elections. Would hold over to November. Director Ashy on HB 1522 will cause us some issues. Just have to post Agenda earlier (on Wednesday before Board Meeting). Not hard to comply with. If there is an emergency, there is a whole different procedure anyway. Also, have to post the proposed budget. Would it be a line item or how much do you have to have on it? Just general? Mr. Polley believes it would be a one-page condensed version. May have to be on website, and not with Agenda itself. Not too much more work for us, said Mr. Tramm. Our budget does not go down to individual salaries, only one lump sum.

9. General Manager's Report

a. Operations Updates

i. Wells and facilities

No action.

ii. Water Production and demand

No action.

iii. Fleet vehicles and equipment

No action.

b. Submittal of Water Conservation Plan/Drought Contingency Plan to regulatory agencies

This is the whole Plan. The tab is the Drought Contingency Plan. They are two documents that have to be approved separately, but one is part of the other. We are waiting on a couple of figures from the Water Development Board.

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the Water Conservation Plan/Drought Contingency Plan was approved to be submitted to the regulatory agencies and as required by law. Motion carried.

c. Personnel related matters and possible executive session on same

There is a Water Symposium on May 21, 2025. Who will be attending? It is a one-day Symposium at a hotel near the Airport. Directors Denham and Ruonavar and possibly Directors Bell and Lyons will be attending.

10. **Executive Session**

None.

11. **Director Comments**

None.


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

The next Regular meeting will be on May 19, 2025.

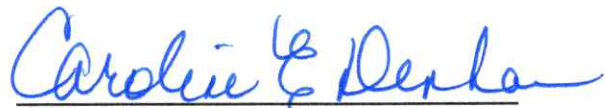
13. Adjournment

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 8:50 p.m.

PASSED and **APPROVED** this the 19th day of May, 2025.



Vice President, Board of Directors



Secretary, Board of Directors

