

PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
May 19, 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, May 19, 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 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 April 28, 2025

Upon motion by Director Bell, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Regular Board Minutes for the meeting of April 28, 2025 were approved. Motion carried.

4. Old Business

- a. Administrative Building

Per Mr. Polley, Mr. Slattery gave us a proposal. Although Lancaster & Wyatt has not agreed yet. Hopefully, they will agree after Thursday. A discussion ensued as to why. Director Bell is asking about the hourly rates. Mr. Slattery is estimating at most 12 - 15 months (billing 8 – 10 hours per month during the construction phase at \$180/hour), plus 25 - 30 hours for the Procurement Phase at the same rate, plus any hours for other staff and reimbursable expenses. Mr. Slattery requests that we still work with the Architect in case there are any issues. Director Ruonavar asks about how much we have paid Wyatt's Firm? Mrs. Pafford guesses probably \$100K or more. Mr. Polley suggests that we conditionally approve this proposal until Mr. Tramm gets an answer from Wyatt. The next board meeting is not for 6 weeks. We can authorize Director Pillow to sign any new proposal from Wyatt to get rolling before the next meeting or can

wait until the next meeting. Director Ashy does not believe we have to rush it. How about approving this portion now?

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, it was decided to approve the Proposal from Mr. Slattery. Motion carried.

5. New Business

None.

6. Financial Report

a. Financials review

Director Bell had concerns about the Cash Flow Report on page 15. Those concerns were addressed and no further discussions were needed.

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

b. Budget approval for FYE 2026

The Budget in the Board Book is wrong. The yellow blocked one is correct. Mr. Tramm will be hitting the highlights. Director Pillow said the Budget Committee shot low on income and for the expenditures they added to it. Got to zero. Mrs. Pafford spoke about the lease vehicles. They informed her today that they will not let us pay out ahead of time. We have eight months on two of the trucks and eleven on the other one. When totally paid off they should come in at under \$20K. We are going to purchase them. Only one will be bought this year, replacing the one that has high maintenance costs. We will be developing a rotation plan for vehicles, so some do not get higher mileage than others. Mr. Tramm asks for approval. We will be purchasing a new backhoe. We received a

great quote with a trade in of \$24K for a 25-year-old backhoe. The cost will be \$95+K after trade-in with a standard warranty. No service plan. We would do regular recommended maintenance ourselves. We have a quarterly service schedule on all equipment. Director Bridges said that he appreciates all the hard work the staff put in on this Budget.

Upon motion by Director Ashy, seconded by Director Denham after full discussion with all Directors present voting aye, it was decided to approve the yellow blocked version of the Budget for the FYE 2026. Motion carried.

c. Write offs

Customers have left us owing even after deposits applied. What can we do to go after these debts? When we changed from Starnik to RVS we have no idea if the amounts are right or wrong and we have no proof. If we do not take care of these amounts the auditor will, and we will get a mark. Director Ruonavar said to zero them out and take care of them. The Billing department did a good job in clearing up the others. No bad debt. Look into the 2025 ones and look into these and zero out all others.

Upon motion by Director Bell, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to zero out all but three write offs that are 2025 and noted on the sheet. Motion carried.

7. Engineering Report by Bleyl Engineering

a. Development Projects

i. 99 Business Center including award contract for Waterline Improvements

The Bid was passed out tonight. Bull G was the lowest bidder and also the highest rated bidder. The cost is slightly higher than the feasibility study. It may be split between 99 Business Center and Depeg but had to bid the entire project. Depeg has issues. We can make 99 Business Center pay all until Depeg pays. Mr. Polley

said the 99 Business Center could be on the hook to pay the entire thing. It could be a pro-rated share if Depeg joins. Mr. Polley heard the Depeg thing was going to fall apart. If Depeg disappears then 99 Business Center should be able to swing it. Depeg's share is \$125,950 based on the feasibility study (could be slightly higher). We are not paying for anything. Bull G's bid is \$312,731. If 99 Business Center does not pay it, then the project will not happen. They put up money to cover the design expenses. They need to put up the construction funding or the project does not go forward.

Upon motion by Director Bridges, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to award the Bid to Bull G in the amount of \$312.731. Motion carried.

ii. Vale Mobile Home Park including feasibility and cost sharing

This item was tabled as the Applicant wants to bring back up in the June meeting.

b. Infrastructure Fee Projects

i. Copeland Filters Preliminary Engineering including presenting results of testing from pilot study and considering repairs/improvements for full-scale testing

This item was tabled. Mr. Kelly wants to do more review. The Pilot Study ran through measuring the amount of hydrogen sulfide prior to and after treatment and it was removed. There were some bacteria in the water. He will bring it back next month. Normal disinfection should take care of the bacteria. The water will go to North Country, The Highlands and Maple Height areas once online. It is a different aquifer.

ii. Lazy Lane Waterline Improvements including Approval of Pay Application No. 1 to Bull G Construction for \$263,111.40.

Upon motion by Director Bridges, seconded by Director Bell after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 1 to Bull G Construction in the amount of \$263,111.40. Motion carried.

- iii. Proposed improvements for E. Martin Drive and surrounding areas and Yancy Road and surrounding areas

The two things Mike spoke with the staff about are Yancy & E. Martin. Yancy's old water lines used to not be part of the District. They are small lines. \$250K for replacement and the target area and Timberlane acres, 494 to Needham Road. 50K of line. Probably \$3MM and would have to be broken up into several projects. One good thing about this area is that we have most of the easements. Not sure how many trees or other obstructions per Mr. Kelly. This is informal and he wants direction. We are generating \$3MM in Infrastructure Fees annually. The intent is to pay for maintenance, upgrades that are not additional capacity and for waterline projects. Per Mr. Tramm believes we need to pre-outline and pre-budget to see how to split and organize going forward. Just want to get approval. Directors Pillow and Ashy say we need to but start at Yancy. We can start there, said Mr. Kelly, and then go to E Martin. \$750K for project and \$1M for engineering. Discussion started with Vale Mobil Home park. If they want on their timeline, it is at their cost. If you want to wait until the District is ready, it would be Districts cost. North Vale halfway up on the east side. Direction as to what we want to do or more specifics. Director Bell wants to know if could come back with a proposal with a scope of what areas. He wants an idea of where and how much. We will do engineering and bid construction. The Directors gave verbal direction to go ahead and start developing a program.

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. 8 to R & B Group, Inc. for \$1,342,512

Director Pillow said on the Affidavit it still states 750 gallons and needs to be changed to 1 million gallons. Mr. Kelly will ask them to update.

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. 8 for \$1,342,512 to R & B Group, Inc. Motion carried.

- 2) Ford Road Water Line Utility Conflicts.

No updates.

d. Impact Fee Projects

- i. Copeland EST including approval of Pay Application No. 8 to Caldwell Tanks for \$388,176.75

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 8 in the amount of \$388,176.75 to Caldwell Tanks. Motion carried.

- ii. Water Well Road GST and Booster Pump Improvements including approval of Pay Application No. 7 to R & B Group for \$420,822

Mr. Kelly recommends payment. We are getting close to finalizing this project. We have a temporary soft start. The VFD's are on backorder for six weeks or so. But we can use the soft start.

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 to R and B Group Inc. for \$420,822. Motion carried.

Director Ashy asked how many gallons were added to the system. Mr. Kelly said 500K+ gallons will be able to push out. It adds 2,500 more connections worth of water.

8. General Counsel's Report

- a. Update regarding 89th Texas Legislative Session including HB 5701 and water service to The Highlands

Mr. Polley stated that HB 5701 was filed by Congressman Cecil Bell on Friday, May 9, 2025 by terms for MC MUD #140 after receiving a petition from the landowner of MUD #140 and others. They can declare themselves the sole provider. MUD #140 is a Master District of The Highlands and the other District (what is north of The Grand Parkway is in PSUD's District. The goal was sketchy. Mr. Tramm called Congressman Bell's office and told him that we are opposed to the Bill and then Mr. Polley worked on a letter for Mr. Tramm to sign and give to Congressman Bell & Senator Creighton. There was no co-sponsor in Senate. The lawyers from Caldwell and MUD #140 wanted to schedule a call. It felt like a shakedown, and they wanted to agree on a Wholesale Agreement for The Highlands. Mr. Polley told them that it was not possible. Spoke to Senator Creighton and said he had someone working on it. The letter was submitted. The House Land and Resource Committee meets on Thursday. The Agendas could be amended at a moment's notice. It was not on the Agenda but could have been. There are exceptions to the rule. Mr. Tramm went to Austin, so he was in the room when occurred at 8AM on Thursday morning. Congressman Bell showed up for another Bill and Mr. Tramm spoke with him and Senator Creighton. He explained why we are opposed. History is that Bill is dead. The calendar says when things happen. Will have upcoming meeting with The Highlands. Director Pillow said best he could get out of it is that we are doing nothing and they misled Congressman Bell into believing that we have done nothing. We are building lots of infrastructure to provide that area with lots of water supply. Then heard nothing for a while until this Bill was filed. We do not know what was said but wanted to set them straight. Glad Mr. Tramm went. Not sure what Congressman Bell was told and what happened. Director Ruonavar spoke to Senator Creighton. Mr. Tramm will

give invitation to Congressman Bell to come to one of our meetings. Director Ashy never hears from them. Director Ruonavar's meeting was confidential. Spoke with various people at both offices. Mrs. Valverde said memo was updated today and she highlighted the Bills that died. She did add one Bill HB 638; it passed the House on 5/14 as she received an email on Friday. It would require us to make audio and video recordings for two years available online. If it passes, we will have to put in video equipment. Did not say if it was for taxing or non-taxing utilities. So, only post our minutes for now. AWBD has been active on this Bill since the beginning. It would hurt small districts. It has been referred to Senator Paul Bettencourt. He is very influential and sympathetic to Districts in our area. They had his email and potential script sent out. Members need to send him an email. The author was Carl Tepper. The perception is that water districts operate in the dark. Do not know where/when they meet. Some want to make it difficult to put in small districts. The Bill about moving the election dates has not moved in couple of weeks. It was referred to Committee on April 22, 2025 and has been scheduled for hearing SB 1209. It is dead, but you never know.

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.

Mr. Tramm took a trip to Austin. There is a Symposium on May 21, 2025. The AWBD Annual Conference is in San Antonio on June 12-14, 2025. On May 6, 2025, Inframark and the HOA gave a tour of our Plant. The next monthly billing we will be posting the address online for the Consumer Confidence Report. There is a Texas Workforce meeting in Conroe in July. Last week was National Drinking Water Week. Mr. Tramm will have some vacation in July. All other reports are in the Board Books. The April 20, 2025 Daily Production Report – Well 1 had lots of zeros. Mr. Wright said it had been offline since we tied into the Tank on the 18th to 23rd making operational adjustments to the system. We changed some levels. The TCEQ results have not been posted

b. Personnel related matters and possible executive session on same

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 June 30, 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 8:15 p.m.

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



President, Board of Directors



Secretary, Board of Directors

