

**PORTER SPECIAL UTILITY DISTRICT**  
**MINUTES OF BOARD OF DIRECTORS REGULAR MEETING**  
**June 30, 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, June 30, 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 Denham.

**c. Pledges of Allegiance**

Pledges of Allegiance led by Director Ruonavar.

**2. Public Comment**

None.

**3. Review and Approve Minutes**

**a. Minutes from the Regular Board Meeting on May 19, 2025**

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, the Regular Board Minutes for the period ending May 19, 2025 were approved with the changes that Director Bell requested. Motion carried.

**4. Old Business**

**a. Administrative Building**

None.

**5. New Business**

None.

**6. Financial Report**

**a. Financials review – For month ending April 30, 2025**

Mrs. Pafford answered the questions that Director Ruonavar submitted earlier in the day. Director Ruonavar explained the Profit & Loss and the sewer bill was changed. Were there any invoices for MCMUD #110? No, and PMUD had no

disconnects, but there should be in June. MCMUD #56 is billed according to the agreement of consumption. We are only used as a backup if they have any issues. It is normally zero. The medical and dental is paid by the employee's contribution. As far as the IT Services, Mrs. Pafford did provide a list of print outs. The bigger we grow, the more IT Services are needed. And with phishing, etc. there will be more. Mr. Tramm and Mrs. Phillips and the office are taking basic classes through A & M regarding emails and cyber risk (TEEX). As far as the annual review of DMV records are concerned, two were done in April and will show up on the May's financials. The others will be done according to Policy. The Work Order System is costing \$1,440 and we are still trying it out. The Historical and Operational Permit Fees to LSGCD were attempted as ACH but we had to write checks as we are having issues with the new bank. The dates were March 6, 2025 and April 1, 2025. There was a Billing Office drawer shortage. Ageint Security billing was explained. Director Bell wanted an explanation for the service fee to NVR. Our cameras back up to that for storage. They are the host for video feeds. We needed increased storage space. It is not a regular charge. We were invoiced March 26, 2025 and paid on April 15, 2025. There was an oversight on PMUD and a correction was made. The invoice for Maid Concepts was delayed. It was billed after the fact. Extension 19 on page 13 charges a base rate of \$146 and then the overage from the prior month is charged.

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 April 30, 2025 were approved. Motion carried.

Mrs. Pafford gave us an update on the conversation with the merger of the Sheakley Pension to the new company. All Directors signed off on it.

## **7. Engineering Report by Bleyl Engineering**

- a. Development Projects
- b. Infrastructure Fee Projects



- i. Copeland Filters including consideration of modification to the aerator and disinfection system for full-scale testing

Mr. Kelly said he had a lengthy update. The Pilot Study was successful. It appears to be anyway. The original plan was to do the pilot study and minimal repairs and operate and anything additional we would have to get TCEQ approval. We are now doing a bit more repairs up front that include more than minimal, but more than the District wanted. He is asking for Board input. Do we scale back or do we do something more permanent. Then only go through TCEQ. It does not exclude going back for additional repairs like the GST and SCADA. If the Board approves, we can go through one vendor and Mr. Polley will prepare something to say this is the reason why we are procuring from one vendor. Director Pillow thinks we should just fix it. Mr. Kelly agrees. Director Ashy said \$85,000 is a step above minimum. Mr. Kelly explained that he just stabbed at \$100,000 to \$150,000. Not \$85,000 plus \$100,000 to \$150,000. Is WETS confident we will be able to put water into our system? Are they willing to put it in writing asked Director Ashy? Mr. Kelly said they would probably put something in writing, but probably not what you want. Are we being drug along on this once again, asked Director Ashy? Director Bell says with minerals and filters, etc. how long will it last? It is called a filter project but does not have any filters. Mr. Kelly indicated that filtration is an additional step. We believe we can bypass the filter process with a more aggressive aeration process and disinfection process. The quality of raw water should improve over time as the well runs more often. If we can run it eight to twelve hours a day for multiple days it should be cleaner water. Director Ruonavar says in 2020 we were told we could have it put online by her birthday in October, but had to stop due to the smell, etc. That was five years ago. If we can do something to make it good and, in the system, then she is good. Director Ashy's concern is how long before we can make this happen. Mr. Kelly says we need to have the contract done, parts ordered and received, everything repaired, tested and documented so we can show TCEQ here are the changes. We could accelerate and send them to TCEQ in advance, but he would not recommend this. Mr. Kelly remains somewhat skeptical but the contractor believes it with all necessary improvements and even if these improvements are made. The second well was done in 2016 and 2017. Mr. Tramm says we could be right around the corner from having good water. Director Bell is asking about the aerators and the

prior work that was done. With this setup what sort of EPA or documentation is needed. Chlorine Dioxide is used in Public Water Systems and is an approved process in the water industry. Director Bridges asks about the odor in the water faucets. Mr. Kelly said we are now aerating to get rid of the odor. The aerator will eliminate the odor and the gas should rise and go out the top. It should not bother the neighboring homes. First, we were on track for the filters and then found a potentially cheaper way with aeration. Methane was originally taken care of but not the hydrogen sulfide odor. Mr. Kelly is not sure why the original blower was undersized. He visited another site and that is what they do. Director Bell does not understand it. The methane was drawn out by some sort of blower and is dispersed through the air? He has some concerns for the EPA and the residents. Were there homes in proximity of the one they visited like ours is? Mr. Kelly was not at the site visit but can follow up. Additional capacity of the blower, etc. committed to handling? His hesitancy is filters, but that step may not be needed. Director Bell asks to make one more point, asking what is the flammability of bleach? Mr. Tramm says it is not flammable. He does not know what the placard says, but he has used that kind of liquid more than gas in the past. The Aerator is a venting environment. Liquid bleach is safer than chlorine gas. It is delivered via trucks, not cylinders. Our employees do not do it; the gas supplier's third-party would do it and we do have a wash station. He was just curious about protocol. Mr. Tramm assures that we have the proper facilities. Director Lyons says if successful, but additional issues arise they will need to be handled. The GST needs to be rehabbed in a year or so. It is the original tank for the well. It is probably thirty years old. Director Ashy said this well is in a totally different aquifer than all the other wells and could make a big difference for us. There are no motions that need to be made. We will work with the vendor and bring an update at the July or August meeting.

ii. Lazy Lane Waterline Improvements

None.

We took a break at 7:35 pm

We returned at 7:39 pm



- iii. Approve engineering for waterline replacement on Yancy, Debra, Susan and Carmen
- iv. Approve engineering for waterline replacement on Timberlane Acres Section 4, 5 and 6

On Yancy we are replacing with an 8" waterline for almost all of it. Debra will be a 6", Susan an 8" and Carmen has a 2". There are two proposed items. Yancy and roads surrounding, and then Timberlane Acres, Martin, Meadow to Needham, all of Vale and Robert. The cost estimates a total of \$1.3 - \$1.4 million for engineering, contingencies and construction. Both can be revised if we want to do less. Timberland could have phases 2, 3 and possibly 4. We have \$8,663,559.55 in the Infrastructure Fund. How many projects do we have lined up that are already allocated? We have several, but pieces (Copeland \$200K). These are the first and separate that have been brought forward. There is some mixing of how things will be funded. We are actually committed to true infrastructure on Lazy Lane and then some indirect. Contractors will do the work. Do we have the money to move forward and finish them? Yes. The work should mostly be trenchless. We do not want to overextend ourselves, but we need to start spending money to make things better. We currently have \$5 million committed, and \$3 million left and another \$3 million next year. Mr. Kelly just wants to do the engineering, not spend the total now. Mr. Tramm said these are some of the oldest and most undersized areas. Timberlane Acres lacks water lines.

Upon motion by Director Ruonavar, seconded by Director Lyons after full discussion with all Directors present voting aye, it was decided to move forward with both of the projects above. Motion carried.

#### c. Capital Bond Projects

- i. Ferne Water Plant Improvements including Pay Application No. 9 to R & B Group, Inc. for \$907,560

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. 9 to R & B Group, Inc. for \$907,560. Motion was carried.

d. Impact Fee Projects

- i. Loop 494 and US 59 Waterline Improvements including possible coordination with Porter MUD on easement acquisition

This is on the Hendricks property. We can coordinate with Porter MUD for easements as long as it does not slow down our progress. It was decided to let Mr. Polley work with their attorney on this.

Director Ashy asked about Ford Road and Porter MUD. They only hit our line once. It was better than we thought.

- ii. Copeland Elevated Storage Tank Improvements including Pay Application No. 9 to Caldwell Tanks Inc.

Mr. Kelly recommends payment. It should be completed in November to early next year.

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. 9 to Caldwell Tanks Inc. in the amount of \$271,723.73. Motion carried.

- iii. Water Well Road GST & Booster Pump Improvement including Pay Application No. 8 to R & B Group, Inc.

Mr. Kelly recommends payment. It should be completed at the end of July / August and we are able to use in the meantime.

Upon motion by Director Bridges, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to approve Pay

Application No. 8 to R & B Group, Inc. in the amount of \$344,762.10. Motion carried.

Ferne should be done by the end of October, but we are having issues and may take a bit longer.

iv. US 59 WL Crossing Improvements

This item is tabled as not the correct pay estimate. It was a 75-day contract, now over a year. Very little due to contractor. It has been an Entergy issue and additional scope and GEO tech expenses. \$26,200. Director Ruonavar said we need to table it.

e. Updated Billing Rates

Mr. Kelly submitted Bleyl's updated billing rates. Per District Policy we have until next month to review and decide regarding approval.

f. One-Year Warranty

i. Ford Road Widening: Acceptance of Waterline Improvements

The punch list is complete.

ii. Well 5 Rehabilitation: Acceptance of Well Improvements

There were no punch list items. Project completed.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to accept the Ford Road Waterline improvements and the Well 5 Rehabilitation improvements. Motion carried.



Director Ruonavar asks that the contractor change the City of Porter on these and all of the past documents. Mr. Kelly will handle it.

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

### **a. Amended and Restated Water Line Easement and Consent to Encroachment for Territory at Porter Apartments**

No Action Required by the Board. The property developer executed an easement agreement with PSUD, which was subsequently recorded. At the same time, the developer and Quick Trip (QT) were engaged in negotiations concerning a real estate transaction. After the easement was conveyed to PSUD, three days prior to closing, QT discovered the presence of storm sewers and other infrastructure within the easement area. As a result, QT now considers the agreement with the developer no longer viable and has expressed strong dissatisfaction. Mr. Polley remains uncertain whether QT intends to proceed with the developer or to withdraw from the deal entirely. He does not view the current terms as workable, given that PSUD is unlikely to approve QT's proposed modifications to the Consent to Encroachment Agreement. Mr. Tramm advised dropping the matter but indicated a willingness to revisit the issue should substantive changes be introduced and with Board approval. At this time, it appears the situation may resolve itself without further Board involvement.

### **b. Update regarding the 89<sup>th</sup> Texas Legislative Session including HB 5701**

Updated memo. The biggest thing is that beginning on September 1, 2025 we will have to post our Agendas three business days prior to the day of the meeting. So, we would post on a Tuesday of the prior week if the meeting is on a Monday (without a holiday). They will have a bigger wrap up memo in August. Anything on the handout that is grayed out did not pass. They will keep Mr. Tramm updated as needed if anything sneaks up during the special session. The Bill that was vetoed talked about the impact fees and having to credit folks that implement conservation measures. Someone attached something about a Central Texas groundwater system. They may pay attention. There is no telling.

The Staff is aware of posting budgets on the Website or Agenda. Nothing changes as far as the minutes. The Audio/Video Bill did not pass.

c. Status of service to The Highlands

A letter to Representative Bell was sent and we are working with the Developer. The term sheet was sent several weeks back. It is a lot like the MUD 24 Contract. It does contemplate wholesale service (not all the service areas are in PSUD). It is a take or pay basis for all The Highlands, not just PSUD area. The impact fees are to be paid for all the area, not just PSUD. They will pay \$400,000 on a change order to increase the size of Copeland's EST. The upside for us is more impact fees, more water sales and the take or pay basis. We do not have to meet their summer peak. The upside to them is they can contract for slightly less water than they have to due to using their water for summer peak. It gives them more predictability and control over their operations. Mr. Tramm said the additional area is a significant area and more than makes up for the average annual basis use. It is still in process. We are preparing the first draft of the Service Agreement based on MUD 24's Agreement. We will modify it to suit them and we will work through it. It is still a couple of months away. Director Ashy said it makes Copeland that much more necessary, as is Ferne.

**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. Personnel related matters and possible executive session on same

We did the updated DMV reports and drug testing reports and Mr. Tramm did review. We are currently at full staff. He is taking vacation days July 2 – 6, 2025. We will have two personnel at the Texas Workforce Meeting in July. Director Ashy asked about the water demand. It has been wet, but we are still pumping. Mr. Tramm says mid-June through mid-August/September are usually high. There is population growth and everyone is still using water. Director Ruonavar mentioned the color of the building, new copier and the new tractor outside. All look nice. Any water results from Woodridge MUD? Mr. Tramm said not yet. He suspects it is going to be the very last day. There has been no further follow-up except for one woman about some discoloration.

10. **Executive Session**

None.

11. **Director Comments**

Director Ashy asked about the new billing program. Mrs. Pafford said things are going really well. The audit should start on July 7, 2025 and August 4, 2025. Everything has been cleared up and cleaned up. The books are ready. Infrastructure projects are being posted on our website so our customers have some visibility of where their money is going. Mr. Tramm is not in favor of signs being posted. He said we can post on the Website. Director Bell gave an update on the AWBD's 50<sup>th</sup> Annual Conference. He had a great time. Other Directors did not enjoy it as much. Solar parking lot lights were discussed. If we purchase solar lights there is a higher upfront cost but will pay for themselves over time. We should think about putting them up. Director Bell will be out of town during the next scheduled meeting on July 28, 2025. We should have some solar lights installed as a sample before committing to them. The technology is revolving, but we should try it first. Mr. Polley explained about the Convention Center. The AWBD does not have any control over where they are placed in a Convention

Center. Director Ruonavar was a bit disappointed with the 50<sup>th</sup> anniversary in celebrating. She said it felt like the extra stuff was toward MUDs only. We also have SUD's, PUD's or UD's in seminars too. The Legislative update was very unprofessional, but Director Bell does not believe it was AWBD' s fault. The legislative update presenters perform lobbying activities on behalf of AWBD. Each presenter is a law firm partner and coordinates efforts in Austin to represent the interests of AWBD. They do not receive compensation for any of the work they perform for AWBD, whether related to lobbying or presenting at conferences.

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

The next Regular meeting will be on July 28, 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 8:29 p.m.

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

  
\_\_\_\_\_  
President, Board of Directors

  
\_\_\_\_\_  
Secretary, Board of Directors

