PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
August 25, 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, August 25, 2025, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code.

1. **Call Meeting to Order** the Vice 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, except Director Pillow, thus constituting a quorum. Also attending for the District were: Jon Polley and Tabitha Valverde (Attorney), both with Polley Garza PLLC (PG), Mike Kelly (Engineer) with Bleyl Engineering, Wendy Pafford (Finance Manager), Chris Wright (Operations Manager), and Richard Tramm (General Manager).

   b. **Invocation**

Invocation led by Mr. Tramm.

c. **Pledges of Allegiance**

Pledges of Allegiance led by Mr. Polley.

2. Public Comment

None, but Mr. David Meyers with Quick Trip (QT) was here to discuss Section 8 (c) Amendment and Restated Waterline Easement and Consent to Encroachment to serve a 23-acre development at FM 1314 and SH 99.

3. Review and Approve Minutes

a. Minutes from the Regular Board Meeting on July 28, 2025

Upon motion by Director Ashy, seconded by Director Lyons after full discussion with all Directors present voting aye, the Regular Board Minutes for July 28, 2025, were approved with the correction on Page 3, Section 7 (b)(ii), the amount being $174,927.60. Motion carried.

4. Old Business

a. Administrative Building

Mr. Tramm followed up with the original Architects. They are in the process of reviewing plan approvals and permits which will need to be renewed and/or reapplied for. The 494 TXDOT Permit process usually takes six months. We will get back to them within two weeks to work out a timetable and timeline to get everyone on the same page. It is a potential opportunity to move the building onto Water Well Road. Director Ashy asked if we can get another architect. Mr. Tramm wants to know if we are open to looking at the Water Well Road option. He will talk with the Architect and get their input and bring an estimate for any charges. He will give us an update at our next meeting in September.

5. New Business

None.

6. Financial Report

a. Financials review – For month ending June 30, 2025

Director Ruonavar had a couple of questions via email. Mrs. Pafford responded earlier. The miscellaneous income was explained, the invoice from Extension 19 was explained as was the Maid Services invoice (they still need to bill for June, July, and August). She also wants to know when we are going to have the customers that pay online start paying a portion of the fees as Director Ashy brought it up months ago. She asks that it is put on the next Agenda. She believes it needs to be a shared expense. Also, Agient Security was explained. Director Bell is impressed with the interest rates we are receiving.

Upon motion by Director Bridges, seconded by Director Denham after full discussion with all Directors present voting aye, the Financial Statements for the period ending June 30, 2025, were approved. Motion carried.

b. Review and consider recommended changes to Development Deposits in the District's Rules and Regulations

Mr. Tramm said the document was at the end of the Financial Report immediately after page 29. There are three recommended changes, and they are red lined for the minor changes. We would update the cover page with the current date, make minor changes regarding size and description with the minor confusion in current wording along with the significant need to increase the deposits. We need to keep the District from going in the hole. These amounts were developed, and recommendations were given, by Mrs. Pafford and Mr. Wright. If approved, it will go into effect immediately. For example, if a 25-acre property is in question, it would be $25,000 down, with a deduction for engineering, and legal expenses, etc. Then the balance refunded at the end of the project or an invoice if more than the initial deposit. Director Ruonavar thanked Mr. Tramm, Mrs. Pafford and Mr. Wright for their assistance with this item.

Upon motion by Director Ashy, seconded by Director Lyons after full discussion with all Directors present voting aye, the changes to the Development Deposits in the District's Rules and Regulations were approved. Motion carried.

7. Engineering Report by Bleyl Engineering

a. Development Projects

b. Infrastructure Fee Projects

i. Copeland Filters Preliminary Engineering including approving award of aerator repairs and disinfection changes to Water Equipment & Treatment Services

The cost of this item is $161,298, less potential cost savings if we can use the existing chlorine building. We adopted the resolution last month. Director Ashy asks when we can get some billable water and Mr. Kelly says the first quarter of 2026.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, the Copeland Filters Preliminary Engineering including approving the award of aerator repairs and disinfection changes to Water Equipment & Treatment Services is approved. Motion carried.

ii. Lazy Lane Waterline Improvements including approval of Change Order No. 2 to reduce the contract by $28,500, Pay Application No. 3 and Final to Bull G Construction for $48,671, and an amendment for an additional $4,147.37 in Engineering fees due to additional contract/field representation time and extra scope

This is the final on this item. Everything has been done. Mr. Kelly recommends approval.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, Lazy Lane Waterline Improvements including approval of Change Order No. 2 to reduce the contract by $28,500, Pay Application No. 3 and Final to Bull G Construction for $48,671, and an amendment for an additional $4,147.37 in Engineering fees due to additional contract/field representation time and extra scope is approved. Motion carried.

iii. N. & S. Plantation Waterline improvements including approval of Pay Application No. 1 to Bull G for $249,532.20

All waterline has been completed but still needs to be disinfected and tested. Mr. Kelly recommends payment. It is past the contract time. They were hung up on related items. He believes it should be completed in two to three weeks.

Upon motion by Director Bridges, seconded by Director Ruonavar after full discussion with all Directors present voting aye, N. & S. Plantation Waterline improvements including approval of Pay Application No. 1 to Bull G for $249,532.20 is approved. Motion carried.

iv. Andrew Water Plant Generator

We received a quote from R & B Group. It is the same as what is proposed for Ferne. We can order another generator. Install Ferne's Generator at Andrew and put the second generator at Ferne sometime next year. The cost is $560,439.20 (we reached out to McCaffety Electric for a proposal and have not received it yet). We could go through the bidding process, etc. It includes the demo of the tanks at Sears ($10,000 to $12,000). It would be natural gas (same at both wells). 650 kw. We will be replacing the booster pumps at Andrew in the future. The original generator was $400,000 (installed), but prices have gone up. We may be able to deduct $40,000 in addition to our purchases. Director Bell wants additional pricing. Mr. Kelly will try to get McCaffety Electric to bid to see if the price is any better. Director Ashy asks about exploring a program through Entergy but has not received any answers yet. It would be a lease agreement. The question was asked if anyone can save us money on a generator. The lead time could be anywhere between three and six months. The monthly rental could make up the difference as it is $8,000 per month. R & B can have installed at Andrew by November and can do a change order to Ferne. If we go to a separate contractor, we will have to bid it. We could go through Buy Board or something similar. Mr. Tramm asks to use the Ferne generator at Andrew. Andrew already has gas service. Director Ashy asks if the generator we have on order is more than enough for either plant if we purchase the same generator. Are we building for the future? Director Bridges thought is to put the Ferne generator at Andrew and then go out to bid for the Ferne replacement. It was decided to table and come back next month in order to bring back next month.

c. Capital Bond Projects

i. Ferne Water Plant Improvements including Pay Application No. 11 to R & B Group, Inc. for $812,520

Should wrap up end of the year or early next year. Director Ruonavar asks why we are destroying the tower. It needs to be recoated, etc. It makes more sense to have at Copeland, and it is much higher and would make the Ferne tank overflow due to the water pressure's effect on the water levels at Ferne. So, it needs to come down. Mr. Kelly recommends approval.

Upon motion by Director Denham, seconded by Director Ashy after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 11 to R & B Group, Inc. for $812,520. Motion was carried.

d. Impact Fee Projects

i. Copeland 1.0 Million Gallon EST including approval of Pay Application No. 11 to Caldwell Tanks for $465,812.10

It is being coated now and getting closer to the October completion date. Mr. Kelly recommends approval.

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. 11 to Caldwell Tanks Inc. for $465,812.10. Motion was carried.

ii. US 59 Waterline Crossing including approval of Pay Application No. 8 & Final to Bull G Construction for $122,613.90

Retainage from the project. Mr. Kelly asked about the damage in the vicinity of the project. No evidence was found that they should be held liable. Bull G did go to the HOA to try to work through it. No consistent information. Mr. Kelly does not recommend liquidated damages. Mr. Tramm said leaks on their side were not adjusted after they were investigated. He does not believe they will ever be satisfied. Mr. Kelly recommends payment.

Upon motion by Director Ashy, seconded by Director Lyons after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 8 & Final to Bull G Construction in the amount of $122,613.90. Motion carried.

e. Miscellaneous

i. W. Ford Road Waterline Improvements including an amendment to reduce the engineering fees by $6,164.18

This is included in the US 59 Waterline Crossing. There were two separate engineering contracts. Good news!!

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to approve the W. Ford Road Waterline Improvements including an amendment to reduce the engineering fees by $6,164.18. Motion carried.

Director Ashy asked how close Porter MUD is to being done on Ford Road. Mr. Kelly said they are mostly done and about to start on W. Ford Road. They hit a 2" service line and we sent them an invoice for that. We should work together same as the first section. Director Ashy thanked Mr. Kelly.

8. **<u>General Counsel's Report</u>**

a. Development Agreement with Ronald D. Cooke, Jr. for Century Concrete Office Warehouse Development

Mr. Polley says this is a small Office Warehouse Development on Canterbury Drive. It is a 2" waterline upsized to an 8". The engineering cost is about $42,000, with a total cost of $231,500. We drafted the Agreement. He recommends we do it.

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, it was decided to approve the Development Agreement with Ronald D. Cooke, Jr. for Century Concrete Office Warehouse Development. Motion carried.

b. Water Meter Easement for Valley Ranch Office-Warehouse Development

This is behind Stripes Gas Station.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to approve the Water Meter Easement for Valley Ranch Office-Warehouse Development. Motion carried.

c. Amended and Restated Waterline Easement and Consent to Encroachment to serve 23-acre development at FM 1314 and SH 99

Mr. David Meyers is with Quick Trip (QT). We have been going back and forth with DPEG, who is the property owner that is selling the property to QT. There are two separate documents, same terms, and concepts. It accommodates the utilities in the waterline easement as well as storm sewers. Mr. Kelly is comfortable with it. 1314 is for the future. We will have to bore across the QT site. It should be under development very quickly. The balance matches the standard consent terms. We need to authorize the execution of the two agreements.

Upon motion by Director Bridges, seconded by Director Bell after full discussion with all Directors present voting aye, it was decided to approve the Amended and Restated Waterline Easement and Consent to Encroachment to serve the 23-acre development at FM 1314 and SH 99. Motion carried.

d. 89th Texas Legislative Session update

Mrs. Valverde discussed the layout and abbreviations for easy reference. She will go over a select few laws. On page 12, SB 1883, a new law that directly impacts how we manage and communicate the Impact Fees and Capital Improvement Plans. We will have to make land use assumptions 60 days before a public hearing. The Impact Fees cannot be increased for three years after adoption. It has a pretty significant impact. It will add two months to the process. It goes from 40% to 50% from the outside (realtors). We need three now. This is law now. Those statutes are technical and very specific and very vague at the same time. We will have to do a financial audit and put it on the website 30 days prior. The audit will have to be prepared by a firm that we do not have a relationship with. This is any time we adjust fees.

e. Closed session regarding pending or contemplated litigation under Section 551.071, Texas Government Code

Our Answer was filed in the suit. No Closed session was needed.

f. Consider policy regarding District payment of Director litigation defense costs

No action at this time.

9. General Manager's Report

a. Operations Updates

i. Wells and facilities

There was an error in the emailed version of this report, but a corrected one is in the printed version. We have had two firms give us a quote on the rate study. We have a $20,000 budget. We are waiting for a third quote. Director Ruonavar wants to go to the Director 201 Workshop. Directors Ruonavar and Lyons both attended last year. Director Bell wants to know what it is about. Mr. Tramm gave him a copy of what is on the syllabus. Just let Mr. Tramm or Mrs. Pafford know if anyone else is interested in attending. Mr. Tramm spoke about the TAGD Conference. We will be about $5,000 under budget on the Truck budget. Director Ashy asks about our staff openings – mainly the Compliance Coordinator position. It is for the enforcement and implementation of CSI and backflow. The position was added with the new budget. It makes sense to get someone that is fully educated. It has risen to the point of a new staff position. It is currently taking time away from the front office and operations. Director Bell is asking about the job description and wants it shared. Mr. Tramm will email it tomorrow.

ii. Water Production and demand

The June and July production levels were almost identical. We had several heavy rains in July.

iii. Fleet vehicles and equipment

Director Ruonavar wants to know about the rotating of the truck so that the mileage does not pile up on just one truck. Mr. Tramm said some will be reallocated when the new truck is received later this week.

10. **<u>Executive Session</u>**

None needed.

11. **<u>Director Comments</u>**

Director Ruonavar wants to discuss the commitment of Directors. She asks where each of us wants to see where Porter SUD is headed, what can we do for customers and how can we be more out there in the Community. She spoke about the Rodeo and how Director Bridges has been a big part of it for 40 years. There is an organization that does parades and collects money. This year the Grand Marshall is Matt Gray. It is for the kids. The Barbeque judging starts at 10:30 am on Saturday. They need volunteers. Director Bridges says come out to the Auction. It is amazing. He has only missed one due to surgery. Director Ashy has some thoughts on the fees that were raised. He believes they might need to be higher. He wants to leave the District in the best shape as possible, but he will not be leaving for a couple of years.

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

The next Regular meeting will be on September 29, 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 8:21 p.m.

PASSED and **APPROVED** this the 29th day of September 2025.

Vice President, Board of Directors

Caroline E. [illegible]

Secretary, Board of Directors

PORTER SPECIAL UTILITY DISTRICT MONTGOMERY COUNTY TEXAS