

**PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
February 9, 2026**

The Board of Directors (the Board or Directors) of Porter Special Utility District (the District) met in regular session at 7:00 p.m., on Monday, February 9, 2026, 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 (Attorneys), both with Polley Garza PLLC (PG), Mike Kelly (Engineer) with Bleyl Engineering, 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

Director Ruonavar made comments on behalf of State Representative Cecil Bell. He appreciates the District and wants to work with the District. He plans to visit soon. Director Bridges had a customer, Mr. Ty Trout on Ferne Drive, who is having lots of trouble with the diesel engines being noisy day and night at the Ferne Plant. Whenever we pump, it floods his property, killing trees and filling up ditches. Per Mr. Wright and Mr. Kelly, we are close to being finished with that plant. We need to get a working rig back in there. Can we divert the water? Mr. Kelly says we will pump to FM 1314, but it is already wet. Mr. Tramm and/or Mr. Wright will reach out to Mr. Trout before we start up and see what we can do about the situation. Hopefully, some of the saturation will go away.

3. Review and Approve Minutes

- a. Minutes from the Regular Board Meeting on December 15, 2025

Upon motion by Director Ruonavar, seconded by Director Lyons after full discussion with all Directors present voting aye, the Regular Board Minutes for December 15, 2025 were approved with minor corrections. Motion carried.

4. Old Business

None.

5. New Business

- a. Amend Retail Water Rates

There is a gap in our approved water rates. We do not have a base rate for a 10" meter. There are recommended changes in the yellow block to add a 10" meter and a 12" meter. It is currently empty and we have a potential customer.

\$1,820/\$2,297.10 – is calculated in proportion for these sizes to be included with the other rates. In the bottom block, the CSI Inspection Fee is going from \$50 to \$75 due to our costs increasing. We need this to be able to keep even with our increased costs.

Upon motion by Director Ruonavar, seconded by Director Denham after full discussion with all Directors present voting aye, the Amended Rate Code will be approved as presented. Motion carried.

6. Financial Report

a. Financials review – For month ending November and December, 2025

November 2025 – Director Pillow says under the meter fees and impact fees we seem to be off. \$400 now, but in a couple of more months it will be off and it is the best guess. Mr. Tramm and Mrs. Pafford will discuss it to see if we want to amend it before the fiscal year end to see if it is better. Director Ruonavar asks about page 3, 16202.1 \$4.98 is way off. Mr. Tramm will speak with Mrs. Pafford about it. We need to verify and/or correct it. On page 5, 16972 seems extremely high. Director Ruonavar asked about INF and IMF fees, what are they? INF is Infrastructure and IMF is Impact Fees, says Mr. Wright. There was a question about an ergonomic foot stool and a question on page 10, Integrated Payment Solutions. Aquamag - same product, different plant, bonuses, and vacation buyback for Black Friday were discussed. Sick time is taken as an on needed basis. The employee needs a Doctor's note if more than three days. On page 2, in December under Deposits and Refunds, 14291 \$18,000.39 – what was that for? That is a question for Mrs. Pafford. There was no explanation sheet for \$89,940.09, most likely the generator sale. Mrs. Pafford will have to answer this one too. For the Budget we need to add money to the Retirement Benefits section. On page 4, 16972 Billing and Work Order there is another \$1,100. It seems low when November's was high. Mr. Tramm will have Mrs. Pafford look at it. Director Ruonavar asks when the truck leases are up. The two Dodge trucks were just purchased and unit #114 only has until April for the buyout. The other two that were done this month were on an earlier completion date. Lancaster + Wyatt was for Polley Garza to do work on the Contract. Mr. Trachtenberg will write a letter.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Financial Statements for the periods ending November and December, 2025, were approved pending Mrs. Pafford's answers to the above questions. Motion carried.

7. Engineering Report by Bleyl Engineering

a. Development Projects

- i. 99 Business Center Waterline Improvements including Pay Application No. 2 to Bull G Construction in the amount of \$37,809

Mr. Kelly recommends approval.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the 99 Business Center Waterline Improvements including Pay Application No. 2 in the amount of \$37,809 to Bull G Construction. Motion carried.

- ii. Century Concrete Office/Warehouse Waterline including authorization to advertise and bid

This is on Canterbury Lane.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Board approved to advertise and bid pending comments of some revisions. Motion carried.

- iii. Select U Properties Feasibility Report

This is on Enloe. It is a 2" waterline to a 4-unit development. The existing main line has too many connections, per the TCEQ guidelines. Due to timing with this project, the District will increase a separate section on Enloe with 1,000-foot of 8" waterline to be added to be in compliance for the entire street. There will be no Developer

input required, only Infrastructure Fee used to add the waterline and two fire hydrants.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the Select U Properties Feasibility Report. Motion carried.

b. Infrastructure Fee Projects

- i. Change Order No. 1 for Copeland Filters Preliminary Engineering Contract with Water Equipment and Treatment Services to add Flow Meter and Chlorine/Phosphate Building changes

The cost is \$34,800. It must be done to provide needed treatment for this well. Director Bell asked about the description. It has to legally meet the conditions to be disposed of. We will remove the existing Chlorine/Phosphate building and install the new building. It will most likely be fiberglass.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approved the Change Order No. 1 for Copeland Filters Preliminary Engineering Contract with Water Equipment and Treatment Services to add Flow Meter and Chlorine/Phosphate Building. Motion carried.

- ii. N. and S. Plantation Waterline including Pay Application No. 4 and Final to Bull G Construction in amount of \$36,923

Mr. Kelly is asking for approval. There are still some small items open, and the check will be held until the items are completed.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approved the N. and S. Plantation Waterline including Pay Application No. 4 and Final to Bull G Construction in amount of \$36,923. Motion carried.

iii. Old Sorters Waterline including award of contract

Faith Utilities was the low bidder. The Committee scored them the best for safety. The bid was for \$723,968. The Committee recommends Faith Utilities for the contract.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Board approved the approval of Faith Utilities for the Old Sorters Road Waterline contract in the amount of \$723,968.00. Motion carried.

c. Capital Bond Projects

- i. Ferne Water Plant Improvements including Pay Application No. 15 to R & B Group, Inc. for \$105,925

Mr. Kelly recommends. The tank has been filled and disinfected. There are a few punch list items and a final walkthrough to be done yet.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 15 to R & B Group, Inc. for \$105,925. Motion was carried.

d. Impact Fee Projects

- i. Update on 494 and US 59 Waterline Easements

No action.

- ii. Copeland EST including Pay Application No. 16 to Caldwell Tanks for \$383,687.55

Mr. Kelly recommends approval.

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. 16 to Caldwell Tanks in the amount of \$383,687.55. Motion carried.

iii. Water Well Road GST and Booster Pumps

Tabled.

iv. Consider update to the Impact Fee Assessment or Revisions to the LUA and CIP

The Committee met on December 18, 2025 for updates. They try to meet quarterly/semiannually. There is an elevated urgency due to the Highlands Development Agreement. Assessing an Impact Fee of \$2,400 compared to the \$2,826 calculated cost basis means the District is not collecting the full cost towards eligible improvements. Update to Study. 2-1/2 years into a 5-year window. The driver for that is the Highlands Study. Increase to max and then comeback later to Study or do updates now and recalculate and decide fees. No consensus. Mr. Kelly recommends to update the Study and recalculate the fees. He will start working on the updates and go through that process and move quickly.

e. One-Year Warranty

i. Final Acceptance of Roadtrac #14

It is on FM 1314 by Porter High School. There was an inspection and all was good.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the final acceptance of Roadtrac #14. Motion carried.

Mr. Kelly asks if there are any questions. Director Pillow asks on page 7, the overage on \$25K, for them being late. Where do we come up with \$100/day? It was a decision made when the Agreement was done. Is \$200 now and in the future,

it will be \$500. \$100/day for liquidated after substantial completion. This Contractor is extremely slow. Asking Mr. Polley if we can add some verbiage in the future. \$25K is Change Order. They should have to pay. Should cover inspection time, etc. Bleyl had to put in extra time due to change order time, project delays due to weather, etc. and delays on back end. In theory \$500 in future should cover. The number is usually less than the actual damages. The liquidated damage amount is hard to figure out. The law says only when hard to estimate but has to approximate actual damages. It is counter intuitive. On the backend when you assess, it can't be a bridgeable gap. Commercial viability if you go too high. Liquidated doesn't keep you from pursuing actual damages but may undermine liquidated damages. Actual damages are a bit harder.

Break at 7:47 pm

Back at 7:50 pm

8. General Counsel's Report

a. Annual review of Consultant contracts

This is something that has to be done annually. We have to note in the minutes that it has been done annually.

Upon motion by Director Ashy, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approves the Consultant contracts. Motion carried.

b. Amend District's Ethics Policy for Directors and Employees

C10 was suggested by Mr. Polley to assist. Page 8 used to say conduct meetings on *Roberts Rule of Order*, we don't use that, so he deleted it. Paragraph D is new to reflect some legal requirements for disclosure of conflicts of interest. Just let Mr. Polley know if a Director thinks they have a possible conflict of interest, and it will be legally handled.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Board approved the amended District's Ethics Policy for Directors and Employees. Motion carried.

c. Wholesale Water Service Agreement with The Highlands

They are working on it. Hopefully, it will be completed before the next meeting with final documents.

d. Development Agreement and Water Line Easement for New Caney ISD Middle School No. 5

It was done months ago. There are two water line easements prepared, and we need to accept the conveyance. Parallel 12" water lines on both sides of FM 1314.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the Development Agreement and Water Line Easements for New Caney ISD Middle School No. 5. Motion carried.

e. Ratify approval of 0.1222-acre Water Line Easement for Porter Storage Partners, LLC

This was signed in December and just needs to be ratified.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board ratified the 0.1222-acre Water Line Easement for Porter Storage Partners, LLC. Motion carried.

f. Litigation Committee

Possible future meeting and/or a placeholder. Nothing at this time.

- g. Update on pending or contemplated litigation, including possible closed session under Section 551.071, Texas Government Code, regarding:
 - i. Contract with Lancaster + Wyatt Architects for design of District Administration Building

In progress.

- ii. *Touchstone Strategies-MC2, LLC vs. Porter SUD*

Our Litigation Counsel has filed the Third Motion to Dismiss; They have laid the groundwork to strike the Amended Pleadings by Plaintiff. The hearing is February 27, 2026. Hopefully, it sticks. Mr. Polley will keep us updated.

- h. Attorney annual hourly rate adjustments

Mr. Polley gave the rates in December and is asking for approval to go into effect January 1, 2026.

Upon motion by Director Bell, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the Attorney annual hourly rate adjustment. Motion carried.

- i. Supplemental Agenda (see attached)

For the May 2026 Elections (in case contested). There is a fast turnaround. Documents in preparation for contesting. Notice of Appointment of Designated Agent – Polley Garza; Deadline to file is February 13, 2026 at 5:00 pm. After that deadline they will let Montgomery County know if the election is contested. Order Calling – Having the Election; Notice to be posted as Agent and in District; Item f is in preparation if contested to do a joint election – Mr. Polley recommends moving forward.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Board approved The Supplemental Agenda (as attached). Motion carried.

j. Consent to Encroachment Agreement with DPEG Porter LP

He wants to put paving over the water line easement by 10'. If have to relocate it could be a problem. Can we word that it would be at their cost to do so? Yes.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Board approved the Consent to Encroachment Agreement with DPEG Porter LP. Motion carried.

9. General Manager's Report

a. Operations Updates

With the Copeland Storage Tank bacteriological test results being good, some punch list items are also being done. Overall, this is almost done. The line serving NCISD is already done. Is the water potable and able to be sold? Yes, coming out of our system, just not the well yet. The test results should be done by the end of March or early April for the improvements to the Copeland Well. If the elevated tank stays full it keeps pressure for the District. It is a good buffer for system pressure. Dual service. Valve is open to fill, but the line leaving the tank is closed at the moment. Valves are currently closed as the tank is full.

i. Fleet vehicles & equipment and Daily Wells Report

Vehicles have been purchased and are being outfitted or are outfitted. Notice of Sale at the next Board Meeting for the old trucks. December 2025 Fleet Report says truck 117 and 3K miles (110 was being repaired and both operators were using the same truck).

ii. Well Production and Water Loss Report

Well 1 is completely down. The Well pump is out. Pending replacement due to administrative building, asked Director Ruonavar. Pumps 430/gallon per minute minimum, but this has a negligible effect for now.

b. Rates and Fees

i. Rate Study Update

Nothing.

ii. Paystar Fees

We will carry this forward as it is to be determined.

c. Administration Building Proposal

Slide 1 is an arial image of the current property. Slide 2 is what we think of as office site and main operations area; Slide 3 – closer and labeled; Slide 4, the hatched area is potential demo area; Would old plans work here? Slide 5 is a blank canvas; Slide 6 is taking the footprint of the old design showing if it would be realistic for old or possibly new design; Our goal is to fall back to the District's first document and start fresh for something more optimized. Do we want to build fronting on Water Well Road (slightly larger and more efficient) or build on Loop 494 property? Or move forward with both? As soon as we have the Board's direction we can start moving forward. Director Ruonavar asks where everything will be located while construction is going on. Several areas will be used, or store at different sites (like Copeland). We may be playing a shell game for a while. It will be some effort to balance construction. The current office will remain open at this time until we move to new location. More storage can be built on the back of property. May use or move the big gate. There will be a drive through. With a different design it will be much more efficient. Director Bell asks how much more is this going to add to the budget we have already allocated? Mr. Tramm says anything we build now will be more expensive. However, 10-15% of cost if we use the previous design, due to

inflation, etc. New design through new Architect. There was a consensus to put on Water Well Road. Hopefully, we will have a timeline at the next meeting.

New door hangers were passed out for us to view. We can hang one for disconnect notices due to a leak issue or a water leak issue in the area. It is more customer friendly. They were just received in.

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

The next Regular Meeting will be on Monday, March 30, 2026 at 7:00 pm.

11. Executive Session

None

12. Director Comments

Director Ruonavar reminded us to vote.

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 8:38 p.m.

PASSED and APPROVED this the 30th day of March, 2026.



President, Board of Directors



Secretary, Board of Directors

