PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
August 24, 2026

The Board of Directors (the Board of Directors) of Porter Special Utility District (the District) met in regular session at 7:00 p.m., on Monday, August 24 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, Wendy Pafford, (Finance Manager), Chris Wright (Operations Manager), and Richard Tramm (General Manager). Also attending were Mr. Bryon Sehlke, President of Touchstone Communities, Mr. Brian Trachtenberg and Ms. Anna Phillips (Attorneys) with McFadden Trachtenberg PLLC.

   b. **Invocation**

Invocation led by Director Bell.

c. **Pledges of Allegiance**

Pledges of Allegiance led by Director Lyons.

2. Public Comment

Mr. Bryon Sehlke, President of Touchstone Communities passed out handouts and told us a bit about their communities. He then explained that they had seen spikes in water usage at their Porter community. In August 2023 they received a bill that showed they had used 5 million gallons of water. We replaced the meter and their bill has been consistent with 300 – 400 thousand gallons since. He just wanted to share this information with the Board.

Mr. Sehlke left the meeting at 7:04 pm

9d. Approval of agreement for real estate services

Mr. Tramm spoke about the agreement for real estate services with BD Reality Advisors, LLC regarding the Briar Tree area property. We would have to be under a contract or an agreement with the Realtor to go any further. Mr. Merrill Willgrubs is a Managing Member of BD Realty Advisors, LLC and assists Municipal Districts with purchases and advisement. He has a relationship with Mr. Polley through Bridgestone MUD. He focuses on MUDs or ESDs, as well as some private clients. He has been a broker for many years. He has had a Real Estate license for 30 years with a variety of experiences. He believes we would be able to purchase a piece of the property. The Agreement for Real Estate Services has been reviewed by Mr. Polley, and all changes were agreed upon.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Agreement for Real Estate Services between PSUD and BD Realty Advisors, LLC was approved. Motion carried.

We went into Executive Session at 7:07 pm

All Directors, Mr. Tramm, Mr. Polley, Ms. Valverde, Mr. Wright, Ms. Pafford, Mr. Trachtenberg, Ms. Phillips, Mr. Kelly and Mr. Willgrubs all stayed in the session.

9d. <u>Approval of agreement for real estate services</u>

Mr. Willgrubs discussed with the Board matters concerning real property and left the meeting at 7:28 pm.

8c. <u>Update on pending or contemplated litigation regarding</u>:

i. Contract with Lancaster + Wyatt Architects for design of District Administration Building
ii. *Touchstone Strategies-MC2, LLC vs. Porter SUD*

Mr. Trachtenberg and Ms. Phillips then discussed with the Board matters subject to the attorney-client privilege relating to pending or contemplated litigation.

Mr. Trachtenberg and Ms. Phillips left the meeting at 8:34 pm.

7. <u>Engineer's Report regarding</u>:

c.i. Ferne Water Plant
d.ii. Water Well Road SGT and Booster Pumps including Liquidated Damages, Pay Application No. 14 & Final, and Amendment to Engineering Services

Mr. Kelly provided the Board with background information and an update regarding the Ferne Water Plant Project and the Water Well Road GST and Booster Pumps Project, including matters relating to liquidated damages. Mr. Polley then discussed these matters with the Board pursuant to attorney-client privilege.

Executive Session ended at 9:00 pm.

We took a break at 9:00 pm

We resumed our Regular Meeting at 9:05 pm.

We then went to Item number 7 of the Agenda.

7. <u>Engineering Report</u>

a. Development Projects

i. Canterbury WL including Pay Application No. 2 to Century Concrete for $13,351.98

Mr. Kelly recommends approval.

Upon motion by Director Ruonavar, seconded by Director Lyons after full discussion with all Directors present voting aye, Pay Application No. 2 to Century Concrete in the amount of $13,351.98 was approved. Motion carried.

The project was substantially complete on August 13, 2026.

ii. Approve Feasibility Study for Harrigan 13-acre Development (The VIBE)

This project was previously discussed as to being for manufactured homes. It is now described as being for 60 single homes on approximately 13.8 acres within the District near Auburn Trails. It is a very straightforward study. The Developer is responsible for the cost of the design and development. Mr. Kelly recommends approval. In response to a question from Mr. Polley regarding whether a development agreement would be required, Mr. Kelly stated we should not need a development agreement.

Upon motion by Director Bridges, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Feasibility Study for the Harrigan 13-acre Development was approved. Motion carried.

b. Infrastructure Fee Projects

i. Copeland Aerator Repairs and Disinfection

No action.

ii. Old Sorters WL including Pay Application No 5 to Faith Utilities for $68,467.50

No action.

iii. Authorize preparation of a Preliminary Engineering Report for Briar Tree Water Plant Improvements

This would be for site plan and budget. There are pipes, tanks, etc. that need to be cleaned up and removed.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the preparation of a Preliminary Engineering Report for the Briar Tree Water Plant Improvements was approved. Motion carried.

Mr. Kelly advised that there would be a walk through on Wednesday for reviewing substantial completion.

c. Capital Bond Projects

i. Ferne Water Plant

No action.

d. Impact Fee Projects

i. Copeland EST

They still have to put down some grass.

ii. Water Well Road GST and Booster Pumps including Liquidated Damages, Pay Application No. 14 & Final, and Amendment to Engineering Services

Mr. Kelly presented Final Pay Application No. 14 in the amount of $165,845.00, which included an amendment for additional services of $19,055.76, and applying liquidated damages as discussed in Executive Session, leaving a recommended approval request in the amount of $146,789.24.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, approved Final Pay Application No. 14 for the Water Well Road GST and Booster Pumps Project in the amount of $146,789.24, reflecting the application of liquidated damages as discussed in Executive Session, together with the amendment to engineering services. Motion carried.

iii. Consider options for Advisory Committee Appointment

No action taken. Mr. Kelly said he can reach out to see if he can come up with anyone meeting the updated legal requirements to present to the Board for consideration . The Board agreed with this direction forward on this item.

e. One-Year Warranty

No action taken.

Mr. Kelly left the meeting at 9:13 pm.

3. <u>Review and Approve Minutes</u>

a. Minutes from the Regular Board Meeting on July 27, 2026

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Minutes from the Regular Board Meeting of July 27, 2026 were approved. Motion carried.

4. Old Business

None.

5. New Business

None.

6. Financial Report

a. Financials review – For month ending July 31, 2026

Director Ruonavar's questions were answered prior to the meeting. Mrs. Pafford printed out a new sheet for Director Ruonavar after some corrections were made. The Engineering and Legal expenses showed zero, but Mrs. Pafford corrected.

Upon motion by Director Bridges, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Financial Statements for the period ending July 31, 2026, were approved. Motion carried.

b. Audit Update

Mrs. Pafford stated that everything is going very well and is on track to get the draft quickly and approved by the September 2026 meeting.

c. Payoff request for 2007 Bond

Mrs. Pafford asks permission to work with Ms. Valverde and Mr. Polley to work on the bond (it is listed under debt service in the Financial Report). It is normally paid in May and December. Mr. Polley is asking if we would like to come back next

month or just pay it off. There is only about $170,000 left remaining to be paid. Paying of early would save 1 ½ years' worth of interest.

Upon motion by Director Ruonavar, seconded by Director Lyons after full discussion with all Directors present voting aye, the Board approved payment of the 2007 bond in an amount less than $200,000. Motion carried.

Also, Independent Bank is changing to South State Bank. Mrs. Pafford has to go in the back of the system to make the change.

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

a. Resolution authorizing the exercise of the power of eminent domain to condemn easement rights for the construction and operation of water line facilities to serve properties within the District with an adequate supply of potable water and declaring the existence of a public necessity for such acquisitions and the construction of such facilities (the "Resolution")

This gives us the green light for Ellie Vechio and two appraisers and property services to go forward with the US 59 North and Loop 494 Easements Acquisition Project.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Board approves the adoption of the proposed Resolution and authorize the use of the power of eminent domain to acquire easements, rights-of-way, and/or other property interests across, along, upon, through, and within the properties shown at the general locations and along the general route as depicted on Exhibit A attached to the Resolution necessary for the construction, installation, maintenance, repair, relocation, replacement, removal, modification, and operation of water line transmission facilities. Motion carried.

b. Association of Water Board Directors – Texas Directors 101 Workshop

Just a notice to remind the Directors if anyone wishes to attend.

c. 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

This was taken care of in Executive Session.

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

This was taken care of in Executive Session.

9. <u>General Manager's Report</u>

a. Operations Updates

i. Fleet vehicles & equipment and Daily Wells Report

ii. Well Production and Water Loss Report

iii. Personnel

Mr. Tramm asked if there were any questions on the written report. Mr. Tramm updated us on the Matrix contract. The semi-annual background and driving checks have been done. He updated the conference list for next couple of months and next year. He said that pumpage was up in July and all active wells had been exercised. The zero mileage vehicles will be removed from the list. He told us about the sample rainwater barrel that Lone Star Groundwater has for sale. Refer to the handout for more information. He indicated that we have agreed to be a distribution point for them at our offices. We have sold about 30 in the last couple of weeks. Director Bell asks about the new vehicles and that we took some out of service. The trucks were sold at auction. The 2015 truck sold for $15,200, the 2017

Ram truck sold for $9,899, and the 2020 Ford F150 sold for $15,500. The funds from the sale go back to the vehicle fund. The total for all three trucks was $40,599.

We went into Executive Session again at 9:26 pm to discuss personnel matters. All Directors, Mr. Tramm, Mr. Polley, and Ms. Valverde all stayed in the session.

We came back from Executive Session at 9:50 pm.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, authorized the General Manager to provide a one-year salary increase for District employees, as discussed in Executive Session. Motion carried.

b. Administration Building

We are waiting for drawings from the Architect and will need to have an Administrative Building Committee meeting soon.

c. Development in Summer Hills Subdivision

Nothing new at this time.

d. Approval of agreement for real estate services

This item was taken care of at an earlier part of our meeting.

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

The next Regular Meeting will be on Monday, September 28, 2026, at 7:00 pm.

11. Executive Session

Executive Sessions were taken care of at earlier parts of the meeting.

12. Director Comments

Director Bridges asked questions about seeing people possibly stealing water from a fire hydrant. Mr. Tramm said to call Mr. Wright or himself with any concerns at the time he sees suspicious activity. He said we could put locks on certain areas that may need it if there is theft occurring in those areas.

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 9:51 p.m.

PASSED and **APPROVED** this the 28th day of September 2026.

President, Board of Directors

Secretary, Board of Directors

PORTER SPECIAL UTILITY DISTRICT
MONTGOMERY COUNTY
TEXAS