

**PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
December 15, 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., on Monday, December 15, 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 (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). We also have visitors Kaaren Cambio and Cameron Chottiner both with Congressman Dan Crenshaw's office, Glen Crawford of Aurora Technical Services, and Brian Trachtenberg and Anna Phillips (Litigation Attorneys), both with McFadden Trachtenberg PLLC.

b. Invocation

Invocation led by Director Ruonavar.

c. Pledges of Allegiance

Pledges of Allegiance led by Director Bell.

2. Public Comment

- a. Commissioner Matt Gray gave us an update on the Precinct. So far, he is running unopposed for another term. He has rewritten the Development Regulations and Flood Plain Manuals. He spoke of Ford, Fostoria, Sorters and Old Houston Road projects. The road and drainage maintenance continues. There are under sixty capital projects ongoing. He has applied for over \$160 Million in grants and has been awarded over \$60 Million. He said Congressman Crenshaw has been pivotal in helping with projects like Ford Road. We have invested historical amounts in parks and recreation. There are three new parks in the Precinct. Adam Dunn and his group helped with the ballpark. The football fields and rodeo areas are growing too. He is holding his own in Conroe. We are probably the fastest growing Precinct in the County. It has been a challenge, and he has a fantastic team. Director Lyons asked if growth is slowing down and he said probably. He fought some bad Bills and was successful. He authored HB2012 to clean up the medians and keep vagrants out and walking in traffic. He keeps trying to make Montgomery County a great place to be. He wanted Commercial Developments to be platted and it failed. It would help with sister Counties too. Our new Senator to be, Mr. Ligon, will be of help. Precinct 4's health is good. We are welcome to reach out to him anytime. Director Ruonavar said that the heavy trash day was fantastic. He has also sent workers to Kerrville, and she thanked him for that as well. He appreciates the comments. Director Ashy wants to make sure he is getting the help he needs from PSUD. He indicated that he was. He thanked us and left the meeting at 7:10 pm.

- b. Kaaren Cambio and Cameron Chottiner, both with Congressman Dan Crenshaw's office stated that he acquired our area about three years ago. He advocates for Constituents for the IRS, SBA, FEMA, etc. He is currently in DC working on legislation. He wants them to talk to us about something that affects our area, about getting the \$90 Million back to MUDS, Cities and Counties, Mills Branch corridor design and detention ponds. It takes two years in a cycle to bring money home. Until this year never denied money coming home. His office can help with \$5 Million or less within a year. He is looking forward to working with Richard and his staff. He starts working on the budgeting cycle between January and March. He is meeting in February with rules regarding what kinds of projects are applicable. He has to sign that he has no private interest. Only on governmental projects. He would love to work with PSUD. He wants to work with PSUD as a team. No budget has been passed yet. Commissioner Gray is the best person for advocating for this area of the County. He likes to see funds spread around for the best use of taxpayer money. He assisted the City of Woodbranch with their new wastewater and sewer treatment plant. He wants to be our partner. Mr. Tramm looks forward to talking with the Congressman in the future. He previously worked with Mr. Tramm when he was with the SJRA.
- c. Mr. Glenn Crawford is here just to attend and view the meeting.

3. Review and Approve Minutes

- a. Minutes from the Regular Board Meeting on October 27, 2025

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the Regular Board Minutes for October 27, 2025 were approved. Motion carried.

4. Old Business

None.

5. New Business

None.

6. Financial Report

- a. Financials review – For month ending September and October, 2025

There is a December 15, 2025 email from Mrs. Pafford answering Director Denham's various questions. Mr. Tramm said the company that removed the Kardex machines did a great job. It ended up being a bit higher than the original estimate due to damage to the walls and flooring. The machines had been here since the 1970's. One did not work at all, and the other was on borrowed time.

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 September and October, 2025 were approved. Motion carried.

7. Engineering Report by Bleyl Engineering

- a. Development Projects

- i. 99 Business Center Waterline Improvements including Pay Application No. 1 to Bull G Construction

The Pay Application is for \$240,012.90 and Mr. Kelly recommends approval.

Upon motion by Director Ashy, seconded by Director Lyons after full discussion with all Directors present voting aye, the Board approved the 99 Business Center Waterline Improvements including Pay Application No. 1 in the amount of \$240,012.90 to Bull G Construction. Motion carried.

- b. Infrastructure Fee Projects

- i. N. and S. Plantation Waterline Improvements including Change Order No. 1 to reduce the contract by \$34,900 and Pay Application No. 3 to Bull G Construction for \$49,118.40

The items that were not needed are listed as a deduction and the contingency allowance that was not used. They are billing only the Retainage in January 2026. 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 N. and S. Plantation Waterline Improvements including Change Order No. 1 to reduce the contract by #34,900 and Pay Application No. 3 to Bull G Construction for \$49,118.40. Motion carried.

- ii. Old Sorters Waterline including authorizing advertisement and bidding

The plans have been approved by the County at an estimated \$700,000.

Upon motion by Director Bridges, seconded by Director Ashy after full discussion with all Directors present voting aye, the Board approved the Old Sorters Waterline including authorizing advertisement and bidding. Motion carried.

c. Capital Bond Projects

- i. Ferne Water Plant Improvements including Pay Application No. 14 to R & B Group, Inc. for \$285,522.80 and discussion liquidated damages

Estimated completion was September 1, 2025 and they still have months of work to go. They will be testing pumpage after Christmas. The pump and motor have been ordered, and they will not arrive until May or June 2026. That puts us nine to ten months of Engineering costs. There is no action necessary tonight. We should have plenty of retainage in the last pay estimate. We could do an offset off of each payment, but he really does not recommend that. We do not want to upset the Contractor. Mr. Kelly is not recommending any damages at this time.

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. 14 to R & B Group, Inc. for \$285,522.80. Motion was carried.

ii. Ferne Water Plant Entergy Easement

The service is coming into the plant pole just installed and the transformer needs easement over the area and getting into the area. The easement lists Porter Water Supply Corporation. Mr. Kelly would like to have a motion prior to the Engineer and Attorney's final review (it needs just minor changes like Certificate of Insurance). He does not anticipate any issues, just a routine part.

Upon motion by Director Bell, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the Ferne Water Plant Energy Easement. Motion carried.

d. Impact Fee Projects

i. Copeland EST Improvements including approval of Pay Application Nos. 14 & 15 to Caldwell Tanks for \$206,910.00 and \$252,714.38

Mr. Kelly recommends approval of both.

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 Nos. 14 & 15 to Caldwell Tanks Inc. for \$206,910.00 and \$252,714.38. Motion was carried.

ii. Water Well Road GST & Booster Pump Improvements including Pay Application No. 12 to R & B Group for \$28,500.00 and discussion on liquidated damages

We need to look at liquidated damages. They have already done substantial completion and are dragging their feet. There are cost overruns on the Engineering side. The liquidated damages are \$100/day and as of the beginning of December

they are at 105 days over so over \$10,500 could be due. We may come back next month to address. Mr. Kelly is not recommending any damages, just the Pay Application. The last items to invoice for are the punch list items and retainage. The items on the punch list are the repair of damage on site during construction.

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. 12 to R & B Group in the amount of \$28,500.00. Motion carried.

R & B Group only has two contracts right now.

e. One-Year Warranty

i. Maple Heights Section 3 Final Acceptance

This would be contingent acceptance. The gate valve underneath some guard rails but want to make sure it is a redundant valve. Mr. Wright and Mr. Kelly will just check it.

Upon motion by Director Bridges, seconded by Director Ashy after full discussion with all Directors present voting aye, the Board approved the final acceptance on Maple Heights Section 3. Motion carried.

Director Ruonavar asks when are we getting the map for our wall back? Mr. Kelly will work on that. They have done a lot of updates. He will get back with us hopefully in January.

8. General Counsel's Report

a. Annual review of District's Ethics Policy, amend as necessary

We will need to table because Mr. Polley wants to change some things that are in error. We will revisit next month.

b. Attorney annual hourly rate adjustments

This item needs to be on the Agenda next month to give the Directors time to review. He asked if there were any questions, and there were none.

- c. Authorize annual report filings with Texas Comptroller related to Eminent Domain and Special Purpose District Public Information Data Base

This is a report filed with the Comptroller to see if we utilized eminent domain in the last year. Mr. Polley's office files on the District's behalf.

Upon motion by Director Ashy, seconded by Director Lyons after full discussion with all Directors present voting aye, it was decided to authorize and approve the annual filings with the Texas Comptroller related to Eminent Domain and Special Purpose District Public Information Database. Motion was carried.

- d. Development Agreement with Palmetton MDR LLC for service to The Cottage Green

The Feasibility Report was approved in October. It needs a little bit more word smithing and then get over to the Developer. Mr. Polley recommends approval. He asked if there were any questions and there were none.

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the Board approved the Development Agreement with Palmetton MDR LLC for service to The Cottage Green. Motion carried.

- e. Development Agreement with 1314 Mill Property LLC for service to Plaza at FM 1314

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the Board approved the Development Agreement with 1314 Mill Property LLC for service to Plaza at FM 1314. Motion carried.

f. Water Line Easement for 20511 Old Houston Road

This Easement is being conveyed to the District for the Board's acceptance. Mr. Polley just received the title work back today. The version in the book has blanks, but the new execution version is done. He recommends approval. He asked if there were any questions and there were none.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approved the Water Line Easement for 20511 Old Houston Road. Motion carried.

g. Contract with Lancaster + Wyatt Architects for District Administration Building

We will discuss this item in the closed session after the General Manager's Report.

h. Closed session under Section 551.071, Texas Government Code regarding Touchstone Strategies-MC2, LLC vs. Porter SUD and Doug Pillow, in his Official Capacity as President of Porter SUD

We will discuss this item in the closed session after the General Manager's Report.

9. General Manager's Report

a. Operations Updates

Our Staff has made some updates and collected system data, so we are not going in blind when putting online. The Highlands development is with Caldwell Co. In January 2026 we should have an update. Lone Star College has a new training program and talked with Mr. Tramm and Mr. Wright about what we do and what we are looking for. They also had a tour. The College has sent some for interviews, and they were competitive enough to interview, but no offers were made. At least we have some interest. Director Bell asked about the Compliance Coordinator. Mr. Tramm indicated we have had someone for two months. One of

the most experienced Customer Service Clerks was promoted and is doing well in the position. She still has lots to learn but is impressing Mr. Tramm.

ii. Fleet vehicles & equipment and Daily Wells Report

After purchasing vehicles, we had about \$131,000+ as unspent or additional funds in the Budget. We sold a generator and received the final FEMA money. We are looking at two small trucks at the top of the handout. Right now, there is only one appropriate vehicle. Next year a heavy duty, but there is an option to do now. 1) approve Ranger, or 2) a Ranger and a heavy duty, but option to do now, or 3) do two small trucks. Director Ruonavar believes we should buy two Rangers plus one heavy duty. Mr. Polley says we can do it. Director Bell asks if we are looking to purchase these trucks. They are priced large to compare since we could only find one Ranger. We need the big truck to phase out one heavy duty truck (and sell the heavy-duty truck). We were going to do it in next year's Budget anyway. These amounts are for comparison only. Ford looks the best. Director Bell wants us to get work trucks to haul a trailer with a crew cab. He says we do not need any with bells and whistles. Director Lyons asked if they come pre-rigged or do they have to be modified. Mr. Tramm indicated they are not ready and we must add safety lights and District nomenclature. Director Bell wants to keep in mind that they are work trucks. The money for the lease buyouts had a cushion and we had the sale of the generator. Director Ruonavar thinks we need to buy three small trucks and keep the ones we have in the fleet and buy the big truck, and we will still be in Budget. Therefore, a total of four trucks. DO NOT LEASE THEM! Three Ford Rangers and a Ford 250 (the cheapest of the quotes). \$165,000 and we would still be under budget. We can then sell at the end of our fiscal year. Mr. Tramm said we are sharing trucks right now. We are tax exempt.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, the Board approved the purchase of the trucks. Motion carried.

iii. Well Production and Water Loss Report

iv. Personnel

1. General Manager's annual performance evaluation

We will take care of this item in closed session.

b. Rates and Fees

i. Rate Study Update

We are planning a Rates and fees meeting in January 2026. The goal is for a financial model to project for the future. Director Ashy wants to know if there will be a presentation and Mr. Tramm indicated that there would be.

ii. Paystar Fees

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

c. Update to District Retirement Plan

The goal is to get the Employees more active in the Plan. We need to change as per the page in our Book.

Upon motion by Director Ruonavar, seconded by Director Lyons after full discussion with all Directors present voting aye, the Board approved the update to the District Retirement Plan. Motion carried.

d. Administration Building Update

Mr. Wright, Mr. Tramm and Mr. Kelly had a good meeting with Slattery. He is of the opinion that Water Well Road has space. They will have another meeting in January 2026. It looks like we can progress. The other property is a valuable asset for the future. There was no action taken.

We took a break at 8:08 pm.

We were back in session at 8:13 pm.

We went into Executive Session at 8:13 pm.
We came out of Executive Session at 9:32 pm.

Upon motion by Director Ashy, seconded by Director Lyons after full discussion with all Directors present voting aye, the Board authorized McFadden Trachtenberg PLLC to send a Demand Letter to Lancaster + Wyatt Architects in preparation for a lawsuit. Motion carried.

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

The next Regular Meeting will be on Monday, January 26, 2026 at 7:00 pm.

11. Executive Session

See above.

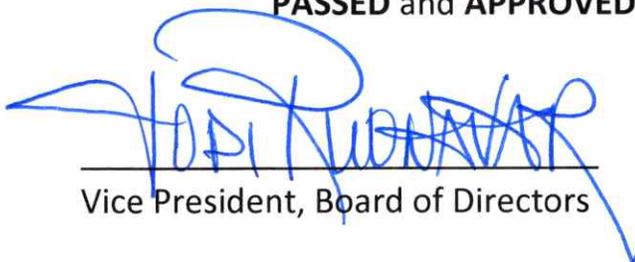
12. Director Comments

Director Bell will be attending the AWBD's Mid-Winter Conference being held in Houston. Directors Ruonavar and Lyons will be attending the Texas Groundwater Association in San Marcos.

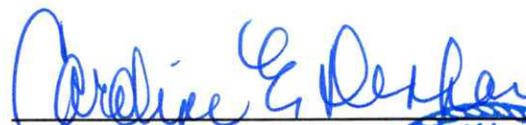
13. Adjournment

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 9:36 p.m.

PASSED and **APPROVED** this the 9th day of February, 2026.



Vice President, Board of Directors



Secretary, Board of Directors

