

PORTER SPECIAL UTILITY DISTRICT **MINUTES OF BOARD OF DIRECTORS REGULAR MEETING** **June 29, 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, June 29 2026, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code.

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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, except Director Bridges, 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. Bobby Evans (Homeowner), Mr. Jim Spigener and Mr. Greg Partain, both with Lone Star Groundwater Conservation District, and Ms. Anna Phillips (Attorney) 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

Mr. Partain introduced himself as the new Precinct 4 Director of the Lone Star Groundwater Conservation District. He has lived in Roman Forest for 13 years. He is a former member of the Roman Forest City Council. He wants to listen to us and see if he can represent PSUD in any way.

3. Review and Approve Minutes

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

b. Minutes from the Regular Board Meeting of June 1, 2026

Upon motion by Director Ruonavar, seconded by Director Lyons after full discussion with all Directors present voting aye, the Minutes from the Regular Board Meeting of April 27, 2026 and of June 1, 2026 were approved. Motion carried.

We then went to **7(b)(ii)** – Engineering Report, Infrastructure Fee Projects, Old Sorters Road Waterline including Pay Application No. 3 to Faith Utilities.

This is for our Visitor, Mr. Bobby Evans, request for service on Alexander Lane in Porter Heights. There is no service yet, but we can overrun some bid items to extend the line. The cost is \$32,660.00, plus 60 days (30 days for past rain and 30 days for new construction). Mr. Kelly recommends approval.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, Pay Application No. 3 in the amount of

\$148,012.65 and Change Order request in the amount of \$32,660.00, plus 60 days (30 days for past rain and 30 days for new construction) was approved. Motion carried.

Mr. Evans and his guest left at 7:05 pm.

4. Old Business

None.

5. New Business

None.

6. Financial Report

a. Financials review – For month ending April 2026 and May 2026

Director Ruonavar's questions were answered prior to the meeting.

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

b. Audit Update

Mrs. Pafford is collaborating with the Auditors for preliminary information. This item is a placeholder for action in the future.

7. Engineering Report

a. Development Projects

b. Infrastructure Fee Projects

i. Copeland Aerator Repairs and Disinfection

Mr. Kelly said there was a meeting held on the previous Friday at the Copeland Well site. We should be pumping next week to see what we can get for water quality.

- ii. Old Sorters WL** including Pay Application No. 3 to Faith Utilities in the amount of \$148,012.65 and Change Order No. 1 in the amount of \$32,660.00, plus 60 days (30 days for past rain and 30 days for new construction)

Mr. Kelly recommends payment. Pay Application No. 3 and Change Order No. 1 were approved earlier in the meeting.

iii. Authorize advertising and bidding of Timberlane Acres Waterline Improvements

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the advertising and bidding of Timberlane Acres Waterline Improvements was approved. Motion carried.

c. Capital Bond Projects

- i. Ferne Water Plant** including Pay Application No. 18 to R & B Group, Inc. in the amount of \$361,000.00

Mr. Kelly recommends payment.

Upon motion by Director Ruonavar, seconded by Director Denham after full discussion with all Directors present voting aye, Pay Application No. 18 to R & B Group, Inc. in the amount of \$361,000.00 was approved. Motion carried.

d. Impact Fee Projects

i. Copeland EST

Tabled as there was nothing to report this month.

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

Tabled as the documents were not readily available.

e. One-Year Warranty

Nothing at this time.

8. General Counsel's Report

a. Wholesale Water Supply Agreement with Heritage Oaks Subdivision water system

Heritage Oaks Subdivisions' source of water went down. We installed a temporary meter through a fire hydrant to serve the community. Tomorrow we will send a draft of our Wholesale Water Agreement to their staff for their review. It is in line with our other Wholesale Agreements. We are asking for approval subject to our staff's final review.

Upon motion by Director Ashy, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approves the Water Supply Agreement with Heritage Oaks Subdivision Water System subject to Porter SUD's staff's approval. Motion carried.

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

These items will be discussed later in the meeting during Executive Session.

9. General Manager's Report

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 stated he was glad we were able to respond so quickly to Heritage Oaks. It only took a few hours to work with Operations to get them temporary water on a Friday afternoon. They had been out of water for several days at that point. The water passed required tests early the next week for consumption. Our Operations Staff made this happen quickly through their hard work. Mr. Polley said that their Staff is very appreciative of our Staff's fast action. This is a permanent Wholesale Agreement.

b. Administration Building

Nothing new at this time.

c. Proposal from Matrix for billing support services

Our folding machine has a life span of three to four years, and it is over three years old. It would cost anywhere from \$10,000 up to \$20,000 to replace it. Our Billing

Manager, Financial Manager, Operations Manager and General Manager worked on several different options to see what would be most cost effective. The costliest route involves what we are currently doing. We could rent or lease a folding machine. We could save a significant amount if we did everything but fold. Matrix (or another company) could stuff and mail. In terms of actual cost savings, we could save some staff time. Where we really could save (approximately \$1,000 per month) if we were to go with a high-end quality company like Matrix. They have a bigger base and can get a better postage rate. We do not mail in volume. They would pass the savings on to us. \$280 is a monthly value of a new folding machine plus \$1,000 in postage. It would be a net decrease if we contracted this out. Our Office Manager reviewed their references. Mr. Tramm got their information from The Woodlands office Staff. They are thrilled with the service they receive. Their customers receive their bills, their Staff saves time, and they save money just on the value of the postage. We could save \$15,000 per year. For us, bill printing and disconnects happen about the same time every month. This could save eighteen Staff hours each month that could be used for other tasks. Director Ruonavar asks how many accounts do we mail bills for? We will still do emails too. Mr. Tramm stated we mail about five thousand bills a month. We could work on water accounts and assist customers. How many cash drawers do we have open at one time? Two, but we have four cash drawers' total. Director Ruonavar says two could be on the window and two could be on the phone. Other than billing time, what do the other three employees do? They will not just be sitting around doing nothing. They open new accounts, etc. Mrs. Pafford said that last week the Post Office required special material. They require cardboard boxes and strapping. Sometimes the Porter Post Office does not have any and then someone has to go to the Humble Post Office to pick some up. Then they tell us to go Downtown. We mail by permit and can only mail at the Porter Post Office. Director Ruonavar says Starnik burnt us and she wants assurance that this will not happen again. Mr. Tramm says we send in a .pdf format file and they will then print and mail the bills. We currently have approximately 7,500 accounts. The costs will increase as new accounts are added. We try to get as many customers to go paperless as we can. This company deals with such volume they are a drop-off location for the Post Office. They are located in the Dallas area. Director Bell did an analysis of this company. It is lengthy. The positives: business continuity, auto document verification, addresses, bar codes, and excellent workflow. They have an online

portal. They track production, deliveries, and messages. There is much more sophistication than an outsourcing program. They have a dedicated Project Manager, testing, etc. They have life support and a 90-day implementation time, which could drop to 60-days. Concerns: there is no cost benefit analysis. The proposal says what it does, but not why we should change. Mr. Tramm says current cost is \$6,700 per month. The Matrix cost is \$5,700 per month, which is about \$12,000 per year savings. ROI and payback period are not included in their proposal. They just gave us their cost and we compared current numbers. Their pricing is incomplete. They never estimate our cost or the annual cost. Mr. Tramm says it starts with units. \$5,000 per month. As we grow in numbers the costs continue to increase. Their governing law is New York. Why New York? Why not Texas laws and venues? What is their liability limitation? Liability is significant. There are quite a few exclusions. Legal counsel should review to make sure if is acceptable. There is an automated CPI increase. It would be annually based on CPI. Is there a cap? How much can they increase? Theoretically there is no cap but normally would be 3%. There is no measurable performance commitment. How many vendors submitted proposals? Why was this company chosen? It does not replace anything we currently have except for manual processing. Would Mr. Polley review? Would we control the data? Mr. Tramm says it is our data and it would give us an additional offsite backup. They are a strong company, said Director Bell. He would need his questions answered before he could vote. The cost of the postage would be their actual postage cost. The bottom line is the question of liability, CPI, legal and competitive bid. Mr. Tramm said we reached out to them as well as a local printing company. The printing company was even less cost effective. This item was for discussion, and we can or do not have to vote on it now. Do we have to sign a long-term contract? Mr. Tramm said it is an initial 3-year term with 12-month renewals. No oversized bills. Mr. Polley agreed to look at the Agreement and bring back comments next month. Director Ashy asked if our folding machine is currently broken down. Mr. Tramm said he hopes we can continue for a few months. If not, we can fold ourselves or get a local printer shop to do it. Our current machine has been band aided for the last couple of months. There are few suppliers in our area. Director Bell asks for measurables. Can we check on the printing areas and percentage of delivery from the Post Office? What is the maximum downtime and Portal uptime? Is there a service credit if anything above is missing? Director Bell will email Mr. Tramm and our Board Secretary a

copy of his report. Director Ruonavar says number 12 covers what she was asking about but wants Mr. Polley to review it still. There will be an update next month.

We went into Executive Session at 7:43 pm.

Mr. Spigener and Mr. Partain left the meeting at 7:46 pm.

We came out of Executive Session at 8:10 pm. There were no decisions made.

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

The next Regular Meeting will be on Monday, July 27, 2026, at 7:00 pm.

11. Executive Session

This was done earlier.

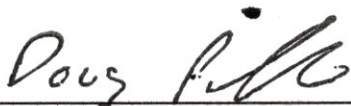
12. Director Comments

Director Ashy stated that our newly elected State Senator will be attending our meeting soon.

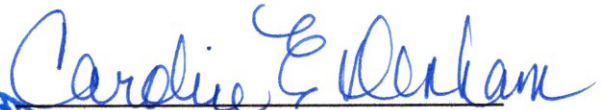
13. Adjournment

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 8:12 p.m.

PASSED and APPROVED this the 27th day of July 2026.



President, Board of Directors



Secretary, Board of Directors

