

**PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
March 30, 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, March 30, 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 Kyle Holdridge (Consultant), Monica and Boyd Creamer (Homeowners) and Alan Biddle (Homeowner).

b. **Invocation**

Invocation led by Director Ruonavar.

c. Pledges of Allegiance

Pledges of Allegiance led by Mr. Tramm.

2. Public Comment

Mrs. Creamer handed out copies of their Request for Formal Variance Submission Review Under Section 7 Cross-Connection Control Program. They are homeowners on Sandalwood Street and are asking for a variance for the backflow that would be a hazard if it was installed where it should be. They put it on their home. They can move it, but it would be in the driveway. They brought a TCEQ CSI Inspector (Mr. Kyle Holdridge of Kingwood Solutions). They have no issue with compliance, just where it is placed. Mr. Tramm informed them that we could take no action tonight, but that he has received copies of their emails. They want to know if it can be approved or denied. Mr. Tramm will help with forms and can put it on a future Agenda for the Board to take action. There is no actual process, but there needs to be one. The Board sets the regulations. Mr. Tramm gave them his business card and asked for them to follow up with him on Thursday. Our Chief Distribution Operator and a woman was at their property and they were inspecting. They told Mrs. Creamer that they were not inspecting. Their dog escaped and she had a baby and they were very unprofessional. They did not schedule the inspection as she was told. Mr. Tramm apologized for the issues and will be working with them to get this situation handled. We will not disconnect their service through the April Board meeting. They believe the information is inconsistent. Next Mr. Holdridge provided digital copies of documents he wishes to be put in the Minutes regarding the Cross-Connection Control Program. He provided PSUD's Cross-Connection Control Program. He provided a very formal presentation. He indicated that there were inconsistencies and misspellings in the document. Director Pillow asked him not to be condescending. Mr. Holdridge believes the document is not proper and asked about Mr. Wright's licensing. Mr. Polley asked him to speak and move on. He indicated that on page 16, the backflow assembly requirements discussed hazards for appropriate and inappropriate. The RPZ is very costly and is a taxing assembly. Their septic indicates what they need. He has personally passed the backflow and location. He received an email from Ms. Banuelos refusing the CSI and he believes she is not licensed and cannot refuse the approval from a licensed

person. There are several variances that he wants Mr. Wright to sign for these individuals. It was given to Mr. Polley to review. Mr. Holdridge takes this very seriously and wants to get his point across. He will be glad to help rewrite the policy and offered same to Ms. Banuelos. He wanted to know if Mr. Tramm was aware of his offer and Mr. Tramm indicated he was not. He wants to suggest that the staff solicit training from Michael Gonzales from Texas Utilities. He is most knowledgeable and we also need to have more backflow personnel on staff. He thanked us for our time.

Mr. Alan Biddle, a homeowner, also wanted to address the Board about the change of location for his backflow. He indicated it would cost between \$400 and \$500. His was made with galvanized pipe and was not accepted due to not being 18" from the meter. He said his meter is on his neighbor's property as the property is "L" shaped and it needs to be moved to East Martin and Gilbert. He does not want it stolen. He actually has several meters (12 meters to be exact). He has Duplexes on East Martin. The meter is in the ditch under a gradient. He referenced USC 10th Edition plus the International Plumbing Code. His variance is part of what Mr. Holdridge turned in. He believes it is safer where it is at. He says six of his tenants have accounts set up, but new ones moving in are having to do them. That would be six backflow preventers and difficult to test. Mr. Tramm asked Mr. Biddle to follow up with him also via email or phone call. It most likely will not be until Thursday. He also indicated that cages to put around the backflow preventors are expensive and he does not wish to purchase several.

All the visitors left the meeting at 7:28 pm.

3. Review and Approve Minutes

- a. Minutes from the Regular Board Meeting on February 9, 2026

We need to insert a space on page 7, per Director Ruonavar.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Regular Board Minutes for February 9, 2026 were approved with the minor correction. Motion carried.

4. Old Business

None.

5. New Business

- a. Consider Board approval of hotel expenses for Director Bell

Upon motion by Director Ruonavar, seconded by Director Lyons after full discussion with all Directors present voting aye, it was decided to approve Director Bell's second night of stay at the Winter Conference as the Board only approved one night initially. Motion carried.

6. Financial Report

- a. Financials review – For month ending January 2026

Director Ruonavar called Mr. Tramm earlier today and he cleared up most of her questions. On page 4, about 2/3 down the page 17009.8 the \$69,957.45 amount is for two vehicles that were substantially similar. On page 3, 16207 – payroll expense, how do we have a negative? Mrs. Pafford explained it was due to the IRS. They audit the payroll taxes and send a notice that we owe more, none or occasionally issue a refund. She is unable to resolve it due to it being the IRS. On page 5, 01/01/2026 there are two autodrafts to Principal Life Insurance, why? Mrs. Pafford said one is for what PSUD covers for dental and vision and the second is for additional life insurance the Employees pay for. They have to be processed separately. Director Bell asked about page 7, the Polley Garza/Touchstone Strategies payment for \$19K and then backed out on page 8. Mr. Polley billed separately due to not receiving it in time. It was refunded on page 8 as an overpayment refund. There was a communication error, and it was double-paid so Polley Garza paid it back. Director Ruonavar asked if the billing for our IT Company going down? Mrs. Pafford says they do amazing work and the AI and Cyber work will only be more expensive. Phishing is also getting very bad. She also asked about Amazon Capital. Mrs. Pafford said we are using them more for office supplies as they are quicker and cheaper than Staples. She said they do review pricing to make

sure we are getting the best price for the items we purchase. Director Bell asked about training for our Staff this year. Mr. Tramm said there is a monthly meeting in April for training. Are we still using "KnowB4"? Mr. Tramm said we are now using someone through our insurance. Director Ashy does not have a problem changing as we may get different information. It is important. He also asked why we are paying Mr. Polley twice and why is his office catching it? Mrs. Pafford indicated that it was just human error.

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

7. Engineering Report by Bleyl Engineering

a. Development Projects

i. 99 Business Center Waterline Improvements
Tabled.

ii. Century Concrete Office/Warehouse Waterline
Tabled.

iii. Postel Feasibility Consideration and Approval
Tabled.

iv. W. Hammond Feasibility Consideration and Approval

It is behind the Engineer's Report. It is for a 20K Retail Space on W. Hammond and 59 near the Momentum project. We need to extend the 8" waterline across their property. Due to the Entergy high-voltage power line, the extension has been routed through the site instead of going along the right of way. Mr. Kelly says they are recommending Option 1 with some minor revisions to reduce the length of the

water line based on a meeting with the Applicant. The project is estimated to cost approximately \$173,650. The Developer is responsible.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved Option 1 to reduce the length of the waterline based on a meeting with the Applicant. Motion carried.

b. Infrastructure Fee Projects

- i. Pay Application No. 1 for Copeland Aerator Repairs and Disinfection to WETS

The pay estimate was passed out tonight in the amount of \$25,920 for the initial demo and foundation construction for tanks.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Board approved the Pay Application No. 1 for Copeland Aerator repairs and disinfection to WETS. Motion carried.

Director Ashy asked about the filters and Mr. Kelly said not yet. When will we be putting water into the system? Mr. Kelly says as soon as possible. There have been some delays due to field changes. It will most likely be May before this part is complete.

- ii. Old Sorters WL

Mr. Kelly said there is a pre-construction meeting on Thursday.

c. Capital Bond Projects

- i. Ferne Water Plant

There is a continued delay. Currently at 1,500 gallons per minute. The engine blew up and is supposed to be being repaired. It is fairly specialized. It is a V-16 engine,

with 630 horsepower and it is not working. Should be repaired and installed around April 6. The water is going towards 1314. Director Bridges indicated it was going towards Mr. Ty Trout's yard. We started off on the wrong foot. We have put in a flat hose. It has been spliced several times and holds water. The ditch has held water for a while now. It is not great drainage to begin with. Everything is saturated. Director Ashy is asking if Commissioner Matt Gray can help. Director Bell wanted to know why it is not being pumped out with the trash pump we have. Mr. Kelly said the contractor has already tried. It should have provided some relief. They are supposed to be laying all new flat hose. It currently leaks and the ditch gets saturated and fills up. If we can get the correct engine, it should only be several days of pumping. Either it works or it does not and we can speak with Mr. Polley. Do we have backup if the contractor cannot perform? Mr. Polley will have to get with the Bonding Company if they are not able to do so. The TCEQ requires a 36-hour test and replace all of the flat hose. Mr. Kelly says we could reach out to the County and then the Contractor would have to move their equipment. It is on a reverse grade and has a small culvert. TXDOT did not size the culvert correctly.

d. Impact Fee Projects

i. Update on 494 and US 59 Waterline Easements

No action.

ii. Copeland EST including Pay Application No. 17 to Caldwell Tanks for \$11,812.50

Mr. Kelly recommends approval.

Upon motion by Director Bell, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 17 to Caldwell Tanks in the amount of \$11,812.50. Motion carried.

The tank is in service with substantial completion. Mr. Kelly shows the tank demolition video clip regarding Ferne Water Plant's former elevated storage tank.

- iii. Water Well Road GST and Booster Pumps

Tabled.

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

Tabled.

- e. One-Year Warranty

- i. Final Acceptance of Maple Heights Section One, Two and Offsite Waterline

We never formally accepted Sections One and Two so Mr. Kelly recommends accepting them as well as La Marketa.

- f. Final Acceptance of La Marketa WL Improvements

We are handing e(i) and f together.

Director Bell asked about the 59 crossing at Oakhurst. The Core of Engineers is now involved. It will be on their Agenda for a public meeting. Mr. Kelly was not aware.

Upon motion by Director Ruonavar, seconded by Director Denham after full discussion with all Directors present voting aye, the Board approved the acceptance of Maple Heights Sections One and Two as well as La Marketa. Motion carried.

Director Ruonavar asked about two fire hydrants at Copeland. One is black and the other has a bag over it. The black one is on a loop that we have disconnected. We have some interesting piping configurations. The other was installed as part of an offsite waterline and is not usable. Will they be removed? They will be when the EST is in full service.

8. General Counsel's Report

a. Order Declaring Surplus Property and Authorizing Sale of Surplus Property

We have several trucks and a diesel generator at Water Plant #3. These should sell at Fair Market Value. The trucks are Units 105, 107 and 111. We are transitioning these trucks out and replacing them with new ones due to mileage. The bid is open to the public and can be found on www.govdeals.com. It is a website that is used that commercial buyers know. The generator will be on this website too. Director Bell asked if there is a baseline price. Mrs. Pafford says they typically state it cannot go lower than "xyz" in the listing. The bids usually go above the minimum requirement. They only do government properties. Director Bell asked if we could use one just as a backup truck for emergencies. Mrs. Pafford said that Unit 119 is used as a flex truck. Mr. Wright can always give up his truck if needed.

Upon motion by Director Bridges, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Board approves the Order Declaring Surplus Property and Authorizes Sale of Surplus Property. Motion carried.

b. Wholesale Water Service Agreement with The Highlands

This Agreement is in our Book. It is not quite finished yet. Director Bell trusts all is in order and he has not read the entire document, but did a high level overview. There are areas that are in the PSUD boundary and others are not. We zigzag in their property. PSUD has a wholesale to specified areas of development to their MUD, but service approximately 1,100 to 1,200 connections. It is mostly residential, but there are some commercial connections. We are the only water supplier to that area at our adopted wholesale rate. The issue is related to the ability to increase rates over time. They heard we have de-annexed some areas and want some language to that affect. Mr. Polley feels they have less recourse and put limit on ability to increase rate to index to CPI or 3%, whichever is lower, but the amount of the increase compounds and rolls forward. Director Ruonavar believes we have the cheapest rates out there. They will pay Impact Fees on the

connections as well. Mr. Polley's options are: 1) not going to limit ability to increase prices; 2) agree to some sort of cap that we are comfortable with. He believes 3% is a bit low; 3) accept and be done with it; or 4) or they can figure out and let us know what they decide. Mr. Tramm says we are not giving up a lot. He believes we could throw out an alternate number, say \$1.50 - \$1.75. Historically we have not raised rates often. He does not believe those amounts put us in a bad position, unless a change in policy in the future we typically would not touch rates only once in five years. Director Bell asks if there is enough cushion to provide in the future. Costs could double for treatment, and we would be fine if only once, but it would have to be an unusual situation and one we have not seen before. Mr. Polley asks about just the CPI. Director Pillow says some verbiage depending on what the cost is then. CPI answers their concern.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, the Board approved the Wholesale Water Service Agreement for The Highlands, conditioned upon any price adjustments to the wholesale water service rate in the same amount as any increase in the CPI, and subject to Mr. Polley and Mr. Tramm's approval. Motion carried.

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

Discussed in closed session.

- d. Attorney annual hourly rate adjustments

This was mistakenly left from last month's Agenda.

e. Supplemental Agenda (see attached)

The election was uncontested and therefore not necessary. A Certificate Declaring Unopposed Status of Candidates for May 2, 2026, Election needs to be signed.

The Order Declaring Unopposed Candidates Elected to Office and Cancelling May 2, 2026, Election also needs to be signed.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the Certificate Declaring Unopposed Status of Candidates for May 2, 2026, Election and the Order Declaring Unopposed Candidates Elected to Office and Cancelling May 2, 2026, Election. Motion carried.

9. General Manager's Report

a. Operations Updates

- i. Fleet vehicles & equipment and Daily Wells Report
- ii. Well Production and Water Loss Report

All updates are on the General Managers Report that was provided tonight. We had an annual update meeting with Valley Ranch MUD and Porter MUD. See updates on today's General Managers Report. We gave a list of every address we show as active with PMUD and offered the ability to supply a list every month and be paid for the list at \$1/entry. They have not committed to it yet. We can give once and see if they want to continue at that price. It should go a long way to help with the issues. We do this but cannot force the customers to do it. Mr. Tramm will wait a few weeks and follow up with Mr. Way Curry (President of Porter MUD). Mr. Tramm will be on vacation next week. The annual AWBD Conference is in Grapevine, Texas in June.

b. Rates and Fees

i. Rate Study Update

Director Ruonavar will attend a webinar tomorrow. Mrs. Pafford and Mr. Tramm are starting to work harder on the new Budget and Rate Study. They would like some input from the Board of their preference of seeing rate increases when needed or an option of a smaller increase on an annual basis, or no preference and bring options in conjunction with Budget and tailor it. There was a general consensus to be rather smaller and ease into it. Mr. Tramm thought so too. Director Bell asked about the rate increases being smaller and maybe annual rather than larger. He is sensitive to rate increases and the Infrastructure Fee. We do not want to touch the Infrastructure Fee.

ii. Paystar Fees

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

c. Administration Building Proposal

At the back of Mr. Tramm's Report (about half-way through the AIA document is a standard form of agreement for the Architect with design. Seven percent and a set schedule. Seven percent is based on construction costs and does not know the final cost. Mr. Polley has reviewed. AIA publishes and has software that does this. After page 22, it shows some changes. Nothing jumped out at him.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board approved the Administration Building Proposal. Motion carried.

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

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

11. Executive Session

We went into Executive Session at 8:48 pm

Mr. Kelly left the meeting.
We came out of Executive Session at 8:54 pm

12. Director Comments

None at this time.

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 8:56 p.m.

PASSED and **APPROVED** this the 27th day of April 2026.



President, Board of Directors



Secretary, Board of Directors

