

**PORTER SPECIAL UTILITY DISTRICT  
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING  
October 27, 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., at 22162 Water Well Road, Porter, Texas 77365, on Monday, October 27, 2025, 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, except Director Lyons, 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).

- b. **Invocation**

Invocation led by Director Denham.

**c. Pledges of Allegiance**

Pledges of Allegiance led by Director Ashy.

**2. Public Comment**

None.

**3. Review and Approve Minutes**

- a. Minutes from the Regular Board Meeting on September 29, 2025

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Regular Board Minutes for September 29, 2025 were approved. Motion carried.

**4. Old Business**

None.

**5. New Business**

None.

**6. Financial Report**

- a. Financials review – For month ending August 31, 2025

Director Pillow asked if we needed to make an adjustment on Page 2, number 16203, and do we need to add to the budget. We were told not at this time. Director Ruonavar mentioned that PennComp was down.

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 August 31, 2025 were approved. Motion carried.

b. Approval of FY 2025 Audit Report

Mr. Tramm wants to address a couple of things on the Audit. There were some issues with the changeover of the billing system and some issues with last year's audit. Mrs. Pafford and Mr. Tramm are working on the Development Advances to close and refund, if necessary. Mrs. Phillips and Mr. Tramm are formalizing some things in writing for the billing office. Director Bridges asks if the "Draft" is what Mr. Tramm is referring to as he wants to add some comments. The Audit is neutral, consistent, and clear. There are no issues with the staff. On page 5, the middle of the page, under the Financial highlights, the first detail says the Districts total assets and change in net position (\$1.5 Million) is a positive change. On page 33, the last paragraph, Arbitrage, the \$99,258 needs to be \$92,430.69. Page 54, the Note states that Directors Lyons and Bell need to be changed to "elected" and not "appointed" and some of the terms need to be corrected. On page 55, Mr. Polley's name is spelled incorrectly, and the address is wrong. It is actually 1401 Enclave Parkway, Suite 625, Houston, TX 77077. Director Bell's questions: On page 1, the Utility Bill of the final draft #1 – are we not using the correct accounting method? There were two items, Mr. Tramm says, with the previous Auditor. We have been waiting until the end of the year to adjust, and this Auditor is requesting a different process. Over the years different Auditors may have different ways. Mr. Polley says most districts are on a cash basis. It is quite common among districts. He is also asking about page 2, number 3 money could be unaccounted for. It is due to interfund transaction reconciliations. He says he believes it is alluding to monies going to wrong accounts or going elsewhere. These are just recommendations, and Mrs. Pafford is enacting changes for some issues, said Mr. Tramm. There is no report titled "Investment Report." The Board saw this information in different ways, so we have renamed the report for clarity. There are a lot of deficiencies Mrs. Pafford says that go way back 3 to 4 years that were not corrected by prior firms. We are cleaning up account entries back to perfect so we can go through the processes to make sure they are more accurate. Mr. Tramm said Director Bell could email him and go through questions at a later date to save time since Director Bell didn't want to go through them all right now.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the FY 2025 Audit Report is approved, with corrections. Motion carried.

**7. Engineering Report by Bleyl Engineering**

a. Development Projects

i. Plaza at FM 1314 Feasibility Study Approval

It is located at 1314 and Mills Road. A 24-acre tract based on site plan. 120 equivalent stations. No apartments. A senior care facility, gas station, etc. They need fire flow. There is a 16" on 1314 and a 1-1/2" – 2" on Mills. The Developer is to do the upgrades. We need to get an easement on 1314 and put in a new waterline in that easement and Mills would be in the County right of way. Possibly running a line to the easement on the site. Mr. Kelly believes it makes sense. The original layout is on the 11" x 17" colored sheet. The lines are on the exterior of the site and a marked-up version of the site plan with a blue line. There is 1,600 lf of 8" line to be paid for by the Developer and designed and constructed by the District. It would be \$370K in Impact Fees.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, the Board authorizes the Feasibility Study for the Plaza on FM 1314. Motion carried.

i. The Cottage Green Feasibility Study Approval

It is a 35-acre parcel at Northpark and 59 by the gas station. It is for about 393 Apartment units. There are commercial tracts along the feeder road, about 400 equivalent connections. There is a 12" line on Memorial. If we connect there and we can get an easement off of Memorial, and if the Developer dedicates the easements. The timeline may not work with their schedule. Alternately we could do it on the backside by the drainage ditch. We could connect there and set the meter at the back, but we would still need a line of the feeder later for retail. They need a commitment to the easements or go to an alternate by March of next year.

Mr. Kelly estimates it would cost \$213K on the 59 side for improvements. If additional water line may cost \$54K and may become more expensive in the long run. There are no Capital Improvement costs. The estimated Impact Fees are based on the number of units for commercial meters and are estimates of \$879K as shown on pages 3 and 4. Director Bell asks about the apartment being first. Mr. Kelly said that retail is in the future.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Board authorized the Feasibility Study for Cottage Green. Motion carried.

b. Infrastructure Fee Projects

i. N. and S. Plantation Waterline Improvements

No action, just an update. We are complete with work and the final walk through is scheduled for Wednesday. There will probably be some cleanup items. The fire hydrants should work. The only complication is old hydrant someone removed and there was a leak.

c. Capital Bond Projects

i. Ferne Water Plant Improvements including Pay Application No. 13 to R & B Group, Inc. for \$673,074.80

Recommended by Mr. Kelly.

We presented a request for reduction on the retainage last month and this is why it is so high.

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. 13 to R & B Group, Inc. for \$673,074.80. Motion was carried.

d. Impact Fee Projects

- i. Copeland EST including approval of Pay Application No. 13 to Caldwell Tanks for \$474,812.10

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. 13 to Caldwell Tanks Inc. for \$474,812.10. Motion was carried.

- ii. Water Well Road GST & Booster Pump Improvements including Pay Application No. 11 for \$193,675.00

The correct amount is actually \$192,245 and includes a request for reduction of the retainage from 10% down to 5%. Mr. Kelly recommends and says this project is substantially complete. They are 65 days into their 10-day period. Director Ashy asks if this is the same vendor that is behind on the other project. Is it too much work for them? Mr. Kelly says it is just the way they operate. They are at the mercy of their subcontractors. Director Bell asks if under the current environment they are having issues with managing their projects. Is it the weather or what? Mr. Kelly says this one is due to the well driller. There are only two in the area, and we have the slower of the two. It is getting done and there should be more news to report at the next meeting.

Upon motion by Director Ruonavar, seconded by Director Ashy after full discussion with all Directors present voting aye, it was decided to approve Pay Application No. 11 to R & B Group in the amount of \$192,245. Motion carried.

- e. One-Year Warranty

- i. Maple Heights Section 3 Final Acceptance

Final inspection and working through punch list. We are tabling this until the next meeting.

## 8. General Counsel's Report

### a. Association of Water Board Directors – Texas Bylaws Election

It is a digital ballot. Director Ruonavar is the registered voting representative for our Board. They need at least one-half of the membership, plus one to make any changes. Mr. Polley and Ms. Valverde wrote the amendments for AWBD. This item is just for informational purposes.

### b. Water Line Easement and Development Agreement with Caldwell Companies for service to New Caney Independent School District

This is in the Highlands. Ms. Valverde did the draft, and Mr. Polley is looking through it. Caldwell needs a property description. Bleyl will review the plans. Mr. Polley wants this done so we can make sure it is done on time.

### c. Water Line Easement and Development Agreement with Lumicre, LLC for service to TX Warehouse 20960 Baldwin Tract

Mr. Kelly presented last month. They need a property description. We have a draft of the Developer Agreement. We can wait until the next meeting or allow Mr. Tramm to oversee. The Agreement is in the packet. Director Pillow said we can approve now and allow Mr. Tramm to finalize.

Upon motion by Director Ruonavar, seconded by Director Bell after full discussion with all Directors present voting aye, it was decided to approve the Water Line Easement and Development Agreement with Lumicre, LLC for service to TX Warehouse 20960 Baldwin Tract, with Mr. Tramm's final approval. Motion was carried.

### d. Contract with Lancaster + Wyatt Architects for District Administration Building

Mr. Polley is working on it. We will table until our next meeting.

- e. Closed session regarding pending or contemplated litigation under Section 551.071, Texas Government Code

Litigation Counsel will be at our December meeting.

## **9. General Manager's Report**

### a. Operations Updates

- i. Fleet vehicles & equipment and Daily Wells Report

Director Ruonavar is impressed with the mileage on the vehicles this time. Mr. Tramm said that it was good to hear. Our oldest vehicle has 91K miles on it. She said we just need to quit running over nails.

- ii. Water Production and Water Loss Report

No comments.

- iii. Personnel

We are short on meter technicians and are in the review process of hiring.

Mr. Tramm says since there is money left from the new fleet vehicle purchase, as well as the backhoe purchase, and since we received the final FEMA payment from the 2017 Hurricane Harvey claim, he is looking at a potential opportunity to purchase two smaller trucks. He will bring back the information and pricing, etc. at the December meeting.

### b. Rates and Fees

- i. Rate Study Update

Mr. Tramm says they have had the introductory meeting and are working on the financial model for the last three years. There will be another meeting and then they will begin working on it.

ii. Paystar Fees

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

c. Administration Building Update

There have been several conversations with the Architect, and they need to speak with Bleyl. They are going through the original project documents. They believe it can fit and work on Water Well Road or go back to the 494 location. It is still under review.

d. Christmas Bonuses

This is for the Staff. Last year they received \$350 if they were employed for more than a year and \$250 if less than a year. Mr. Tramm says at that same rate, it would be \$7K. He is proposing a \$50 increase to all and that would be a total of \$1,100 more.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, it was decided to approve the Christmas Bonuses at the same rate as last year. Motion approved.

e. Holiday Schedule

Mr. Tramm is passing around the holiday schedule. Also, we will be closed on January 1, 2026 for New Years' Day.

Director Ruonavar asked about the paperwork for our next Director's election. Mr. Polley said it would be available in January. Directors Ruonavar, Ashy, Bell and Denham are up for re-election. The Deadline is mid-February. It is usually mailed and then Directors return in the January meeting.

Sergeant Miller of the Sheriff's Department provided Director Ruonavar with the totals for the Sharing is Caring event. There was over 9K pounds of food and cleaning products donated. There were lots of coins donated and they do not have a total for the money received as of yet. There was a 10-year-old girl working circles around the adults. She wants to volunteer again next year.

Director Bell is asking about the Chamber of Commerce Luncheon on November 5. Mr. Tramm said to let him know if you are interested in going.

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

It was decided to combine the November and December meetings and have one meeting on December 15, 2025 at 7:00 pm.

11. Executive Session

None needed.

12. Director Comments

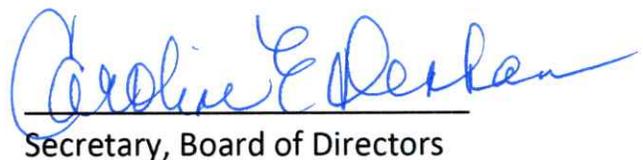
Mentioned above.

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 7:55 p.m.

**PASSED and APPROVED** this the 15th day of December, 2025.

  
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Vice President, Board of Directors

  
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Secretary, Board of Directors