PORTER SPECIAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
September 28, 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, September 28, 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 7:02 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. Brian Trachtenberg and Ms. Anna Phillips (Attorneys) with McFadden Trachtenberg PLLC, Mr. Merrill Millgrubs with BD Reality Advisors, LLC (Realtor), Mr. Gregory Partain with Lone Star Groundwater Conservation District, (LSGCD), Mr. Dave Lee, Mr. Rupert Davis, Ms. Lisa Johnson, and Ms. Mary Shriver all with Woodridge MUD (MUD).

b. Invocation

Invocation led by Director Denham.

c. Pledges of Allegiance

Pledges of Allegiance led by Director Ruonavar.

2. Public Comment

Ms. Shriver, representing Woodridge Forest Community Association, spoke to the Board about their dirty water situation. She does not feel that they should have to put filtration systems in the homes and/or reverse osmosis systems. Mr. Lee, a Director of Woodridge MUD, said that groundwater is a serious issue in the community and he would like to have a meeting with our team. He has spoken with Inframark and has been in touch with Mr. Tramm. They would like to invite us to their meeting or come back to us. Mr. Tramm will attend their meeting if requested. We have had previous meetings with Mr. Jimmy Hammock; however, they state they are still having issues. Mr. Chad Buckley with Inframark is putting inline sensors to get some additional water quality data within the Woodridge MUD distribution. Mr. Tramm believes the problems they are having are internal to Woodridge MUD and not external, as Porter SUD is not seeing these same issues with Porter SUD's retail customers in that general area. We are happy to keep the lines of communication open. Mr. Tramm stated that he would be happy to follow up if they want to reach out to him and schedule a meeting and provided them his business cards. Ms. Johnson asked if they are the only District with this type of complaint. Are other Districts complaining? Mr. Tramm responded not of which we have been made aware. Mr. Tramm also stated there are usually more issues at the end of a water line that in the middle, and that maintenance internally falls on Woodridge MUD. We are not sure how the waterline is laid out in Woodridge, which could contribute to possible issues. We have several other wholesale customers and have not had the same complaints. They are not trying to blame anyone, they know there is a cause and are happy to work with us to resolve the issue. Woodridge MUD is at the end of PSUD lines, which are the start of Woodridge MUD's lines. Porter SUD tries to have water lines that are looped and

not at a dead end. We do not know the internal structure of the Woodridge MUD water lines. Approximately one year ago we had a follow up communication with higher ups at Inframark, including discussing flushing schedules at fire hydrants which are near the end of water lines help to keep them clear. We are not sure of Inframark's maintenance schedules though. We are happy to help in any way if we need to be discussing more with them to coordinate. Director Pillow stated they should only flush hydrants with 1-1/2" to 2" open lines and not wide open. If wide open it will stir up everything in the system. Mr. Wright met with guys in Woodridge MUD previously, and they were flushing hydrants at full blast, said Director Pillow. Mr. Tramm said we had all our wells tested where we add polyphosphate to treat for water issues that cause discoloration and made some tweaks to optimize treatment. We would be happy to do so again. We can only act on things we know of, have seen, or do ourselves and appreciate when new information is passed along to us. We cannot act on anything we do not know.

All visitors except Mr. Trachtenberg and Ms. Phillips left the meeting at 7:15 pm,

We went into Executive Session at 7:15 pm.

Executive Session ended at 7:38 pm and Mr. Trachtenberg and Ms. Phillips left the meeting.

3. Review and Approve Minutes

a. Minutes from the Regular Board Meeting on August 24, 2026

Mr. Kelly recommended some corrections to be made to the minutes.

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 August 24, 2026, were approved with the requested corrections. Motion carried.

4. Old Business

None.

5. New Business

None.

6. Financial Report

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

Director Ruonavar's questions were answered prior to the meeting. Independent Bank needs to be changed to South State Bank. Director Bell asked about the AC repair on the wall unit (vertical) wiring repair.

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

b. Approve FY 2026 Audit

The dates of Directors terms and Bank references need to be changed. No Director exceeded fees of office for the year. Our net financial position changed $6 Million to the good this year. There were no issues of non-compliance with public funds laws or policies for the audit period.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the FY 2026 Audit was approved with referenced corrections. Motion carried.

c. Arbitrage Rebate Reports for the Series 2019 and 2024 Bonds

Per Mr. Polley the interim arbitrage update and rebate analysis was done. Mr. Polley explained that arbitrage rebate calculations are performed periodically and that rebate payments, if required, are generally made at five-year intervals. For the 2019 Bond we are in year 7 and there is a large negative of $458,000 and for the 2024 Bond there is a positive of $112,000. If positive arbitrage continues to

accrue, we may wind up making a rebate payment in 2029. We will see. If we have another positive next year, we may need to earmark a 2029 payment. Yield restriction could be utilized to limit future arbitrage earnings; however, such approach could reduce investment returns. No action is necessary. This was just for informational purposes.

d. Updates on 2007 Bond payoff

The 2007 Bond was paid off and we saved $109,582. Mr. Tramm and Mrs. Pafford looked at the 2019 Bond but decided we should wait a bit before paying it off due to the total amount owed at this time.

7. <u>Engineering Report</u>

a. Development Projects

i. Canterbury WL including Pay Application No. 3 to Century Concrete

The final payoff amount is $14,781.44. The punch list has been addressed. Director Ruonavar asked about landscaping. Mr. Tramm said it was a meter issue and was not this project, though this property was near this project's location.

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 $14,781.44 was approved. Motion carried.

ii. Consider Vida Porter Feasibility Study Revisions

Located on Sorters Road was originally to be for manufactured homes but has now been changed to single family housing. There will be public streets and waterline throughout the subdivision, and that the included waterlines will be dedicated back to PSUD upon completion. This is a capital improvement project. We will need a Development Agreement due to it's status as a capital improvement project. Proposed 240 lots in this development.

Upon motion by Director Ashy, seconded by Director Bell after full discussion with all Directors present voting aye, the Vida Porter Feasibility Study revisions were approved. Motion carried.

b. Infrastructure Fee Projects

i. Copeland Aerator Repairs and Disinfection including Pay Application No. 5

This should be the final for $18,749.80 with Change Order #2 for a deduction of $8,600, plus an additional 154 days of delays due to scoping, changes, and electrical issues. Mr. Kelly recommends approval of both. He wishes to run it for a while and do some more testing after continued flushing.

Upon motion by Director Ashy, seconded by Director Lyons after full discussion with all Directors present voting aye, the Pay Application No. 5 in the amount of $18,749.80 and Change Order # 2 with a deduction of $8,600, plus an additional addition of 154 days was approved. Motion carried.

ii. Old Sorters WL including Pay Application No. 6 to Faith Utilities

Tabled.

c. Capital Bond Projects

i. Ferne Water Plant

Standard Operating Procedures on Well has been approved. Working with the County on the drainage issue.

d. Impact Fee Projects

i. Copeland EST including Approval of Pay Application No. 20 and Consider Reduction in Retainage

They wish to reduce the retainage from 10% to 5%. Bleyl approves this request. The contract allows the reduction in retainage. It is 95% complete. State Law also allows. If we keep at 10%, we have to pay the Contractor interest. The payment request is for $298,201.48 including the 5% retainage.

Upon motion by Director Bridges, seconded by Director Ruonavar after full discussion with all Directors present voting aye, the Pay Application No. 20 and 5% reduction in retainage for a total of $298,201.48 were approved. Motion carried.

ii. Consider Impact Fee Advisory Committee Appointee

No information at this time.

Director Bell asked if there was any information on Alsay. They provided Standard Operating Procedures for well and have been going back and forth and they still have to provide information on tool and calculation. It is moving slowly but making progress and Alsay is cooperating. Mr. Kelly is satisfied for the moment.

e. One-Year Warranty

Nothing at this time.

8. General Counsel's Report

a. Order Regarding Annual Review of Rules, Policies, Code of Ethics and List of Authorized Brokers for the Investment of District Funds

Ms. Valverde said this is the legal term for the Investment Policy. We are required to review the investment policy annually. She recommends approval.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, the Order Regarding Annual Review of Rules, Policies, Code of Ethics and List of Authorized Brokers for the Investment of District Funds was approved. Motion carried.

b. Resolution Designating Chief Administrative Official for the Loop 494/US 59 Water Line Project

This is the Loop 494/US 59 easement acquisition project. In the event, the District must exercise its Power of Eminent Domain in connection with acquisition of the necessary easements for this project, the District is required to designate a Director as the Chief Administrative Official. Director Bell volunteered to do so. Motion needed.

Upon motion by Director Ruonavar, seconded by Director Bridges after full discussion with all Directors present voting aye, in a single record vote applicable to all units of property, designate Director Donald Bell as the Chief Administrative Official authorized to initiate condemnation proceedings on behalf of the District pursuant to the Resolution previously adopted by the Board authorizing the use of the power of eminent domain.

c. Development Agreement with RL V22, LLC

This is for 9 ½ acres of single-family homes. The first initial draft was completed and circulated to Mr. Tramm, Mr. Wright, and Mr. Kelly for review. Approval is recommended subject to their approval. This is located on Old Houston Road.

Upon motion by Director Ashy, seconded by Director Denham after full discussion with all Directors present voting aye, the Development Agreement with RL V22, LLC, is approved subject to the approval of Mr. Tramm, Mr. Wright, and Mr. Kelly. Motion carried.

d. Update on pending or contemplated litigation, including possible closed session under Section 551.071, Texas Government Code, regarding *Touchstone Strategies-MC2, LLC vs. Porter SUD*

This was taken care of in Executive Session. No action was taken by the Board upon return to open 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

Director Ruonavar asked if anything is happening with the property on Briar Tree. The agent was here assuming something would be on the Agenda, and it was not. Mr. Tramm stated it has been a long, hot year with the Water Well Report showing over 108 Million gallons of water being pumped. There is a possibility of rain later this week. The water accountability rate is a bit too high, but it is based on estimates. He is working with the Leadership Team on updating job descriptions and hoping to have these ready by the next board meeting. Director Ruonavar asks if all positions are full. Mr. Tramm indicated there is one open position and they have been interviewing but not hiring anyone until they find the right candidate.

b. Administration Building

Preliminary drawing for the Building Committee.

c. Development in Summer Hills Subdivision

District staff is monitoring the area at this time.

d. Committee meetings scheduling

Should we create a new committee for land purchase or add to existing committee? There was a general consensus to add the Briar Tree property purchase review to the Administrative Building Committee.

10. <u>Confirm or Propose Next Regular (and Special if needed) Board Meeting</u>

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

11. Executive Session

Executive Session was taken care of at earlier parts of the meeting.

12. Director Comments

Director Bridges gave an update on the East Montgomery County Fair. The Grand Champion Steer went for $21,000. There were good buyers with deep pockets. There are a lot of kids going to college thanks to this effort. The Program is fantastic. Director Bridges had been doing this for 41 years. He is the Scholarship Chairman. Director Ruonavar gave an update on the Cookoff. They are considering doing away with the Chicken Category in favor of possibly Chili or a Side due to undercooked chicken. She said the Brisket was good this year.

13. Adjournment

There being no further business to come before the Board, upon motion by Director Ashy, seconded by Director Bridges after full discussion and all Directors present voting aye, the meeting was adjourned at 8:08 p.m.

PASSED and **APPROVED** this the 26th day of October 2026.

President, Board of Directors

Secretary, Board of Directors

PORTER SPECIAL UTILITY DISTRICT MONTGOMERY COUNTY TEXAS