

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

January 27, 2015

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in regular session, open to the public, on the 27<sup>th</sup> day of January, at the Pecan Grove Country Club, Highway 359 at Plantation Drive, Richmond, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

Chad Howard	President
Ryan Yokubaitis	Vice President
Buddy Kluppel	Secretary
Randy Vance	Assistant Vice President/ Assistant Secretary
Kirk Boyd	Assistant Vice President/ Assistant Secretary

and all of the above were present.

Also present at the meeting were residents of the District listed on Exhibit A attached hereto and Grady Turner and Scott Saenger of Jones & Carter, Inc. ("J&C"); Greg Ordeneaux of Tax Tech, Inc.; Mike Ammel, Clayton Galloway and Breah Campbell of Environmental Development Partners, L.L.C. ("EDP"); Pat Naff of CDC Unlimited, LLC; Shirley McLennan of McLennan & Associates, L.P.; Sergeant Jean Gobar of Fort Bend County Sheriff's Office; Marcus Campbell of Time and Season Property Management ("Time & Season"); Ryan Niles of Arenosa Development; Trevor Royal of WCA Waste Corporation of Texas ("WCA"); and Lynne Humphries, Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Howard opened the meeting at 6:01 p.m. and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Paul Metcalf requested information regarding the District's legal action filed in Fort Bend County against the City of Richmond.

Mr. Ashmore thanked the Board for addressing District drainage issues and asked that the Board consider making drainage issues in Plantation, Sections 4 and 5 a first priority.

## CONSENT AGENDA

Director Howard offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Kluppel moved to approve all items on the consent agenda, with the exception of item f. Director Yokubaitis seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

The Board deferred action on approval of the audit for the fiscal year ending September 30, 2014 because it was not ready.

## SECURITY AND PUBLIC SAFETY MATTERS

Sgt. Gobar reported on patrol and security since the Board's last regular meeting.

Director Boyd updated the Board on the status of the fire committee's efforts to draft a fire services agreement and plan with the PGVFD Board. The Board next considered a list of approved additional services to be added to the District Master Services Agreement with VFD and Ms. Brook said the VFD Board reported to her it has approved the list. Following review and discussion, Director Yokubaitis moved to accept the additional services list and authorize ABHR to add the list as an exhibit to the District's Master Services Agreement with the VFD. The motion, which was seconded by Director Boyd, passed unanimously.

Director Vance joined the meeting at 6:07 p.m.

## DEVELOPMENT AND MAINTENANCE OF PARKS

Mr. Campbell reviewed a parks report, a copy of which is attached, and updated the Board on maintenance and repairs in District parks and reservations. Mr. Campbell discussed the condition of the backstop at Pecan Grove Park and presented an estimate/proposal to replace three backstops at the park for an estimate of \$1,400 each, including replacement of missing and damaged railing. Following review and discussion, Director Kluppel moved to approve the estimate from Texas Fence in the amount of \$4,200 for replacement of the backstops at Pecan Grove Park. Director Yokubaitis seconded the motion, which passed unanimously.

The Board also discussed adding playground mulch, requesting proposals for playground border to contain the mulch, ongoing issues with dogs off leash in District parks, spraying for ants and raising Time & Season's hourly rate/fees paid for park oversight and maintenance. Following review and discussion, the Board concurred to authorize CDC to spray for ants and requested the parks committee negotiate new rates/fees with Time & Season for submittal to the Board.

## BULLHEAD BAYOU

The Board discussed the improved water quality in Bullhead Bayou. Director Howard requested EDP follow up with Storm Water Solutions LLP regarding a reported fish kill.

## OPERATION OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report for the month of December, 2014, a copy of which is attached, and which was provided in advance to the Board.

Mr. Ammel reported the status of maintenance and repairs made during the month, including unblocking a clogged drain to relieve standing water next to Memorial Park on Plantation Drive. He also reported regarding overall water accountability and ongoing efforts to identify leaks in the system.

Mr. Ammel reported that the Fort Bend Subsidence District requires districts to provide, prior to January 31, annually a report on the total amount of groundwater produced and surface water used during the preceding year.

Ms. Humphries updated the Board on the status of negotiating contract terms and conditions with Calgon Carbon and said the parties have reached an impasse in terms of warranties and limitation of liability.

The Board discussed cleaning the north side of the elevated storage tank and Mr. Ammel said he would coordinate cleaning with the PGVFD.

Following review and discussion, Director Boyd moved to (1) approve the operations report; and (2) review and approve an annual report annually on the total amount of groundwater produced and surface water used during the preceding year and authorize EDP to file the report with the Fort Bend Subsidence District. Director Yokubaitis seconded the motion, which passed unanimously.

Mr. Ordeneaux and Mr. Naff left meeting

## TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

The Board next conducted a hearing on the termination of utility service to delinquent accounts. Mr. Ammel reported that the residents on the delinquent list included in the operator's report were mailed written notice prior to this meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board to explain, contest or correct the utility service bill, and to show reason why

utility service should not be terminated for reason of nonpayment. Director Boyd moved that, because the customers on the termination list were not present at the meeting to address the Board, and did not submit a written statement on the matter, utility service for such customers should be terminated in accordance with the District's Rate Order. Director Yokubaitis seconded the motion, which passed unanimously.

### ENGINEERING MATTERS

Mr. Turner reviewed the engineering report, a copy of which is attached, and which had been distributed to the Directors in advance of the meeting.

Mr. Turner first discussed planned improvements at the wastewater treatment plant and recommended the Board authorize J&C to add construction of an additional storage building for an estimated \$35,000.

Mr. Turner next discussed the status of design of water plant no. 2 improvements and requested authorization to advertise for bids for construction.

Mr. Turner then discussed plans for additional meters at the surface water treatment plant and requested authorization to solicit bids.

Mr. Turner next reviewed bids for the construction of water, sewer & drainage improvements at The Terrace at Pecan Grove and recommended that the Board award the contract to the lowest bidder, CNS Construction, in the amount of \$945,487.60, based on the engineers' recommendations, and because it would result in the best and most economical completion of the project. Director Kluppel moved to approve the award of the contract to the lowest bidder, CNS Construction, based upon the recommendation of J&C and subject to review and approval of payment and performance bonds and insurance. Director Yokubaitis seconded the motion, which passed unanimously.

Mr. Turner updated the Board regarding design of additional security requested at the surface water treatment plant and said J&C did not receive any proposals and recommended extending the period for accepting proposals until February 10, 2015.

Mr. Turner next reported regarding the construction of the Pecan Lakes Flood Protection System and recommended the Board approve Pay Estimate No. 18 in the amount of \$343,759.12 and Pay Estimate No. 19 in the amount of \$553,214.04, both payable to LECON, Inc. He also recommended the Board approve Change Order No. 7 in the amount of \$46,880 to include additional traffic control, dirt work for area where there is settled ground and installation of a gate between the existing fence and the new floodwall.

Mr. Turner next discussed improvements at lift station no. 2 and recommended the Board approve a Facilities Extension Agreement in the amount of \$2,745 with CenterPoint Energy to bring power to the lift station. Discussion ensued regarding cost estimates for a bypass pump station and 15 days of bypass pumping.

Ms. Miller presented a Special Warranty Deed to the District from Grand Parkway 1358, LP for a 15.379 acre detention tract for the Board's acceptance.

Following review and discussion, upon a motion by Director Kluppel and a second by Director Yokubaitis, the Board voted unanimously to (1) approve the engineer's report; (2) authorize J&C to add construction of an additional storage building for an estimated \$35,000 at the wastewater treatment plant; (3) authorize J&C to advertise for bids for water plant no. 2 improvements; (4) authorize J&C to solicit bids for additional meters at the surface water treatment plant; (5) extending the period for accepting proposals for additional security at the surface water treatment plant until February 10, 2015; (6) approve Pay Estimate No. 18 in the amount of \$343,759.12 and Pay Estimate No. 19 in the amount of \$553,214.04, both payable to LECON, Inc. for construction of the Pecan Lakes Flood Protection System and Change Order No. 7 in the amount of \$46,880 to include additional traffic control, dirt work for area where there is settled ground and installation of the gate in the fence; (7) approve a Facilities Extension Agreement in the amount of \$2,745 with CenterPoint Energy to bring power to the lift station no. 2; and (8) accept a Special Warranty Deed to the District from Grand Parkway 1358, LP for a 15.379 acre detention tract.

#### DISTRICT WEBSITE AND NEWSLETTER

There was no Board discussion for this agenda item.

#### REPORTS FROM DIRECTORS, COMMITTEES, AND DISTRICT CONSULTANTS REGARDING CORRESPONDENCE AND/OR REPORTS RECEIVED DURING THE MONTH AND EVENTS AND ACTIVITIES ATTENDED DURING THE MONTH AND ATTORNEY'S REPORT

Director Kluppel reported regarding Brazos River Authority matters.

Director Howard reported regarding the Association of Water Board Directors ("AWBD") winter conference.

Ms. Humphries discussed 2015 contract rates to host monthly Board meetings at the Pecan Grove Plantation Country Club. The Board concurred to request an agenda item on the February, 2015 regular meeting consent agenda to further consider approval of the 2015 contract rates.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO (1) SEEK ADVICE ON PENDING OR CONTEMPLATED LITIGATION, INCLUDING CONDEMNATION PROCEEDINGS, AND (2) MATTERS IN WHICH THE DUTY OF THE ATTORNEY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT CONFLICT WITH CHAPTER 551 TEXAS GOVERNMENT CODE AND SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO (1) SEEK ADVICE ON PENDING OR CONTEMPLATED LITIGATION, INCLUDING CONDEMNATION PROCEEDINGS, AND (2) MATTERS IN WHICH THE DUTY OF THE ATTORNEY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT CONFLICT WITH CHAPTER 551 TEXAS GOVERNMENT CODE

Director Howard announced the Board would convene in executive session at 6:53 p.m. to conduct a private consultation with the District's attorney to seek advice on litigation matters. J&C and ABHR consultants were also present during executive session.

RECONVENE IN OPEN SESSION AND AUHTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 7:27 p.m. Following discussion in executive session, Director Kluppel moved to proceed as discussed in executive session. Director Boyd seconded the motion, which passed unanimously.

EXECUTIVE SESSION PURSUANT TO THE SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

Director Howard announced that the Board would convene in executive session at 7:28 p.m. to conduct a private consultation to deliberate the purchase, exchange, lease, or value of real property. Ms. Humphries, Ms. Brook, Ms. Miller and Mr. Rozell were present during executive session.

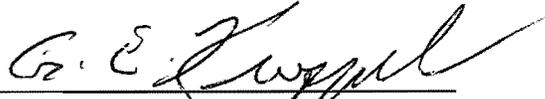
RECONVENE IN OPEN SESSION AND AUHTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 7:39 p.m. Following discussion in executive session, Director Yokubaitis moved to proceed as discussed in executive session. Director Boyd seconded the motion, which passed unanimously.

EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT  
CODE TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR  
IMPLEMENTATION, OF SECURITY PERSONNEL OR DEVICES

The Board determined no executive session was necessary.

There being no additional business to consider, the meeting was adjourned at  
7:40 p.m.

  
Secretary, Board of Directors

(SEAL)



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