

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

July 26, 2016

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in regular session, open to the public, on the 26th day of July, 2016 at the Pecan Grove Country Club, 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
G.E. "Buddy" Kluppel	Secretary
Stephen D. Crow	Assistant Secretary/ Assistant Vice President
Charles D. Bertrand	Assistant Vice President/ Assistant Secretary

and all of the above were present, except Director Kluppel, thus constituting a quorum.

Also present at the meeting were residents of the District listed on Exhibit A attached hereto; Grady Turner and Scott Saenger of Jones & Carter, Inc. ("J&C"); Kathy Cruthirds of Tax Tech, Inc.; Mike Ammel, Clayton Galloway and Breah Campbell of Environmental Development Partners, LLC ("EDP"); Trevor Royal of WCA Waste Corporation of America ("WCA"); Shirley McLennan and Jorge Diaz of McLennan & Associates, L.P. ("M&A"); Sergeant Jean Gobar of Fort Bend County Sheriff's Office ("FBSCO"); David Ciarella of Enhanced Energy Services of America, LLC; Sue Denkowski and Jennifer Easley of Pecan Grove Volunteer Fire Department ("PGVFD"); Pat Naff of CDC Unlimited, LLC; Marcus Campbell of Time and Season Property Management ("Time & Season"); and Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Howard opened the meeting at 6:00 p.m. and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Metcalf commented that garbage pickup times are irregular and reported that today's Board meeting date is not posted on the website homepage. Ms. Campbell said that the website updated too quickly before the meeting and changed the homepage to the next meeting date in the District. She said she would follow up with the website administrator to make sure the meeting dates and times stay posted until meetings are concluded.

CONSENT AGENDA

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

ITEMS REMOVED FROM CONSENT AGENDA

There was no discussion under this agenda item.

ADDITIONAL BOOKKEEPING MATTERS

Ms. McLennan also reviewed additional check no. 4435 in the amount of \$444.61 for an deposit refund. Following review and discussion, upon a motion by Director Crow and a second by Director Bertrand, the Board voted unanimously to approve the additional check.

SECURITY AND PUBLIC SAFETY MATTERS

Sergeant Gobar reported on patrol, traffic and security since the Board's last regular meeting.

ANNUAL PECAN GROVE VOLUNTEER FIRE DEPARTMENT ("PGVFD") BUDGET

Ms. Easley reported on PGVFD activity since the last meeting, updated the Board regarding fire service to Fort Bend County Municipal Utility District No. 118 ("Waterside") and discussed the PGVFD budget.

Director Bertrand updated residents regarding City of Richmond fire service fees for 2017 and the status of requesting a variance for public space use equivalencies in Pecan Lakes from the City of Richmond.

DEVELOPMENT AND MAINTENANCE OF PARKS

Mr. Campbell reviewed a parks report, a copy of which is attached, and updated the Board on park reservations, maintenance and repairs in District parks, including repair of sprinkler heads in both parks, and presented the following proposals for the Board's consideration:

1. Clear overgrown trees, shrubs and weeds around perimeter of Pecan Grove Park for a cost of \$6,945;

2. Replace the front electrical gate motors, control panel and key pads at Pecan Grove Park for a cost of \$10,852;
3. Proposal from CDC to repair/improve drainage at Memorial Park, including 300' of trenching with perforated pipe tying in to existing drainage for a cost of \$4,300; and
4. Proposal from CDC to repair golf cart path in the amount of \$4,400.

Following review and discussion, Director Crow moved to approve all proposals listed above. The motion was seconded by Director Yokubaitis and carried unanimously.

OPERATIONS OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report, a copy of which is attached, and which was provided in advance to the Board. He discussed routine repairs completed, including repair of main breaks, repairs underway and pending, investigation of water loss, and requested authorization to make the following repairs/replacements:

1. Rebuild of booster pump no. 2 pump and motor at water plant no. 3 for a cost of \$11,269; and
2. Purchase of a new backwash lift pump no. 1 for a cost of \$5,926.

Ms. Campbell reviewed 16 accounts totaling \$2,166, discussed EDP's attempts to collect upon the accounts and recommended that the Board write off the accounts as uncollectable.

The Board next considered approving an agreement with First Mobile Trust, LLC to provide alternate payment methods and enhanced utility billing for District customers.

The Board concurred to defer discussion of amendment of the operator's contract and the District Rate Order, including charges for surface water and Groundwater Reduction Plan ("GRP") fees, until the Board's special meeting on August 23, 2016.

Following review and discussion, Director Crow moved to (1) approve the operations report and the proposals recommended by EDP; (2) authorize EDP to write off 16 accounts, as presented, as uncollectable; and (3) approve an agreement with First Mobile Trust, LLC. Director Yokubaitis seconded the motion, which passed unanimously.

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 provided to the Directors 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 Crow 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 reported regarding wastewater treatment plant phase 1 improvements and recommended the Board approve Pay Application No. 8 in the amount of \$253,160.25. He also reported significant corrosion in the sludge thickener underneath the structural walkway bridge and recommended approval of Change Order No. 3 in the amount of \$13,015.92 for structural repair and recoating of the bridge, replacement of a control panel between basins, minor work to make the gate operable and a 28 day contract completion extension for the sludge thickener work.

Mr. Turner next discussed the status of construction of Lift Station No. 8 and said he expected the final pay application by the August Board meeting.

Mr. Turner next requested authorization to advertise for bids for rehabilitation of sanitary sewer line and requested that the Board review bids and award the project at the August 23, 2016 special Board meeting.

Mr. Turner updated the Board regarding Water Plant No. 1 MCC Replacement and said he anticipates the plant will be offline 30 to 45 days total and that J&C is working with EDP to avoid service disruption during peak usage months.

Mr. Turner next updated the Board regarding drainage improvements for The Grove, Sections 4 and 5 and Plantation, Sections 4 and 5 and recommended the Board approve Pay Estimate No. 9 in the amount of \$152,536.15, payable to LECON, Inc. Mr. Turner reported a fence on Windswept Drive was replaced with pine picket instead of cedar and said the contractor will replace the fence after CenterPoint Energy finishes working in the area. Director Yokubaitis requested that J&C oversee replacement of the

fence and ensure that replacement is timely. Mr. Turner said the contractor is working to complete construction on Plantation Drive before school starts. Director Yokubaitis asked that J&C instruct the contractor not to park equipment on Plantation Drive on the weekends.

Mr. Turner discussed the status of Jones Creek Slope Repairs to address issues with erosion, sand seams and boils and to stabilize the slope without working in the flow line and said J&C met with a geotechnical engineer and requested that the Board authorize a proposal for repair, design and construction estimates for an amount not to exceed \$18,000, and if borings are required, for an amount not to exceed \$25,000, as a subcontractor under J&C. Discussion ensued regarding slope failure on the west side of Jones Creek and Mr. Saenger said J&C would reach out to the landowner on the west side to discuss coordination efforts and repair.

Mr. Turner reported the status of installation of a master meter on the water interconnect line between the District and Fort Bend County Municipal Utility District No. 134C ("No. 134C") just outside the District on Timothy Lane and said No. 134C is working to address significant design modifications requested by J&C and soliciting bids for the installation.

Following review and discussion, upon a motion by Director Crow and a second by Director Bertrand, the Board voted unanimously to (1) approve the engineer's report; (2) approve the pay estimates and change orders presented and recommended by J&C; (3) authorize J&C to advertise for bids for rehabilitation of sanitary sewer; and (4) authorize a proposal for repair, design and construction estimates for Jones Creek slope repair for an amount not to exceed \$18,000, and if borings are required, for an amount not to exceed \$25,000, as a subcontractor under J&C.

DISTRICT WEBSITE AND NEWSLETTER

Director Yokubaitis updated the Board regarding the District newsletter. Discussion ensued regarding archiving of previous newsletters.

REPORTS FROM DIRECTORS, COMMITTEES, AND DISTRICT CONSULTANTS REGARDING CORRESPONDENCE AND/OR REPORTS RECEIVED DURING THE MONTH

Mr. Ciarella said he is working to structure a load reduction proposal and requested permission to access the District's usage data to structure the proposal. The Board concurred to authorize Mr. Ciarella to access the District's electricity usage data, as discussed.

ATTORNEY'S REPORT

There was no discussion for this agenda item.

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

Director Howard announced the Board would convene in executive session at 7:02 p.m. to conduct a private consultation with the District's attorney to discuss acquisition of land for drainage improvements for Plantation 7. ABHR and J&C were present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 7:33 p.m.

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

There was no executive session for this agenda item.

There being no additional business to consider, the meeting was adjourned.




Secretary, Board of Directors

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