

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

April 25, 2017

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in regular session, open to the public, on the 25th day of April, 2017 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 Crow, thus constituting a quorum.

Also present at the meeting were residents of the District listed on Exhibit A attached hereto; Scott Saenger, Grady Turner and Kaci Hicks of Jones & Carter, Inc. ("J&C"); Chief Joe Woolley and Kathy Golden of the Pecan Grove Volunteer Fire Department ("PGVFD"); Kathy Cruthirds of Tax Tech, Inc.; Breah Campbell and Clayton Galloway of Environmental Development Partners, LLC ("EDP"); Melvin Moore of WCA Waste Corporation of Texas; Jorge Diaz of McLennan & Associates, L.P. ("M&A"); Pat Naff of CDC Unlimited, LLC; Marcus Campbell of Time and Season Property Management ("Time & Season"); 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 5:30 p.m. and welcomed attendees.

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

Director Howard said that he received several inquiries from District residents regarding Fort Bend County's proposed realignment of Owens Road from FM 1464 to Harlem Road. He noted that the proposed realignment is not a District project nor within the jurisdiction of the District, but said he would coordinate an informational town hall meeting with Fort Bend County Commissioner Meyers, if possible, to discuss the proposed County project. Mr. Turner and Mr. Saenger provided additional

information and maps regarding the proposed limits of the realignment project they obtained from Fort Bend County.

COMMENTS FROM THE PUBLIC

Mr. Barrera asked when the construction site and heavy equipment behind his home on Woodlands Drive would be removed.

Ms. Hale-Erich and Mr. Birch commented regarding proposed realignment of Owens Road to intersect with Plantation Drive.

Mr. Dunlap commented regarding the construction noise near his home east of The Green on Plantation Drive and asked if the pond with water feature would be restored following completion of construction.

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 consent agenda letter f. Director Bertrand seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached, including the bookkeeper's report and the tax assessor collector's report.

GARBAGE COLLECTION

Mr. Moore commented regarding limitations on and procedures for collection of heavy waste. Mr. Moore also discussed contract renewal with the Board.

ENGINEERING MATTERS

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

Mr. Turner reported the status of construction of drainage improvements in Plantation, Section 7 and recommended the Board approve Pay Estimate No. 4 in the amount of \$358,033.21, Change Order No. 4 in the amount of \$1,404.70 for temporary relocation of a light pole and Change Order No. 5 for adjustment to the golf course contract at the request of Pecan Grove Golf, LLC (the "Golf Club") without change to the total contract amount. Mr. Turner provided an update regarding the Golf Club's construction progress and said the Club's project specifications show the pond at The Green will be restored to a lake feature. Mr. Turner also reported that the project design drains water to the main ditch near Memorial Park south of Plantation Drive.

Additional discussion ensued regarding temporary traffic control on Plantation Drive and finish grading of the swales.

Director Kluppel discussed a request from Fort Bend County Municipal Utility District Nos. 134D and 134E ("Harvest Green") for permanent potable water supply and J&C's analysis of groundwater production projections. It was noted Harvest Green is paying a percentage of operating costs and bond debt in exchange for temporary water supply and donated approximately 15 acres of land to the District for drainage use.

Mr. Turner next reported regarding wastewater treatment plant phase I improvements and recommended the Board approve Pay Estimate No. 13 and Final in the amount of \$75,067.67, payable to T&C Construction, Ltd. Mr. Turner said the contractor is contesting the backcharge for repair of lift pump no. 1 and said the District will hold the final payment pending receipt of an affidavit of bills paid from the contractor.

Mr. Turner 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. 17 and Final in the amount of \$711,957.93, payable to LECON, Inc., Change Order No. 4 in the amount of \$17,457.50 for work performed on the Smith Estate and modified storm sewer on Plantation Drive and Change Order No. 5 amending the contract substantial completion date to February 8, 2017.

Mr. Turner discussed an ongoing floodplain study by the Brazos River Authority ("BRA") and requested authorization to request the study data from BRA for review before the results of the study are published. Director Kluppel said he would contact BRA and request that the information be provided to J&C for review.

Following review and discussion, upon a motion by Director Yokubaitis and a second by Director Bertrand, the Board voted unanimously to (1) approve the engineer's report; and (2) approve the pay estimates and change orders presented and discussed above, as recommended by J&C.

Director Yokubaitis and Chief Woolley responded to Mr. Minchew's inquiry regarding the status of water supply to the PGVFD Station No. 2.

ADDITIONAL BOOKKEEPING MATTERS

There was no additional discussion for this agenda item.

SECURITY AND PUBLIC SAFETY MATTERS

Chief Woolley reported on PGVFD activity since the last meeting.

Director Howard and Mr. Ashmore discussed patrol service issues and Director Howard said he would follow up Sherriff Nehls regarding same.

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. He reported that installation of irrigation on Mason Road is final, but said the area may need additional detail mowing and he would follow up with CDC regarding detail mowing. He provided an update regarding repair of one of the aerators in Bullhead Bayou, application of herbicide in ditches and meetings with playground equipment suppliers for estimates to replace older playground equipment.

The Board next reviewed proposals for construction of an asphalt walking trail around the perimeter of Pecan Grove Park. Following review and discussion, the Board concurred to authorize Director Howard to follow up with Commissioner Meyers against requesting equipment and labor to spread asphalt materials purchased by the District.

OPERATIONS OF DISTRICT FACILITIES

Ms. Campbell reviewed the EDP operations report, a copy of which is attached, and which was provided in advance to the Board. Ms. Campbell discussed routine repairs completed.

The Board discussed the District's alarm monitoring contract with Kimmons Investigative Services, Inc. ("Kimmons") and, following discussion, concurred to request that Kimmons submit a renewal proposal to the Board at the May Board meeting.

Ms. Campbell said the City of Richmond requested permission to place a City of Richmond employee at the District's surface water treatment plant to observe and shadow the District's operator 2 to 3 days per week. The Board concurred to authorize ABHR to coordinate with the City of Richmond regarding an agreement for Board approval.

Following review and discussion, upon a motion by Director Kluppel and a second by Director Yokubaitis, the Board voted unanimously to approve the operator's report.

AMEND DISTRICT RATE ORDER AND GROUDWATER REDUCTION PLAN

The Board discussed amending the District Rate Order to increase pumpage fees charged to Ground Water Reduction Plan ("GRP") participants in the District's Rate

Order to \$1.00 to become effective October 1, 2017. Following review and discussion, Director Kluppel moved to amend the District Rate Order, as discussed. Director Yokubaitis seconded the motion, which passed unanimously. The Board approved notice to be sent to the Golf Club

COMMITTEE EVALUATION OF SURFACE WATER TREATMENT PLANT RELIABILITY

Ms. Campbell and Mr. Turner updated the Board regarding ongoing assessment of Surface Water Treatment Plant reliability.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

The Board next conducted a hearing on the termination of utility service to delinquent accounts. Ms. Campbell 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 Kluppel 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.

DISTRICT WEBSITE AND NEWSLETTER

Ms. Campbell updated the Board regarding preparation of the spring newsletter.

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

The Board discussed meeting arrangements and concurred to discontinue food service during the regular meetings with the exception of coffee and tea service.

ATTORNEY'S REPORT

There was no discussion for this agenda item.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board determined it was not necessary to convene in executive session.

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


Secretary, Board of Directors

(SEAL)



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