

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

February 24, 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 24th day of February, 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 and Deputy Jordan Kelly of Fort Bend County Sheriff's Office; Marcus Campbell of Time and Season Property Management ("Time & Season"); Trevor Royal of WCA Waste Corporation of Texas ("WCA"); Chief Joe Woolley of Pecan Grove Volunteer Fire Department; Chief Mike Youngblood and Battalion Chief Kevin Teague of City of Richmond Fire Department; and Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

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

COMMENTS FROM THE PUBLIC

Mr. Chuck Bertrand, President of the Pecan Grove Volunteer Fire Department ("PGVFD") Board of Directors, updated the Board on the status of negotiating a draft fire services agreement with the District fire committee and said the Board of the PGVFD passed a resolution affirming its desire to conclude a fire plan and fire protection service agreement with the District. The following District residents spoke in support of a fire plan and fire protection services agreement between the District and

PGVFD: Denise Davis, Valerie Bryan, Fred Davenport, Jim Ashmore, Bill Birch, Larry Danna, Kathy Golden, Fred Ross, Roberta Douglas and John Clark. The following residents also spoke in support of PGVFD, but requested that Fort Bend Municipal Utility District No. 118 be included in the proposed fire plan and fire protection service agreement: John Minchew and Paul Metcalf. As requested by Mr. Metcalf, a copy of his written comment is attached to these minutes

Mr. Conley Shepherd spoke in support of the City of Richmond Fire Department for service to Pecan Lakes residents.

Mr. Ray Stilen addressed recent social media comments regarding the position of the Pecan Lakes Homeowner's Association ("Pecan Lakes HOA") regarding the proposed fire plan and fire protection service agreement and said that any official opinion of the Pecan Lakes HOA will be delivered only by the Pecan Lakes HOA Board.

Mr. Bill Birch also thanked the District for addressing standing water in Plantation Memorial Park.

Chief Youngblood addressed concerns regarding continuation of community events currently sponsored by PGVFD. He also discussed City of Richmond Fire Department staffing, call capacity and service areas.

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 d. Director Boyd seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

FINANCIAL AND BOOKKEEPING REPORT

Ms. McLennan reviewed with the Board a reconciliation report regarding Director per diems requested by the District auditor and the Board at the February 16, 2015 special meeting and information received to support the amounts expensed. Following review and discussion, Director Kluppel moved to approve the reconciliation report. Director Boyd seconded the motion, which passed unanimously. A copy of the reconciliation report is attached to these minutes. Ms. McLennan also reported payroll clerical errors and submitted a discrepancy report which is attached to these minutes also.

SECURITY AND PUBLIC SAFETY MATTERS

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

Chief Woolley discussed VFD activity since the last meeting.

Sgt. Gobar and Deputy Kelly left the meeting.

DEVELOPMENT AND MAINTENANCE OF PARKS

Mr. Campbell reviewed a parks report, a copy of which is attached, updated the Board on maintenance and repairs in District parks, discussed reservations and requested the Board approve the following proposals:

- (1) adding border to the mulched areas in the playground area to contain the rubber mulch that CDC will add for an estimated total cost of \$4,950;
- (2) a proposal in the amount of \$8,500 from Fun Abounds to replace 3 garbage cans, add 2 picnic tables, add a dog leash hitching post and add an ADA accessible swing at Pitts Park and 2 garbage cans and 3 benches at Memorial Park; and
- (3) a proposal from CDC in the amount of \$793 for irrigation repairs in Pitts Park and Plantation Memorial Park.

Director Vance reported a water leak in Pecan Grove Park in front of the PGVFD.

Following review and discussion, Director Boyd moved to (1) approve the parks report; (2) approve a proposal from CDC in the amount of \$4,950 for border to the mulched areas in the playground area to contain the rubber mulch and addition of rubber mulch and authorize attachment of an additional exhibit to the District's Service Agreement with CDC; (3) approve a proposal in the amount of \$8,500 from Fun Abounds to replace 3 garbage cans, add 2 picnic tables, add a dog leash hitching post and add an ADA accessible swing at Pitts Park and 2 garbage cans and 3 benches at Memorial Park; (4) approve a proposal from CDC in the amount of \$793 for irrigation repairs in Pitts Park and Plantation Memorial Park; and (5) defer discussion regarding property management fee increases. Director Kluppel seconded the motion, which passed unanimously.

Mr. Campbell next discussed a request from Ms. Catherine Fieser to reserve park area for a community event on March 28, 2015 where alcohol would be served and said Ms. Fieser has offered to provide event insurance, including coverage specific for serving alcohol. Ms. Brook said the District's insurance carrier will require that the event insurance provided satisfy and meet the District's carrier's coverage requirements to properly indemnify the District. Ms. Brook mentioned the District's park rules

prohibiting alcohol. Discussion ensued regarding security concerns, including traffic and parking. Ms. Fieser said security concerns would be addressed, including monitoring of alcohol service to guard against underage or over service. She also discussed prices to be charged for food plates, including alcohol. Following review and discussion, Director Kluppel moved to approve the reservation, subject to proof of proper insurance coverage approved by the District's carrier, including proper permitting for the service of alcohol. Director Boyd seconded the motion, which passed unanimously. Director Vance reported he did not participate in the voting on this motion.

BULLHEAD BAYOU

The Board discussed the water quality in Bullhead Bayou and Director Yokubaitis noted aerators reported to Storm Water Solutions, LP for repair.

OPERATION OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report for the month of January, 2015, 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. He also reported regarding overall water accountability and ongoing efforts to identify leaks in the system.

Mr. Ammel discussed and requested approval of the following:

1. a proposal in the amount of \$3,887 from Neil Technical Services to replace a Miltronic 200 ultrasonic pump controller at lift station no. 1 and a Services Agreement;

Discussion ensued regarding attenuation of sound during lift station no. 2 bypass pumping. Mr. Ammel estimated bypass pumping equipment and installation between \$36,000 and \$40,000 and said EDP will bring estimates to the March 31, 2015 Board meeting.

Director Howard requested cleaning of the elevated tank before the next meeting.

Following review and discussion, Director Boyd to (1) approve the operations report; (2) approve a proposal in the amount of \$3,887 from Neil Technical Services to replace a Miltronic 200 ultrasonic pump controller at lift station no. 1 and a Services Agreement; and (3) defer action on proposals for fencing submitted with the operations report. Director Yokubaitis seconded the motion, which passed unanimously.

WATER SMART PROGRAM

The Board discussed historical participation in the Water Smart Partners Program sponsored by the Association of Water Board Directors and concurred to remove this annual agenda item for consideration from the District calendar.

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.

Discussion ensued regarding fencing as part of the proposed additional security equipment proposed for the surface water treatment plant and fencing contractors contacted for pricing.

Mr. Turner next reported regarding drainage improvements for Plantation 7 and requested authorization to hire Sustainable Sports Solutions as a consultant to assist with the design and site work on the Pecan Grove Country Club golf course for an amount not to exceed \$60,000, with the initial deposit of \$18,000 and the remainder to be paid when the Pecan Grove Country Club conveys an easement over the proposed drainage improvement area. Mr. Turner also requested the Board establish a subcommittee to meet with the new owners of the golf course, as needed. Director Howard appointed Directors Kluppel and Boyd as the golf course subcommittee. Discussion ensued regarding other pond/drainage improvements that will benefit from modification of golf course drainage basins, including additional swales.

Mr. Turner next discussed the status of construction of the Pecan Lakes Pump Station and recommended the Board approve Pay Estimate No. 13 and Final in the amount of \$48,050.32.

Mr. Turner next reported regarding the construction of the Pecan Lakes Flood Protection System and recommended the Board approve Change Order No. 8 in the amount of \$22,090 for additional form liners required to expedite completion of the floodwall.

Mr. Turner next discussed improvements at lift station no. 2 and recommended the Board approve Pay Estimate No. 1 in the amount of \$6,750, payable to McDonald Municipal and Industrial. Discussion ensued regarding temporary power service.

Mr. Turner next discussed the Brazos Watermaster Program administered by the Texas Commission on Environmental Quality.

Mr. Turner updated the Board regarding the status of Federal Emergency Management Agency ("FEMA") public notice for hearings to approve a final letter of map revision to remove the Pecan Lakes area from the flood plain.

Following review and discussion, upon a motion by Director Vance and a second by Director Kluppel, the Board voted unanimously to (1) approve the engineer's report; (2) approve hiring Sustainable Sports Solutions as a consultant to J&C to assist with the design and site work on the Pecan Grove Country Club golf course for an amount not to exceed \$60,000, with the initial deposit of \$18,000 and the remainder to be paid when the Pecan Grove Country Club conveys an easement over the proposed drainage improvement area; (3) approve Pay Estimate No. 13 and Final in the amount of \$48,050.32 for construction of the Pecan Lakes Pump Station; (4) approve Change Order No. 8 in the amount of \$22,090 for additional form liners required to expedite completion of the floodwall for the Pecan Lakes Flood Protection System; and (5) approve Pay Estimate No. 1 in the amount of \$6,750, payable to McDonald Municipal and Industrial for improvements at lift station no. 2.

DISTRICT WEBSITE AND NEWSLETTER

Director Yokubaitis discussed planning for the next newsletter.

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.

The Board discussed historical participation in the Greater Fort Bend Economic Development Council and concurred to remove annual consideration of funding from agenda calendar.

Ms. Brook reviewed an Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the District's bond resolutions. Following review and discussion, Director Kluppel moved to approve the Annual Report, authorize the attorney to submit the District's updated financial and operating data in compliance with the continuing disclosure provisions contained in the bond resolutions, and direct that the Annual Report be filed appropriately and retained in the District's official records. Director Vance seconded the motion, which passed unanimously.

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 7:24 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 7:39 p.m. No action was taken as a result of discussion in executive session.

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

The Board determined no executive session was necessary.

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 7:45 p.m.


Secretary, Board of Directors

(SEAL)



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