

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

April 28, 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 28<sup>th</sup> day of April, 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; 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; Mary Ann Mihills 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"); Chief Joe Woolley and Larry Perry of Pecan Grove Volunteer Fire Department ("PGVFD"); Ryan Niles of Arenosa Development; and Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

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

COMMENTS FROM THE PUBLIC

Mr. John Elder discussed services offered through Acclaim Energy Advisors.

CONSENT AGENDA

Director Yokubaitis 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 b. Director Boyd seconded the motion, which passed by unanimous vote. Director Howard was not present for the vote. Copies of all documents approved as part of the consent agenda are attached.

## ITEMS REMOVED FROM CONSENT AGENDA

The Board concurred to defer renewal of the District's insurance policies until the May meeting.

## SECURITY AND PUBLIC SAFETY MATTERS

Sgt. Gobar reported on patrol and security since the Board's last regular meeting, including possible change of patrol hours and addressing construction traffic on Timothy Lane.

Chief Woolley discussed VFD activity since the last meeting, updated the public regarding the District's proposed fire plan and application pending with the Texas Commission on Environmental Quality ("TCEQ") and reported regarding recent meetings with Fort Bend County Municipal Utility District No. 118 ("Waterside") to discuss fire protection agreements and a fire plan.

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 and discussed reservations, including use of Pecan Grove Park by Camp Gladiator, to be featured on Channel 13 tomorrow morning.

There were no items in the park report that required Board action.

## BULLHEAD BAYOU

Director Yokubaitis discussed the water quality in Bullhead Bayou and Mr. Ammel said EDP is monitoring the aerators and notifying Storm Water Solutions if the fountain motors are not running.

## OPERATION OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report for the month of March, 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, including ongoing metering issues at the surface water treatment plant and completion of the GAC exchange, notification of residents near lift station no. 2 regarding ongoing bypass pumping, sidewalk, fence and fire hydrant repairs and installation of a phone line at the Pecan Lakes pump station.

Mr. Ammel next presented and reviewed the District's Critical Load List and explained the District is required to file an updated List annually with Fort Bend County and State agencies, regardless of whether the District has made any facility or personnel changes.

Mr. Ammel next discussed a permit excursion at the wastewater treatment plant due to issues with the belt filter press and said it was a self reporting violation and no regulatory compliance is expected.

Mr. Ammel requested the Board consider an amendment to the District's Services Agreement with EDP adding a heavy crane truck and trench box to the equipment list and revising the tap fee rates to reflect the additional cost to install taps using copper tubing instead of plastic tubing.

Mr. Ammel reviewed the draft Consumer Confidence Report ("CCR") and said the CCR must be mailed to District customers by July 1. He said he also would post the final CCR on the website.

Following review and discussion, Director Boyd moved to (1) approve the operations report; (2) authorize the District operator to mail the CCR to District customers by July 1 and post a link to the CCR on the District website; (3) authorize ABHR to file the updated Critical Load List to local and State agencies; and (4) approve an amendment to EDP's contract, as discussed above. Director Kluppel seconded the motion, which passed unanimously. Director Howard was not present for the vote.

#### 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 Kluppel seconded the motion, which passed unanimously. Director Howard was not present for the vote.

## ENGINEERING MATTERS

Mr. Niles updated the Board on the development of The Terrace at Pecan Grove, including antiquities permitting issues and construction schedules. Mr. Niles presented Change Order No. 1 decreasing the overall contract amount.

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 the status of design of improvements at the wastewater treatment plant and request authorization to advertise for bids for construction of same.

Mr. Turner next reported regarding the construction of the Pecan Lakes Flood Protection System and recommended the Board approve Pay Estimate No. 21 and Final in the amount of \$442,467.83, payable to Lecon, Inc.

Mr. Turner next discussed improvements at lift station no. 2, including additional bypass pumping time required, and recommended the Board approve Pay Estimate No. 3 in the amount of \$43,974, payable to McDonald Municipal and Industrial and a change order in the amount of \$17,240 to replace wet well piping, plus an additional \$6,500 for bypass pumping.

Director Howard joined the meeting.

Mr. Turner next discussed proposed improvements for water plant no. 2 and presented contracts for signature. Mr. Turner next discussed with the Board available finishes for the water plant no. 2 perimeter fence and the Board concurred to choose a faux stone finish and authorize the purchase of additional replacement panels.

Mr. Turner then reported the District's escrow and surplus funds application was approved by the TCEQ and Ms. Mihills confirmed the escrowed funds were released and transferred to a money market account.

Mr. Turner reported the TCEQ has approved the District's bond application and issued an order authorizing sale of bonds. Ms. Brook discussed a bond sale and closing schedule prepared by Gregory Lentz, the District's financial advisor.

Following review and discussion, upon a motion by Director Kluppel and a second by Director Boyd, the Board voted unanimously to (1) approve the engineer's report; (2) authorize advertisement for bids for improvements at the wastewater treatment plant, subject to approval of plans; (3) approve Pay Estimate No. 21 and Final in the amount of \$442,467.83, payable to Lecon, Inc. for construction of the Pecan Lakes

Flood Protection System; and (4) approve Pay Estimate No. 3 in the amount of \$43,974, payable to McDonald Municipal and Industrial, a change order in the amount of \$17,240 to replace wet well piping for improvements at lift station no. 2 and \$6,500 for additional bypass pumping.

#### DISTRICT WEBSITE AND NEWSLETTER

Director Yokubaitis and Ms. Campbell 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 and Gulf Coast Water Authority matters.

Director Boyd reported regarding a meeting with the Board and consultants of Waterside.

Ms. Brook discussed Fort Bend County elections proposed Vote Center plan and Fort Bend County elections administrator, John Oldham's, recommendations for a vote center within the District boundary. Following review and discussion, the Board concurred in its preference for Bowie Middle School.

The Board discussed dates for rescheduling the May meeting due to the Memorial Day Holiday and concurred to hold its regular May meeting on June 2, 2015 at 6:00 p.m.

#### 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 7:08 p.m. to conduct a private consultation with the District's attorney to seek advice on litigation matters. J&C consultants were also present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 7:13 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

Director Howard announced the Board would convene in executive session at 7:14 p.m. to discuss security at District facilities. Mr. Ammel, Ms. Brook and Ms. Miller were also present during executive session.


RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 7:22 p.m. Following discussion in executive session, the Board concurred that no keys allowing access to the EDP in District MUD office on FM 359 should be provided to persons other than EDP personnel.

There being no additional business to consider, the meeting was adjourned at 7:23 p.m.



(SEAL)

  
Secretary, Board of Directors

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