

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

December 17, 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 17th day of December, 2015 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
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, Jaison Sanwald, Clayton Galloway and Breah Campbell of Environmental Development Partners, LLC ("EDP"); Pat Naff of CDC Unlimited, LLC ("CDC"); Trevor Royal and Felix Deleon of WCA Waste Corporation of America ("WCA"); George Diaz and Shirley McLennan of McLennan & Associates, L.P.; Sergeant Jean Gobar of Fort Bend County Sheriff's Office ("FBSCO"); Marcus Campbell of Time and Season Property Management ("Time & Season"); Chuck Bertrand, President of the Board, of the Pecan Grove Volunteer Fire Department ("PGVFD"); and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Howard opened the meeting at 10:30 a.m. and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Frank Jarrett commented regarding high water usage billed for the month of October and said he confirmed through EDP that there were no issues with his water meter and no leaks. He said usage returned to normal the following month. The Board concurred to defer discussion until the operations report.

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 item letter g. Director Yokubaitis 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

The Board discussed the District's Travel Reimbursement Guidelines with respect to the upcoming Association of Water Board Directors winter conference in Galveston. Following review and discussion, Director Kluppel made a motion that the Board authorizes a maximum of two per diems and one night hotel accommodation for conference attendees. The motion was seconded by Director Boyd and carried unanimously.

ADDITIONAL BOOKKEEPING MATTERS

Ms. McLennan presented 5 additional handwritten checks for pay estimates described and recommended in the engineering report attached to these minutes. Following review and discussion, Director Kluppel moved to approve the additional handwritten checks. Director Boyd seconded the motion, which passed unanimously.

SECURITY AND PUBLIC SAFETY MATTERS

Sergeant Gobar reported on patrol and security since the Board's last regular meeting, including discussion regarding outdoor Christmas décor vandalism, and updated the Board regarding efforts with Lamar Independent School District to address traffic flow on Pitts Road during student drop off and pick up hours.

Mr. Bertrand reported that PGVFD's annual audit is final and will be provided to the District. He also discussed recent correspondence with the developers of Harvest Green regarding fire services and a possible PGVFD station location.

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

OPERATIONS OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report for the month of November, 2015, a copy of which is attached, and which was provided in advance to the Board.

Mr. Ammel reported Mr. Jarrett's meter was replaced with a new meter between April and May, 2015, and calibrated. Mr. Ammel reviewed Mr. Jarrett's historical usage. Discussion ensued regarding the tendency of older meters to under register usage. Mr. Jarrett added that he hired a plumber who confirmed that there were no leaks on either his side of the water line or the District's side of the water line.

Mr. Ammel also reported an appeal from the customer at 1626 Plantation reporting high water usage for the months of July and August, 2015, and said a new meter was installed at the customer's request.

Mr. Ammel next reported that the previously approved chlorine dioxide feed pumps at the surface water treatment plant were not compatible with the communication system and said replacement pumps which can be modified to work with the existing communication system have been ordered through another manufacturer.

Mr. Ammel reported on the status of maintenance and repairs made during the month and discussed and recommended replacement of the chemical totes with day tanks at the surface water treatment plant for an estimated \$5,290. He said he is working on additional prices for repair of lift pump no. 1 and lift station no. 6, which is included in the operating report, but not recommended for approval at this time.

Mr. Ammel updated the Board regarding investigation and repair plans following a previous appeal from a customer regarding an improper homebuilder connection to the District's sanitary sewer manhole.

Following review and discussion, Director Boyd moved to (1) approve the operations report; and (2) approve replacement of the chemical totes with day tanks at the surface water treatment plant for an estimated \$5,290. 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 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.

Mr. Bertrand reported a sheared fire hydrant at Colonel Court and Thompson Crossing. Mr. Ammel said someone hit the fire hydrant and he would follow up regarding the status of repair of the fire hydrant.

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 reported regarding wastewater treatment plant phase 1 improvements and recommended the Board approve Change Order No. 1 in the amount of \$4,593.06 for removal and replacement of 5 additional butterfly valves. Discussion ensued regarding construction of a canopy over the chlorine cylinders. The Board concurred to defer discussion pending additional information from a structural engineer. Mr. Ammel discussed safety concerns because of the tight work area when changing cylinders and discussed moving the cylinders to a different location.

Mr. Turner next reported regarding sanitary sewer cleaning and televising near 2014 Woodland Drive and obstructions identified, repaired and cleaned, also noting required point repairs outside the initial budget performed by EDP. He recommended the Board approve Pay Estimate No. 1 in the amount of \$19,504.53, payable to Sewer Services of Texas. Mr. Turner also reported an obstruction identified in the line and said EDP will bring pricing for the point repair.

Mr. Turner next reviewed bids for the Water Plant No. 1 MCC Replacement and recommended that the Board award the contract to the lowest bidder, McDonald Electric, in the amount of \$214,469, 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, McDonald Electric, based upon the recommendation of J&C and subject to review and approval of payment and performance bonds and insurance. Director Boyd seconded the motion, which passed unanimously.

Mr. Turner discussed a proposal in the amount of \$10,950 from CFG Industries to clean and pressure wash the elevated storage tank. Mr. Turner said the contractor is also proposing an herbicide application in the amount of \$500 before pressure washing.

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. 2 in the amount of \$104,130, payable to LECON, Inc. He reported discovering an underground abandoned pipe on the Smith Estate tract and said J&C would report findings and a cost to remove the pipe at the January, 2016 meeting.

Mr. Turner updated the Board regarding repair options for an additional sinkhole downstream of the drainage channel. He said EDP made a down-payment in the amount of \$1,500 toward the relocation of the Centerpoint power pole at the large sinkhole. He did not provide an estimate but noted that EDP would be working with Mr. Pat Naff of CDC Unlimited, LLC to price the repair.

Mr. Turner reported regarding construction of the Pecan Lakes Pump Station and recommended the Board approve Pay Estimate No. 13 and Final in the amount of \$31,949.68, payable to JTR Construction.

Mr. Turner next reported regarding the progress of construction of facilities to serve The Terrace at Pecan Grove and said the contractor is addressing minor punch list items.

Mr. Turner then reported regarding water plant no. 2 improvements and recommended approval of Pay Estimate No. 5 in the amount of \$58,410, payable to WW Payton.

Mr. Turner updated the Board regarding the Johnson Development water connection and punch list to complete the project. Following discussion, the Board concurred to authorize EDP to make the final punch list repairs and back charge Johnson Development.

Mr. Turner updated the Board regarding the request from Ventana Development McCrary, Ltd. and Fort Bend County Municipal Utility District No. 143 ("No. 143") wastewater treatment capacity, which study is being funded by No. 143..

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; and (2) approve the pay estimates, change orders and proposals presented and discussed above.

DISTRICT WEBSITE AND NEWSLETTER

Director Yokubaitis updated the Board regarding upgrade of the District website, including a mobile application use.

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

Director Kluppel updated the Board regarding funding for the Brazos River Authority's Phase 2 Floodplain Protection Planning Study.

ATTORNEY'S REPORT

There was no additional 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

Director Howard announced the Board would convene in executive session at 11:45 a.m. to conduct a private consultation with the District's attorney to seek advice on litigation matters. ABHR and J&C consultants also were present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 12:07 p.m.

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.


Secretary, Board of Directors

(SEAL)



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