

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

January 29, 2013

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in regular session, open to the public, on the 29<sup>th</sup> day of January, 2013, 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
Randy Vance	Vice President
Buddy Kluppel	Secretary
Kirk Boyd	Assistant Vice President/ Assistant Secretary
John Minchew	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; Bethany Miller of Jones & Carter, Inc. ("J&C"); Greg Ordeneaux of Tax Tech, Inc.; Mike Ammel, Breah Campbell, Angelica Ross, Ben Connelly, Clayton Galloway and Doug Owen of Environmental Development Partners, L.L.C. ("EDP"); Shirley McLennan of McLennan & Associates, L.P.; Deputy Phillip Crowell and Deputy Aaron Tysinski of the Fort Bend County Constable's Office, Precinct 3 ("Precinct 3"); Jonathan Howard of Arcadis U.S., Inc. ("Arcadis"); Pat Naff of CDC Unlimited LLC ("CDC"); Chief Joe Woolley of Pecan Grove Volunteer Fire Department ("PGVFD"); 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 and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Duvall discussed electricity curtailment programs offered through the Energy Reliability Council of Texas ("ERCOT") and CenterPoint Energy and requested an agenda item at the March Board meeting to make a presentation and submit curtailment agreements for Board consideration. Following discussion, the Board concurred to place on the agenda an item for presentation and to consider curtailment agreements, but requested that Mr. Duvall provide the presentation material and contracts prior to the February Board meeting for review.

Ms. Smith responded to Director Minchew's question regarding administrative fees assessed by Fort Bend County for preparation of contracts and discussed Fort Bend County's intended response regarding application for low income housing for the elderly at 1717 FM 359. Ms. Humphries confirmed that the property has not yet been acquired by the developer making application.

Mr. Metcalf requested that the Board consider constructing a dog park. Following discussion, the Board deferred discussion to the parks committee.

Mr. Ross complained regarding the CDC maintenance mowing crew in working in Pecan Lakes.

### CONSENT AGENDA

Director Howard offered Board members the opportunity to remove items from the consent agenda for individual discussion. There being no response from any Board member, Director Vance moved to approve all items on the consent agenda. Director Boyd seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

### AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2012

The Board considered a draft of the audit for the fiscal year ended September 30, 2012 submitted by Mr. Sanderson. Following review and discussion, Director Vance moved to approve the audit, authorize the President's execution of the Texas Commission on Environmental Quality ("TCEQ") Annual Filing Affidavit, authorize the filing of the audit with the TCEQ, and direct that the audit be filed appropriately and retained in the District's official records. Director Kluppel seconded the motion, which was unanimously approved.

### SECURITY AND PUBLIC SAFETY MATTERS

Deputy Tysinski introduced Deputy Phillip Crowell and announced the reassignment of Deputy James Eleckel. Director Minchew and Deputies Tysinski and Crowell reported regarding patrol activity and security issues within the District. Director Minchew introduced Chief Joe Woolley as the new fire chief for PGVFD. Director Vance then recommended that the District consider contracting with the PGVFD to provide service to the District for an amount not to exceed \$5,000. Following discussion, Director Vance moved to authorize ABHR to prepare a Services Agreement with the PGVFD for an amount not to exceed \$5,000 for the initial service term. Director Boyd seconded the motion which passed unanimously. Mr. Ammel said that he would prepare a list of services needed.

## OPERATION OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report for the month of January, 2013, a copy of which is attached, and which was provided in advance to the Board.

Mr. Ammel discussed water accountability in the District, overall water loss and historical use and loss, including surface water amounts pumped, the status of installation of security systems and monitoring at the surface water treatment plant, including adding security cameras, the status of cleaning the intake structure at the surface water treatment plant.

Mr. Ammel also reported regarding the performance of the storm water pump station during a recent heavy rain event and said he is checking pump no. 4 for wiring issues.

He also reported the status of sidewalk repairs near Pecan Grove Elementary and said coordination with the property owners' association is ongoing for non District sections of sidewalk.

Following review and discussion, Director Kluppel moved to approve the District operator's report. The motion, which was seconded by Director Minchew, 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 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 Boyd seconded the motion, which passed unanimously.

## DISTRICT NEWSLETTER AND WEBSITE

Directors Howard and Vance reported regarding the status of publication of the quarterly newsletter.

## CONVERSION TO SURFACE WATER

Ms. B. Miller reported the status of preparation of the annual report regarding over conversion/pumpage and the Board discussed outside interest in purchasing credits from the District.

Ms. B. Miller said she would discuss the 2012 warranty for chloramines conversion of water plant nos. 1, 2 and 3 and one year inspection at the March Board meeting.

The Board discussed with Ms. B. Miller and Mr. Howard the status of completion of the surface water treatment plant, including training and addressing deficiencies, including HVAC issues, a broken ratchet reserve device, ADA compliance issues and repair of the raw water pumps. Director Howard said the surface water committee is working with Malcolm Pirnie, Arcadis and J&C to address all remaining deficiencies, including warrantable items. The Board also discussed testing hours in the contract, additional testing time needed and contracting with Tim Hawkins through EDP to conduct/oversee testing. Mr. Ammel said that he would contact the manufacturer regarding back up of the systems during testing. Mr. Ammel said that instrumentation and SCADA specialists will evaluate the plant on February 4 and 5 and that he would contact the manufacturer regarding back up of the system.

#### ENGINEERING MATTERS

Ms. B. Miller reviewed the engineer's report, a copy of which is attached, and which was provided to the directors in advance of the meeting.

Ms. B. Miller reported that discussion with Pecan Grove County Club regarding conveyance of right of way for drainage improvement projects is ongoing and that design of the drainage improvement projects is underway and coordination to acquire right of way will begin in February 2013.

Ms. B. Miller discussed meetings with Fort Bend County regarding the design of Mason Road Segment 2 and potential impact upon water plant no. 2.

Ms. B. Miller reviewed 5 bids for sanitary sewer cleaning and televising approximately 35,000 linear feet in Grove 1, Grove 2, Grove 4, Grove 5 and Plantation 4 and 5 and recommended that the Board award the contract to the low bidder, Midwest Trenchless, in the amount of \$63,934.85. After discussion, 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 low bidder, Midwest Trenchless, with Alternate No. 1, subject to review and approval of payment and performance bonds and insurance. Director Boyd seconded the motion which passed unanimously.

Ms. B. Miller also reported design of hydro-tank replacement and recoating at water plant no. 1 is almost complete and requested authorization to advertise for bids for the project.

Ms. B. Miller discussed the status of camera survey of water well no. 3.

Ms. B. Miller reported that J&C is addressing comments received from Texas Commission on Environmental Quality ("TCEQ") regarding the District's bond application and the Board concurred to authorize preparation of a Preliminary Official Statement for the District's proposed Series 2013 Bonds.

Ms. B. Miller updated the Board on the status of revising the emergency action plan ("EAP") to meet Fort Bend County standards.

Ms. B. Miller said J& C is preparing an application for a recreational trail grant and will submit same by the February 1, 2013 deadline.

Director Kluppel and Ms. B. Miller discussed the design of the proposed reclaimed water system and said the plans have been submitted to TCEQ, the City of Richmond and Fort Bend County. The Board discussed upgrading to Type 1 effluent permit.

Following discussion, Director Boyd moved to (1) approve the engineering report; (2) authorize advertisement for bids for replacement and recoating of the hydro-tank at water plant no. 1; and (3) authorize preparation of a Preliminary Official Statement for the District's Series 2013 Bonds. Director Vance seconded the motion which passed unanimously.

#### REPORTS FROM DIRECTORS, COMMITTEES, AND DISTRICT CONSULTANTS

Director Kluppel reported regarding surface water issues and meetings with the Fort Bend Flood Management Association, including a flood management seminar on June 7, 2013.

#### ATTORNEY'S REPORT

The Board discussed establishing a policy for naming District facilities. Following discussion, Director Kluppel moved to establish that no District facility shall be named after an individual person. Director Boyd seconded the motion which passed by a vote of 4 to 1 with Director Minchew voting against the motion.

The Board next discussed continued membership in the Fort Bend Flood Management Association. Following discussion, Director Boyd moved to authorize payment of annual membership dues in the amount of \$3,000. The motion, which was seconded by Director Kluppel, passed unanimously.

#### SERVICES AGREEMENTS

There was no additional discussion on this agenda item.

ADDITIONAL PARK MATTERS

Director Minchew updated the Board on discussion with the YMCA regarding service levels, including cleaning of restrooms in the park and event bookings. He also updated the Board on services previously authorized and underway through Turnkey Painting Plus ("Turnkey") and CDC. The Board also reviewed a subcontractor proposal through EDP for park management and scheduling through Time and Season and a proposal for additional work by Turnkey.

Following discussion, Director Boyd moved to (1) terminate the District's agreement with the YMCA effective February 1, 2013; (2) approve a proposal by CDC for additional recreational mulch and sand; (3) approve the proposal submitted by EDP's contractor, Time and Season, for parks management and scheduling; and (4) approve a proposal for additional work submitted by Turnkey. The motion, which was seconded by Director Kluppel, passed unanimously. The Board concurred to add the new contractor information to the District website.

EXECUTIVE SESSIONS PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION, OF SECURITY PERSONNEL OR DEVICES, SECTION 551.072, TEXAS GOVERNMENT CODE TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY AND SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, INCLUDING CONDEMNATION PROCEEDING AND ACTIONS RELATED TO FACILITY CONSTRUCTION

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

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

(SEAL)



  
Secretary, Board of Directors

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