

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

February 11, 2014

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in regular session, open to the public, on the 11<sup>th</sup> 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:

Randy Vance	President
Kirk Boyd	Vice President
Buddy Kluppel	Secretary
John Minchew	Assistant Secretary
Chad Howard	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, Grady Turner, Clayton Black and Scott Saenger of Jones & Carter, Inc. ("J&C"); Greg Ordeneaux of Tax Tech, Inc.; Mike Ammel, Deano Wright, Clayton Galloway and Breah Campbell of Environmental Development Partners, L.L.C. ("EDP"); Shirley McLennan of McLennan & Associates, L.P.; Chief Joe Woolley of Pecan Grove Volunteer Fire Department ("PGVFD"); Jonathan Howard of Arcadis U.S., Inc. ("Arcadis"); Marcus Campbell of Time & Season; Kevin Atkinson of Texas Pride Disposal; Sergeant Jean Gobar and Deputy Cardenas of the Fort Bend County Sheriff's Department; Greg Lentz of First Southwest Company; Greg Cox of Sandersen Knox & Co., LLP; Shay Shafie, Doug Goff and Larry Johnson of Johnson Development Corp ("Johnson"); Kevin Atkinson of Texas Pride Disposal; Pat Naff of CDC Unlimited, LLC; and Lynne Humphries, Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Vance opened the meeting at 5:00 p.m., and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Paul Metcalf discussed with the Board a meeting on January 21, 2014 between the Pecan Grove Property Owner's Association ("POA") and Fort Bend County Commissioner Andy Meyers to discuss traffic on Plantation Drive. Mr. Metcalf requested additional traffic patrol on Plantation Drive during peak traffic hours. Mr. Metcalf also requested that the Board initiate Phase 1 of proposed drainage improvements. Mr. Metcalf requested that his written questions, which are attached to these minutes, be entered into the record.

Mr. Ric Walters encouraged the Board to support the PGVFD.

## JOHNSON DEVELOPMENT PROJECT

Ms. Humphries introduced Mr. Johnson, Mr. Shafie and Mr. Goff. Mr. Shafie discussed a proposed/planned Johnson development east of the District. Mr. Shafie reviewed the current land plan and requested the Board consider an agreement to provide interim water supply during construction. Mr. Shafie said Johnson has an interest in providing land for detention as part of the District's ongoing drainage projects. There was additional inquiry and discussion regarding dedication of school sites and fire stations. Following discussion, the Board concurred to refer further discussion to a committee of Directors Howard and Boyd with Director Vance as an alternate to Director Boyd.

## SECURITY AND PUBLIC SAFETY MATTERS

Sgt. Gobar discussed with the Board 911 calls from Timothy Lane and how calls fall from the cell tower. The Board also commented Deputy Cardenas for his role in a significant drug arrest.

Mr. Fred Ross and Deputy Cardenas discussed parking in school zones on Plantation Drive and Bittersweet during school hours.

Chief Woolley discussed PGVFD activity since the December, 2013 meeting. Chief Woolley requested funding assistance to expand services by adding two additional duty crew members to staff and to increase hourly pay from \$13 to \$15. Chief Woolley said the PGVFD Board requested the Board consider funding PGVFD \$15,000 through committed sales tax collected from the City of Richmond. Discussion ensued regarding budget deficits for the current fiscal year and participation percentages for voluntary donations to PGVFD. Ms. Humphries discussed permitted uses of sales tax collected pursuant to a Strategic Partnership Agreement with the City of Richmond. Chief Woolley discussed current programs and said PGVFD has sufficient funds for current operation and programs. Following review and discussion, Director Vance moved to table all further discussion regarding funding the PGVFD, including discussion of a fire plan. Director Kluppel seconded the motion, which passed unanimously.

## CONSENT AGENDA

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

## REPORT ON GARBAGE COLLECTION AND RECYCLING SERVICES

Director Vance discussed ongoing collection route issues, including missed collections. Following review and discussion, Director Vance requested that an item be placed on the February

regular meeting agenda to consider termination of the District's current waste collection provider and consider proposals for a new service provider.

### PARK MATTERS

Mr. Campbell reported regarding installation of equipment and reservations. Director Vance requested that all park matters be moved to the consent agenda beginning with the February regular meeting agenda. Director Minchew requested Mr. Campbell provide security patrol with clickers to access parks instead of codes.

### OPERATION OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report for the month of January, 2014, 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 of January, 2014, main break, leak and service line repairs ongoing, customer service issues responded to during the month of January, 2014 and regulatory compliance issues.

Mr. Ammel discussed the status of auto dialers at lift stations 2 and 4 and presented an estimate from NTS in the amount of \$7,350 to replace both.

Mr. Ammel discussed a request from the District customer at 1902 Richmond Bend Court to repair a sidewalk and driveway around a storm sewer inlet. Mr. Ammel estimated repair at \$4,550 and said EDP investigated and determined there is no infiltration. Director Howard requested that repair of the sidewalk and driveway be change ordered into the drainage projects planned in The Grove, Sections 4 and 5.

The Board next considered a request from the District customer at 2902 Greens Ferry Court for refund of plumber's fees incurred to investigate unexplained high usage. Mr. Ammel said EDP investigated and confirmed there is still usage going through the meter. Following review and discussion, Director Kluppel moved to reimburse the customer \$180 in plumbing fees. Director Boyd seconded the motion, which passed by a vote of 3 to 1 with Director Vance abstaining from voting and Director Howard voting against the motion.

Mr. Ammel and Mr. Galloway reported ongoing master meter accuracy issues at the surface water treatment plant.

Following review and discussion, Director Boyd moved to approve the operations report. Director Kluppel 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 Vance seconded the motion, which passed unanimously.

Director Minchew left the meeting.

#### CONVERSION TO SURFACE WATER

Mr. Howard reported as built surveys and final record drawings have been provided to ABHR. He also updated the Board on the status of completion of membrane acceptance testing. Mr. Galloway and Ms. Campbell responded to a report of harshness of water quality and said EDP will investigate. Mr. Howard presented and recommended the Board approve Pay Estimate No. 25 and Final in the amount of \$131,079.22.

#### ENGINEERING MATTERS

Ms. B. Miller reviewed with the Board an engineering report, a copy of which is attached.

Mr. B. Miller next presented contracts for inlet replacements and improvements for signature.

Ms. B. Miller next discussed the status of construction of the Pecan Lakes Flood Protection System, and recommended the Board approve Pay Estimate no. 7 in the amount of \$133,165.08, payable to LECON, Inc.

Ms. B. Miller next reported the status of construction of the Pecan Lakes Pump Station and recommended the Board approve Pay Estimate No. 5 in the amount of \$236,735.28, payable to JTR Constructors, Inc. and Change Order No. 1 in the amount of \$1,196 for relocation of electrical conduit and lighting.

Ms. B. Miller next discussed ongoing site work with regard to Water Plant No. 1 Hydro-Tank Replacement and Recoating and recommended the Board approve Pay Estimate No. 6 in the amount of \$133,206.75, payable to Nunn Constructors, Ltd. and Change Order No. 2 in the amount of \$475 for repair of the probe holder on ground storage tank no. 1.

Ms. B. Miller reported she and Directors Howard and Kluppel met with the City of Sugarland to discuss the installation of a raw water monitoring station at the District wastewater treatment plant site to monitor water quality discharged into Oyster Creek. Director Kluppel said the City of Sugarland will draft and forward an interlocal agreement for consideration.

Following review and discussion, Director Kluppel moved to (1) approve the engineering report; and (2) approve all pay estimates and change orders discussed above. The motion, which was seconded by Director Howard, passed unanimously.

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

Director Kluppel discussed pending finalization of flood maps by the Federal Emergency Management Association, a National Association of Flood and Stormwater Management Agencies ("NAFSMA") seminar on February 21, 2014 and an invitation to meet with the Gulf Coast Water Authority ("GCWA") on February 19, 2014. Following review and discussion, the Board agreed that Director Kluppel attend the NAFSMA conference and that Directors Kluppel and Boyd attend the meeting with GCWA.

ATTORNEY'S REPORT

Ms. Humphries reported that districts that have issued or will issue tax-exempt bonds must comply with certain post-issuance compliance requirements (the "Requirements") contained in Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder. She reported on the District's compliance activities during the prior calendar year related to bond financings and said no action is required at this time.

2014 DIRECTORS ELECTION

Ms. Humphries said Section 31.122 of the Texas Election Code (the "Code") requires the Secretary of the elected Board of Directors to keep his office open for election duties for at least three hours each day, during regular office hours, on regular business days during the period beginning not later than the 50th day before the election and ending not earlier than the 40th day after the election. Ms. Humphries noted that the law was amended to allow an agent of the District to serve as the District's agent for election purposes. Following review and discussion, Director Boyd moved to adopt a Resolution Designating an Agent of the Secretary of the Board and to appoint Jane H. Miller as the agent of the Board and to authorize posting of Notice of same at Harris County and in the District. Director Howard seconded the motion, which passed unanimously.

Ms. Humphries said that the Notice of Candidate Filing Period will be posted in the District and recommended that the Board authorize posting of same on the District website. The Board concurred to post the notice on the District website and in the District.

The Board next considered approving a Joint Election Agreement and Contract for Election Services with Fort Bend County. Following review and discussion, upon a motion by Director Boyd and a second by Director Howard, the Board voted unanimously to authorize signature upon a Joint Election Agreement and Contract for Election Services with Fort Bend County, if needed.

The Board took no action regarding pay of election officials or exemption from voting machines.

CONVENE IN EXECUTIVE SESSION PURSUANT TO THE SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES

Director Vance announced that the Board would convene in executive session at 6:48 p.m. to deliberate the deployment or specific occasions for implementation of security personnel or devices.

RECONVENE IN OPEN SESSION AND AUHTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 6:59 p.m. Following review and discussion in executive session, Director Kluppel moved to authorize the District engineer to work with Kimmons Investigative Services, Inc. to prepare plans and specifications, as discussed in executive session. Director Boyd seconded the motion, which passed unanimously.

CONVENE IN 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

At 7:01 p.m., Director Vance announced that the Board would convene in executive session to conduct a private consultation with its attorney to discuss pending or contemplated litigation including condemnation proceedings.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 7:45 p.m. the Board reconvened in open session.

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

Director Vance announced that the Board would convene in executive session at 7:46 p.m. to deliberate the purchase, exchange, lease, or value of real property.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 8:02 p.m. the Board reconvened in open session.

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

  
Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
engineer's report .....	2
operator's report .....	2
tax assessor/collector report .....	2
EDP operations report for January, 2014.....	3
termination list .....	4