

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

April 29, 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 29th 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:

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 and Scott Saenger of Jones & Carter, Inc. ("J&C"); Greg Ordeneaux of Tax Tech, Inc.; Mike Ammel, Clayton Galloway and Brea 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"); Marcus Campbell of Time and Season Property Management ("Time & Season"); Sergeant Jean Gobar, Deputy Gilbert and Deputy Gabriel Cardenas of Fort Bend County Sherriff's Department; Pat Naff of CDC Unlimited, LLC ("CDC"); and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT AND PRESENTATION TO DEPUTY CARDENAS

Director Vance opened the meeting at 6:04 p.m., welcomed attendees and made a presentation to Deputy Cardenas for outstanding service to the District.

COMMENTS FROM THE PUBLIC

Mr. Paul Metcalf requested the Board consider using savings achieved by renewal of the District garbage contract for additional traffic patrol on Plantation Drive during peak school traffic hours. He also thanked J&C for posting of project status on the Pecan Lakes levee on the District website, but requested additional progress information and provided the Board with an example, which is attached to these minutes. Mr. Paul Metcalf also noted that the Pecan Grove Property Owner's Association must install wheel chair ramps on the corner of Bittersweet Drive and the levee at Plantation Drive and said the estimated cost is \$500 per ramp if the District could consider this cost.

Mr. Todd Arnold requested information regarding how to have a tree removed from an adjacent property leaning over his house.

Mr. Lee Dorger commended the contractor's work on the Pecan Lakes levee. He discussed the status of insurance company and mortgage company response to new Federal Emergency Management Association ("FEMA") mapping provisions and requested the Board provide to the Pecan Lakes residents proof of levee construction progress on the District website for residents to download and provide to their insurance providers.

The Severovich family presented a deed restriction complaint package.

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 Kluppel moved to approve all items on the consent agenda with the exception of items b and e. Director Boyd seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

Mr. Campbell discussed park maintenance, repairs and reservations and general issues regarding condition of park facilities following use by organized groups. Following discussion, Director Minchew moved to authorize Time & Season to make necessary repairs between meetings without waiting for the Board meeting, up to \$1,000. Director Howard seconded the motion, which passed unanimously.

SECURITY AND PUBLIC SAFETY MATTERS

Sergeant Gobar introduced Deputy Gilbert as Deputy Cardenas replacement and then reported patrol and security issues occurring since the Board's last regular meeting. Discussion ensued regarding District rules and restrictions regarding consumption of alcohol in District parks. Additional discussion ensued regarding the operation of golf carts anywhere other than designated golf courses and golf paths.

Sergeant Gobar and Deputy Gilbert left the meeting.

Chief Woolley discussed PGVFD activity since the March 26, 2014 meeting, the progress of fire hydrant painting and sponsored community events.

Chief Woolley left the meeting.

REPORT ON GARBAGE COLLECTION AND RECYCLING SERVICES

The Board reviewed the March customer call log provided by WCA Waste Corporation of Texas ("WCA").

The Board next considered an amendment to District's contract with WCA reducing the District's price per connection to \$11.34, effective May 1, 2014. Following review and discussion, Director Boyd moved to approve the amendment to WCA's contract, subject to final review of insurance certificates to confirm that WCA maintains insurance coverage required by the District. Director Howard seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report for the month of April, 2014, a copy of which is attached, and which was provided in advance to the Board.

Mr. Ammel first reported that some fuel suppliers now require a district to apply for a "Dyed Diesel Fuel End User Signed Statement Number" from the Comptroller's office before the supplier will deliver fuel for the district's generator or other equipment/uses.

Mr. Ammel next updated the Board on rehabilitation underway at water plant no. 1 and discussed an estimate to replace both solar bees for \$14,000. Mr. Ammel mentioned that Moody Brothers is an authorized local dealer and may offer a better price. Following review and discussion, Director Kluppel moved to authorize the District operator to solicit an additional estimate and accept a lower, comparable estimate for a total not to exceed \$14,000. Director Boyd seconded the motion, which passed unanimously.

Mr. Ammel requested authorization to remove, repair and replace booster pump no. 4 at water plant no. 3 for \$5,028. Following review and discussion, upon a motion by Director Kluppel and a second by Director Minchew, the Board voted unanimously to authorize removal, repair and replacement of booster pump no. 4 at water plant no. 3 for a cost not to exceed \$5,028.

Mr. Ammel next presented a proposal from Cummins Southern Plains in the amount of \$19,934 to service generators at District facilities, including portables. Following review and discussion, and upon the recommendation of J&C, Director Kluppel moved to approve the proposal. Director Boyd seconded the motion, which passed unanimously.

Mr. Ammel next updated the Board regarding draft of response to a Notice of Violation from the Texas Commission on Environmental Quality ("TCEQ") following a compliance investigation at 1627 Pitts Road. Mr. Ammel confirmed EDP will meet the June 25, 2014 response deadline.

Mr. Ammel reported the status of maintenance and repairs made during the month of March, 2014 and reported regarding the status of sidewalk repairs affecting District facilities and inspection of underground conduit under Plantation Drive, outfalls and drainage ditches for leaks.

Ms. Humphries noted that Governor Perry's recent proclamation extending the statewide drought emergency for Fort Bend County is still in effect and requires EDP to implement billing statement language used in the previous statewide proclamations.

Following review and discussion, Director Howard moved to approve the operations report. Director Boyd 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 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.

IDENTITY THEFT PROGRAM

Mr. Ammel distributed and reviewed an annual report on the District's Identity Theft Prevention Program ("Program") reflecting the effectiveness of the Program in addressing Identity Theft risk. He noted that EDP is required to prepare an annual report as Program Administrator. Mr. Ammel stated that the annual report indicates no significant incidents of Identity Theft detection and recommends no changes to the Program at this time.

CONVERSION TO SURFACE WATER

Mr. Kluppel reported the Gulf Coast Water Authority ("GCWA") requested a meeting to discuss a new water supply agreement. Discussion ensued regarding the necessity of such an agreement since the District already has an agreement and the District's water is backed by a reservoir water commitment. Following discussion, Director Boyd moved to authorize Director Kluppel to notify the GCWA that the District does not need a new water supply agreement. Director Minchew seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

Ms. B. Miller next discussed the status of construction of the Pecan Lakes Flood Protection System, and recommended the Board approve Pay Estimate no. 10 in the amount of \$676,969.42, payable to LECON, Inc. and Change Order No. 3 in the amount of \$7,880 for installation of recycled crushed concrete bull rock in the void between sheet piles. Following review and discussion, and based upon the engineer's recommendation, Director Kluppel moved to approve the pay estimate and change order as presented. The motion was seconded by Director Boyd and passed unanimously.

Ms. B. Miller next reported the status of construction of the Pecan Lakes Pump Station and recommended the Board approve Pay Estimate No. 8 in the amount of \$109,107.36, payable to JTR Constructors, Inc. Following review and discussion, and based upon the engineer's recommendation, Director Boyd moved to approve the pay estimate as presented. The motion was seconded by Director Howard and passed unanimously.

Ms. B. Miller discussed the status of inlet replacements and improvements and recommended the Board approve Pay Estimate No. 1 in the amount of \$44,664.75, payable to CNS Construction. Following review and discussion, and based upon the engineer's recommendation, Director Howard moved to approve the pay estimate, as presented. The motion, which was seconded by Director Boyd, passed unanimously.

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. 9 in the amount of \$77,628.90, payable to Nunn Constructors, Ltd. Following review and discussion, Director Kluppel moved to approve the pay estimate as presented. The motion was seconded by Director Boyd and passed unanimously.

Ms. B. Miller next reported the status of sanitary sewer rehabilitation and presented and recommended the Board approve Pay Estimate No.2 in the amount of \$159,753.60, payable to Reliance Construction and Change Order No. 3 in the amount of \$4,600 to lower a manhole for a proposed wheelchair ramp. Following review and discussion, and based upon the engineer's recommendation, Director Boyd moved to approve the pay estimate and change order as presented. The motion was seconded by Director Howard and passed unanimously.

The Board next reviewed an Interlocal Agreement between the District and the City of Sugar Land for a Raw Water Monitoring Station at the District wastewater treatment plant site to monitor water quality discharged into Oyster Creek. Ms. Humphries noted that the City of Sugar Land will have an access easement, all access will be supervised by EDP and the City of Sugar Land will reimburse the District \$5,000 for incidental expenses associated with installation of the monitoring station, including associated engineering and legal fees incurred by the District. Following review and discussion, Director Boyd moved to approve the Interlocal Agreement between the District and the City of Sugar Land for a Raw Water Monitoring Station at the District wastewater treatment plant. The motion, which was seconded by Director Howard, passed unanimously.

Ms. B. Miller also discussed an inquiry received regarding service to a 22 acre tract of land outside the District.

Following review and discussion, Director Kluppel moved to approve the engineering report. 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 current activity of the Fort Bend County Flood Management Association.

Director Boyd commented regarding the 2014 Directors election and said he met with Ryan Yokubaitis and encouraged him to file an application for a place on the ballot.

ATTORNEY'S REPORT

Ms. Humphries and Mr. Saenger reviewed with the Board a proposed terms and conditions sheet for an Agreement with Johnson Development, LLC ("Johnson") for interim water supply and detention land acquisition, including Johnson dedication of a 15.1 acre tract for District drainage as partial consideration. Following review and discussion, Director Boyd moved to approve the proposed terms and conditions. Director Howard seconded the motion, which passed unanimously.

The District's operator reviewed the Water Conservation Plan annual report and 5-year implementation report on the Water Conservation Plan with the Board. After review and discussion, Director Kluppel moved to approve the annual report and 5-year implementation report on the Water Conservation Plan, direct that the reports be filed appropriately and retained in the District's official records, and authorize the District Operator to submit the reports to the appropriate government agencies. Director Boyd seconded the motion, which passed by unanimous vote.

Ms. Humphries stated that the Texas Commission on Environmental Quality ("TCEQ") rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2014, prior to May 1st. Ms. Humphries reviewed an Amended and Restated Drought Contingency Plan with the Board. After review and discussion, Director Howard moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records. Director Kluppel seconded the motion, which passed by unanimous vote.

Ms. Humphries and Director Vance updated the Board on recent annexation hearings at the City of Richmond and the District's submission of a petition requesting annexation of certain levee and drainage areas.

2014 DIRECTORS ELECTION

The Board concurred to meet on May 20, 2014 to canvass the votes from the 2014 Directors election.

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 7:44 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 8:02 p.m. Following review and discussion in executive session, Director Howard moved to approve a proposal from Kimmons Investigative Services, subject to attorney review of the District's current security contract. Director Boyd seconded the motion, which passed unanimously.

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 8:03 p.m. to conduct a private consultation with attorney to deliberate the purchase, exchange, lease, or value of real property.

RECONVENE IN OPEN SESSION AND AUHTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 8:22 p.m. No action was taking following discussion in executive session.


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

Director Vance announced that the Board would convene in executive session at 8:24 p.m. to conduct a private consultation with attorney to seek advice on pending or contemplated litigation, including condemnation proceedings.

RECONVENE IN OPEN SESSION AND AUHTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 8:55 p.m. No action was taking following discussion in executive session.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	<u>Minutes</u>
	<u>Page</u>
engineer's report	2
operator's report	2
tax assessor/collector report.....	2
EDP operations report for April, 2012.....	3
termination list.....	4