

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

April 30, 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 30th 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
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, except Director Minchew, thus constituting a quorum.

Also present at the meeting were residents of the District listed on Exhibit A attached hereto; Bethany Miller and Bryan Jordan of Jones & Carter, Inc. ("J&C"); Greg Ordeneaux of Tax Tech, Inc.; Ben Connelly, Breah Campbell, Sarah Hume, Clayton Galloway and Doug Owen of Environmental Development Partners, L.L.C. ("EDP"); Shirley McLennan of McLennan & Associates, L.P.; Deputy John Morales, Deputy Mark Williams and Deputy Tysinski of the Fort Bend County Constable's Office, Precinct 3 ("Precinct 3"); Jonathan Howard of Arcadis U.S., Inc. ("Arcadis"); Marcus Campbell with Time & Season; and 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. Chuck Bertrand introduced himself and Kathy Golden as board members of the Pecan Grove Volunteer Fire Department.

Ms. Lila Smith updated the Board regarding a proposed low income senior housing project on FM 359 and said the application for the proposed housing project is still active with the Texas Department of Housing and Affairs, but that state funding is unlikely.

Mr. Conley Shepherd discussed traffic, parking and damage issues associated with use of the Pecan Lakes Park by organized sports groups and suggested adding restroom facilities. Director Howard referred further discussion to the parks committee.

CONSENT AGENDA

Director Howard offered Board members the opportunity to remove items from the consent agenda for individual discussion. There being no additional response from any Board member, Director Kluppel moved to approve all items on the consent agenda, with the exception of items b, g and h, which were either deferred or removed for discussion. Director Boyd seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

SECURITY AND PUBLIC SAFETY MATTERS

Deputy Morales reported regarding patrol activity and security issues within the District.

Director Boyd reported he is working with the Pecan Grove Volunteer Fire Department ("PGVFD") on a list of services to be provided to the District by PGVFD to attach to the Services Agreement between PGVFD and the District.

OPERATION OF DISTRICT FACILITIES

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

Mr. Owen reported EDP follow up to customer calls regarding yard repair following sanitary sewer repairs. He said all repair issues have been resolved with customers.

Mr. Owen reported pump no. 4 at the South Storm Water Pumping Station has a failed cable housing seal allowing water to enter the terminal board area and estimates a repair cost of \$7,945, which includes \$2,000 already spent pulling the pump. Upon a motion by Director Kluppel and a second by Director Boyd, the Board voted unanimously to approve repair of a pump at the South Storm Water Pumping Station for an amount not to exceed \$7,945.

Mr. Owen 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. Owen stated that the annual report indicates no significant incidents of Identity Theft detection and recommends no changes to the Program at this time.

Mr. Owen discussed water accountability in the District, overall water loss and historical use and loss, including surface water amounts pumped. He said EDP is checking residuals and storm lines to identify the cause of lower water accountability. He also reported the status of approved sidewalk repairs and the associated budget.

Following review and discussion, Director Kluppel moved to (1) approve the District operator's report; and (2) to accept the annual identity theft report on the Program and direct that it be filed appropriately and retained in the District's official records. The motion, which was seconded by Director Vance, 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. Owen 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 Vance seconded the motion, which passed unanimously.

DISTRICT NEWSLETTER AND WEBSITE

Ms. Campbell reported that newsletters were delivered to District customers. There was no additional discussion for this agenda item.

CONVERSION TO SURFACE WATER

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, and progress on resolving issues with the the Supervisory Control and Data Acquisition ("SCADA") system, contingent upon resolution of issues with the radio site. Ms. B. Miller reported that J&C received only 1 bid for increasing the height of the radio antennas at water plant nos. 1 and 3 and will pursue additional bids. Upon inquiry from Director Kluppel, Mr. Jordan said communication is operational, but intermittent. Mr. Jordan also said that J&C cannot recommend accepting a bid until J&C confirms that line of sight to the tower is the problem.

Mr. Howard said the engineer for the manufacturer of the high-voltage alternating current ("HVAC") system confirmed that HVAC controls installed are design appropriate for the surface water treatment plant.

Responding to a question regarding capacity confirmed in acceptance testing, Mr. Howard reported that he received an email from Marlo Berg with the Texas Commission on Environmental Quality ("TCEQ") confirming that the pilot study previously conducted on the Pall system utilized at the plant has already been certified by the TCEQ and, accordingly, the capacity test will not affect the capacity determination or adversely impact the rating of the plant capacity.

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 next discussed status of design of a reclaimed water system, including Agreement for Use of Reclaimed water with WSG Pecan Grove IV, LP ("WSG") and said she will have preliminary cost estimates for Phase 2, which will be the addition of piping to reach the ponds and improvements to the north pond at the May Board meeting.

Ms. B. Miller discussed the status of design of the Pecan Lakes North Earthen Levee, South Earthen Levee, Flood Wall and Jones Creek Improvements, and presented contracts for signature.

Mr. Jordan discussed the status of design of the Pecan Lakes Pump Station, and presented contracts for signature.

Ms. B. Miller next discussed water well no. 3 rework and presented contracts for signature.

Ms. B. Miller next discussed plans to replace and recoat water plant no. 1 hydro-tanks, and presented contracts for signature.

Ms. B. Miller reported that Sanitary Sewer Cleaning and Televising is complete and J&C is preparing recommendations and cost estimates for repairs needed as identified in footage reviewed. Ms. B. Miller then recommended that the Board approve Pay Estimate No. 1 in the amount of \$45,467.06, payable to Midwest Trenchless Technologies, Inc. Following review and discussion, Director Kluppel moved to approve Pay Estimate No. 1 in the amount of \$45,467.06, payable to Midwest Trenchless Technologies, Inc. Director Boyd seconded the motion, which passed unanimously.

Ms. B. Miller next reported on the status of the District's application for renewal of TPDES Permit No. TXR040225 for the stormwater system and said J&C anticipates issuance of a permit in August. She said, once the permit is received, J&C will prepare a new stormwater management plan.

Ms. B. Miller reported the District's Emergency Action Plan was submitted to Fort Bend County.

Ms. B. Miller next reported that J&C is preparing the District's Chapter 210 authorization application to allow the District to produce and provide Type I reclaimed water for sale and requested authorization to submit the application to the State of Texas. Upon a motion by Director Kluppel and a second by Director Vance, the Board voted unanimously to authorize J&C to submit the District's Chapter 210 authorization application to the State of Texas.

REPORTS FROM DIRECTORS, COMMITTEES, AND DISTRICT CONSULTANTS

Director Kluppel reported regarding surface water issues and meetings with the Fort Bend Flood Management Association and Gulf Coast Water Authority Mainland Municipal Advisory Committee.

ATTORNEY'S REPORT

There was no additional discussion for this agenda item.

PARK MATTERS

Mr. Naff reported an accumulation of mud and debris on the east side of Pitts Road. Upon a motion by Director Boyd and a second by Director Kluppel, the Board voted unanimously to authorize Mr. Naff to clean the ditches on the east side of Pitts Road.

Mr. Campbell reported routine parks maintenance and repair, including facility rentals. Director Howard requested that Mr. Campbell investigate area park use fees and provide recommendations to the Board at the May meeting.

Ms. Brook discussed the District's contract with Water Logic expiring May 21. Following discussion, Director Kluppel moved to terminate the District's contract with Water Logic. Director Vance seconded the motion, which passed unanimously.

CONVENE TO EXECUTIVE SESSION PURSUANT TO SECTION 551.072, SECTION 551.071, AND SECTION 551.076

At 6:37 p.m., Director Howard announced that the Board would convene in executive session to discuss the deployment or specific occasions for implementation of security personnel or devices, the purchase, exchange, lease, or value of real property and pending or contemplated litigation, including condemnation proceeding and actions related to facility construction. Ms. J. Miller, Ms. B. Miller, Mr. Jordan and Ms. Brook were also present during executive session.

RE-CONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 6:50 p.m., the Board re-convened in public session. No action was taken as a result of discussion in executive session.

There being no additional business to consider, the Board agreed to adjourn.



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 April, 2012	2
termination list	3