

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

May 28, 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 28<sup>th</sup> day of May, 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 and Grady Turner of Jones & Carter, Inc. ("J&C"); Cathy Brittain-Drew of Tax Tech, Inc.; Mike Ammel, Ben Connelly, Breah Campbell, Sarah Hume, and Doug Owen of Environmental Development Partners, L.L.C. ("EDP"); Mary Ann Mihills of McLennan & Associates, L.P.; Deputy John Morales and Lt. Edward Gordon of the Fort Bend County Constable's Office, Precinct 3 ("Precinct 3"); Chief Joe Woolley of Pecan Grove Volunteer Fire Department ("PGVFD"); 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 WHO HAVE SIGNED UP TO SPEAK

There was no public comment.

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 Boyd moved to approve all items on the consent agenda, with the exception of items h and i, to be deferred for discussion. Director Kluppel 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

Lt. Gordon reported regarding patrol activity and security issues within the District.

Discussion ensued by and among the Board, Chief Woolley, Mr. Chuck Bertrand and Mr. Ammel regarding collecting voluntary donations for the benefit of PGVFD, including discussion regarding the administrative cost of collection, past issues with attempts to collect voluntary donations and billing system coding capability for removing possible utility bill verbiage for residents of Pecan Lakes. Director Vance then moved to include language on the District utility customer billing to allow customers to voluntarily donate to the PGVFD, with the exception of bills to Pecan Lakes residents, subject to final review and approval of a collections agreement between the District and PGVFD. Ms. Brook discussed with the Board provisions of the Texas Water Code requiring first payment of any delinquent amounts for utility billing owed by the District customer making a donation. Director Vance then amended his motion to include that all past due amounts for utility billing owed by the District customer are first paid before any voluntary designated donation to the PGVFD is dispersed. Director Minchew seconded the motion, which passed by a vote of 4 to 1, with Director Kluppel voting against the motion.

## OPERATION OF DISTRICT FACILITIES

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

Mr. Owen updated the Board regarding a previously authorized repair to pump no. 4 at the South Storm Water Pumping Station and said repair is complete and the pump has been reinstalled.

Mr. Owen updated the Board on previously approved repair to lift station pump no. 3 at the wastewater treatment plant and reviewed 2 additional proposals requested by the Board. Mr. Owen confirmed that the original proposal from NTS Pumps, Motors and Controls ("NTS") in the amount of \$9,548.50, which includes rental of a temporary pump and associated service calls, remained the lowest and recommended the Board accept the proposal from NTS. Following review and discussion, upon a motion by Director Boyd and a second by Director Vance, the Board voted unanimously to authorize repair of lift station pump no. 3 at the wastewater treatment plant by NTS.

Mr. Owen said NTS also inspected blower motor no. 2 at the wastewater treatment plant and recommended the Board authorize NTS to replace the blower motor for \$2,592. Following review and discussion, upon a motion by Director Boyd and a second by Director Vance, the Board voted unanimously to authorize replacement of blower motor no. 2 at the wastewater treatment plant.



The Board next reviewed a proposal from Coastal Pump Services in the amount of \$6,499 to repair lift pump no. 2 at lift station no. 2, or, in the alternative, replace the pump for a cost of \$10,082. Following review and discussion, Director Vance moved to approve repair of lift pump no. 2 at lift station no. 2 for \$6,499. The motion, which was seconded by Director Boyd, passed unanimously.

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, but has not yet found any significant leaks. He also reported the status of approved sidewalk repairs and the associated budget and said the sidewalk contractor is now working in the Deerfield Plantation/Bittersweet area.

Ms. Brook presented and reviewed the District's Critical Load List and explained that the District is now required to file annually with Fort Bend County and State agencies, whether or not the District has made any facility or personnel changes. Ms. Brook said that the District engineer, operator and bookkeeper have reviewed the revised Critical Load List and verified that the information is accurate.

Mr. Owen provided a draft Consumer Confidence Report ("CCR") to the Board and said the CCR must be mailed to District customers by July 1.

Following review and discussion, Director Kluppel moved to (1) approve the District operator's report; (2) approve the Critical Load List and authorize ABHR to file the list with all local and state agencies; and (3) approve the CCR, authorize the operator to mail the CCR, subject to final review and receipt of the template from the Texas Commission on Environmental Quality ("TCEQ"), authorize the operator to file the certificate of mailing the CCR with the TCEQ, and direct that the CCR be filed appropriately and retained in the District's official records. The motion, which was seconded by Director Boyd, passed unanimously.

#### TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

The Board next discussed termination and appeal procedures. 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 Boyd seconded the motion, which passed unanimously.



## DISTRICT NEWSLETTER AND WEBSITE

The Board concurred to post the 2013 Consumer Confident Report on the District website. 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, most of which are contingent upon resolution of issues with the Supervisory Control and Data Acquisition ("SCADA") system, including issues with the radio site. Ms. B. Miller reported that membrane acceptance testing is underway and that Arcadis is working with the contractor on a site survey for plant nos. 1 and 3. Mr. Ammel reported that sample pumps at the surface water treatment plant are working well.

## 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 on the progress of design of a remote surface water monitoring station on the surface water treatment plant or water plant no. 2 site to monitor quality in Oyster Creek for use by the City of Sugarland.

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 J&C is preparing updated cost estimates for Phase 2, which will be the addition of piping to reach the ponds and improvements to the north pond and requested the Board schedule a special workshop meeting to discuss the reclaimed water system and drainage improvement projects,

Ms. B. Miller discussed construction of the Pecan Lakes North Earthen Levee, South Earthen Levee, Flood Wall and Jones Creek Improvements and Pecan Lakes Pump Station, and said the notice to proceed will be issued May 29, 2013. She said J&C will host a town hall meeting along with the Pecan Lakes Homeowner's Association to discuss the project and impact on area residents more fully. Directors Howard and Kluppel confirmed they would attend the pre-construction meeting and town hall.

Ms. B. Miller next discussed water well no. 3 camera survey and recommended the Board approve Pay Estimate No. 2 and Final in the amount of \$960, payable to Alsay Incorporated.

Ms. B. Miller next discussed plans to replace and recoat water plant no. 1 hydro-tanks, and said the notice to proceed was issued on May 22, 2013.

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. 2 and Final in the amount of \$20,610.75, payable to Midwest Trenchless Technologies, Inc.

Ms. B. Miller also reported that the District's application for a regional trail grant application in Plantation Park was not chosen for funding by the Texas Parks and Wildlife Commission.

Following discussion and review, Director Boyd moved to (1) approve the District engineer's report; (2) to schedule a special workshop meeting on June 5 at 5:30 p.m.; (3) approve Pay Estimate No. 2 and Final in the amount of \$960, payable to Alsay Incorporated for water well no. 3 camera survey; and (4) approve Pay Estimate No. 2 and Final in the amount of \$20,610.75, payable to Midwest Trenchless Technologies, Inc. for Sanitary Sewer Cleaning and Televising. Director Kluppel 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 and Gulf Coast Water Authority Mainland Municipal Advisory Committee.

Director Minchew discussed board committees, relinquished his fire committee position to Director Vance and requested that ABHR circulate a revised committee and Board liaison chart.

Director Howard discussed the District's previous emergency messaging contract with Classic Messaging and an \$8,000 plan offer from Classic Messaging to resign and requested that the offer be placed on the June meeting agenda. Discussion ensued regarding Classic Messaging's cost per household for emergency message delivery and PGVFD's emergency messaging system. The Board concurred that the fire committee will meet with Chief Woolley to discuss PGVFD's system, including cost, and the possibility of integrating the District's emergency messaging with PGVFD.

#### ATTORNEY'S REPORT

The Board discussed the upcoming Association of Water Board Directors summer conference in Corpus Christi. Ms. Brook stated that state law provides that directors are entitled to reimbursement of actual and necessary expenses. Following review and discussion, Director Kluppel moved to authorize: (1) director fees of office for up to four days; (2) a maximum of three nights hotel accommodations; (3) meal expenses of up to three meals per day, upon presentation of itemized receipts for same; and (4) authorization for up to 4 per diems and 4 hotel nights for Directors also attending the Public Funds Investment Act training. The motion was seconded by Director Boyd and carried by unanimous vote.



PARK MATTERS

Director Howard reported a parks committee meeting with Mr. Campbell and Pecan Lakes residents regarding traffic and damage issues during use of District parks. Director Howard recommended the District charge a fee for the use of parks and the pavilion to cover the expense of cleaning, including cleaning of restrooms, after scheduled events. Following discussion, the Board concurred to authorize Mr. Campbell to implement a facility use fee of \$50 for District residents and \$100 for non-District users since they do not pay District operation and maintenance taxes or District water bills, which are used for park expenses.

Mr. Campbell reported routine parks maintenance and repair, including facility rentals and requested authorization to install a 4 foot chain link fence around the children's playground at Pitts Park and said EDP is soliciting fence proposals for consideration at the June regular meeting.

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

The Board determined no executive session was necessary.

There being no additional business to consider, the Board agreed to adjourn at 6:56 p.m.

  
Secretary, Board of Directors



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