

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

June 25, 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 25<sup>th</sup> day of June, 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, Bryan Jordan and Grady Turner of Jones & Carter, Inc. ("J&C"); Greg Ordeneaux of Tax Tech, Inc.; Breah Campbell, Sarah Hume, and Doug Owen of Environmental Development Partners, L.L.C. ("EDP"); Shirley McLennan 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; Sharon Kluppel, Mary Ann Boyd, Fred Ross and Carol Minchew, District residents not listed on Exhibit A; 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. Hardy expressed, on behalf of the Pecan Grove Baptist Church (the "Church"), the Church's concern about the proximity of the construction of the temporary construction access for the Pecan Lakes Flood Protection System to the Church and said the Church prefers the temporary construction access road follow along the route of the levee.

ENGINEERING MATTERS

Mr. Jordan said if the temporary construction access is constructed along the route of the levee, the lack of a median break would force trucks to u-turn to access the construction entrance. Mr. Jordan recommended constructing the driveway in the

southern levee construction zone from FM 359 along Jones Creek to the pump station. Director Minchew discussed requesting additional traffic patrol and control at the construction site to ease and control traffic during Church school start and release hours. Ms. B. Miller commented that the levee construction contract includes posting a flagman during contractor deliveries. Following review and discussion, the Board concurred to authorize the District engineer to request the contractor to relocate the temporary construction access over 50 feet towards the levee.

#### 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 item j, to be removed for additional discussion. Director Kluppel seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

#### PROPOSAL FOR ADDITIONAL SERVICES FROM PECAN GROVE VOLUNTEER FIRE DEPARTMENT

The Board discussed a pending list of additional services to be added to the District's Master Services Agreement with PGVFD. Director Minchew requested that Mr. Ammel provide the list of proposed services to the Board. Following discussion, the Board concurred to defer action until the Board has received and reviewed the list of additional services.

Chief Woolley confirmed that the Master Services Agreement has been signed and returned by PGVFD. Discussed ensued regarding scheduling washing of the elevated storage tank.

#### SECURITY AND PUBLIC SAFETY MATTERS, INCLUDING COLLECTIONS AGREEMENT BETWEEN THE DISTRICT AND PECAN GROVE VOLUNTEER DEPARTMENT

Deputy Morales reported regarding patrol activity and security issues within the District and said 2 or 3 additional officers will be on patrol during the July 4<sup>th</sup> holiday.

Ms. Humphries presented a draft collections agreement between the District and PGVFD and discussed proposed billing statement language regarding voluntary donations. Director Vance requested that Director Minchew be substituted in his place on the fire committee due to a conflict of interest. Following review and discussion, Director Kluppel moved to approve the Collections Agreement and to substitute Director Minchew for Director Vance on the fire committee. The motion was seconded by Director Minchew and passed by a vote of 4 to 0 with Director Vance abstaining from the vote. Ms. Humphries noted that PGVFD needs to execute and return the Collections Agreement by June 30, 2013 in order for the collections to be implemented with the next utility billing cycle. In response to a question from Mr. Ross, Ms.

Humphries confirmed that voluntary donations will not be collected in Pecan Lakes and said a disclaimer allowing customers to opt out of voluntary donation will be included with utility billing.

#### OPERATION OF DISTRICT FACILITIES

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

Ms. Campbell presented a customer request for reimbursement for repairs in the amount of \$1,475 as a result of damage from a tree on District property falling on her roof. Following review and discussion, Director Boyd moved to authorize reimbursement to the customer for an amount not to exceed \$1,475, subject to receipt of a repair invoice from the customer. Director Minchew seconded the motion, which passed unanimously.

Mr. Ammel updated the Board on repair of lift pump no. 2 at lift station no. 2, and reported the panel is in poor condition and may require further repair.

Mr. Ammel discussed water accountability in the District, overall water loss and historical use and loss, including surface water amounts pumped. He noted that lower accountability for the month of June, 2013 is most likely attributable to a leak and significant main break at 1814 Wildwood.

Mr. Ammel next requested presented a proposal for a mini sewer camera and Archos recorder from Kinloch and Equipment in the amount of \$8,900. He also provided the estimated cost to retrofit the current obsolete cable and recorder to the existing Cues camera for cost comparison. Following review and discussion, Director Kluppel moved to authorize purchase of a mini sewer camera and Archos recorder from Kinloch and Equipment for an amount not to exceed \$8,900.

Ms. Humphries next reviewed an Amended Rate Order incorporating provisions for implementing the Collections Agreement with PGVFD. Following review and discussion, Director Boyd moved to approve amendment to the District Rate Order, as discussed. Director Minchew seconded the motion, which passed by a vote of 4 to 0, with Director Vance abstaining from voting.

Director Howard next discussed a revised emergency messaging proposal from Classic Messaging. Following review and discussion, Director Vance moved to refuse the proposal from Classic Messaging. Director Minchew seconded the motion, which passed unanimously.

Following review and discussion, Director Kluppel moved to approve the District operator's report. 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 include an article regarding voluntary donations to PGVFD in the next District newsletter and on the website.

## 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. Mr. Howard reported that membrane acceptance testing is complete and that data is being assembled from the SCADA system and will be filed with the Texas Commission on Environmental Quality ("TCEQ"). Mr. Howard and Ms. Miller next discussed the results of a radio survey and recommendations for an 85 foot tower at the surface water treatment plant and a 75 foot tower at plant nos. 1 and 3, all of which are higher than the existing towers. Discussion ensued regarding design of current towers and signal transmittal options. Following discussion, the Board concurred to refer discussion to the surface water committee. Mr. Jordan said J&C will prepare a letter report to the board within two weeks which will include a recommendation.

## ENGINEERING MATTERS CONTINUED

Ms. B. Miller reported the City of Sugarland's plans to install a remote surface water monitoring station.

Ms. B. Miller continued discussion regarding proposed drainage improvements and the status of design of revised option 2, as previously discussed at the May meeting of the Board.

Ms. B. Miller reported the status of plans and specifications for Phase 1 for Sanitary Sewer Cleaning and Televising.

Ms. B. Miller reported that the contractor for the Pecan Lakes Pump Station project has mobilized and is clearing now.

Ms. B. Miller next discussed Well No. 3 rework and said wire brushing is complete and a camera survey will be done this week also.

Ms. B. Miller next discussed the status of improvements at water plant no. 1 and provided an exterior color chart for Board review. Following review and discussion, the Board concurred to paint the exterior of the hydro-tanks tan.

Following review and discussion, Director Kluppel moved to approve the engineer's report. The motion, which was seconded by Director Boyd, was unanimously approved.

#### 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.

Ms. Humphries reported demonstrations of a Tiger Dam by Lake Management Services in Telfair and Sienna Plantation on June 26, 2013.

The Board also discussed the District's current electricity contracts and concurred to remove the item from the agenda.

Director Boyd reported ongoing issues with the City of Rosenberg's groundwater reduction plan.

#### ATTORNEY'S REPORT

Ms. Humphries next discussed the procedure to appoint, as part of the Fort Bend Central Appraisal District Board of Directors election process, a candidate to represent the interest of the District on the Fort Bend County Central Appraisal District Board. The Board took no action.

Ms. Humphries next reported the City of Richmond had a charter election May, 2013 and the voters approved changing to a home rule city commission/commission manager form of government, now with the power to annex. She reviewed with the Board an updated District information form notifying purchasers of real property within the District that the City of Richmond may annex property within its extra-territorial jurisdiction without the consent of the district or the voters of the district. Following review and discussion, Director Kluppel moved to approve amendment to the District's information form and authorize ABHR to file the amended information with the TCEQ and record the amended information form in the Fort Bend County real property records.

## PARK MATTERS

Mr. Campbell reviewed a park report, a copy of which is attached to these minutes, including two proposals for a 4 foot chain link fence around the children's playground at Pitts Park.

Mr. Campbell also discussed miscellaneous repairs needed in Pecan Grove Park and updated the Board on reservations made during the month of June 2013, including a request to rent Pitts Park for 4 hours for a class reunion. Chief Woolley also discussed a PGVFD Fun Day in the park and the Board concurred that PGVFD should provide a certificate of insurance liability naming the District as an additional insured for the event.

Following review and discussion, Director Boyd moved to approve the fence repair proposal in the amount of \$5,000 from Clements Fencing and to authorize Time & Season to complete the maintenance items discussed as part of the parks report. The motion, which was seconded by Director Minchew, passed unanimously.

EXECUTIVE SESSION 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.

RESOLUTION AND ORDER FINDING AND DECLARING THE EXISTENCE OF A PUBLIC NECESSITY FOR THE ACQUISITION OF EASEMENTS, AUTHORIZING THE ACQUISITION OF EASEMENTS BY DONATION, PURCHASE, OR EXERCISE OF THE POWER OF EMINENT DOMAIN, AUTHORIZING PAYMENT OF COMPENSATION FOR SUCH ACQUISITIONS, AND APPROVING AND RATIFYING ACTIONS RELATED THERETO

The Board next considered a Resolution and Order Finding and Declaring the Existence of a Public Necessity for the Acquisition of Easements, Authorizing the Acquisition of Easements by Donation, Purchase, or Exercise of the Power of Eminent Domain, Authorizing Payment of Compensation for Such Acquisitions, and Approving and Ratifying Actions Related Thereto. Following review and discussion, Director Boyd moved to approve the resolution. Director Kluppel seconded the motion, which passed unanimously.

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

  
Secretary, Board of Directors

(SEAL)



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