

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

November 19, 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 19th day of November, 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, Bryan Jordan and Grady Turner of Jones & Carter, Inc. ("J&C"); Greg Ordeneaux of Tax Tech, Inc.; Mike Ammel, Ben Connelly, Breah Campbell, Sarah Hume and Clayton Galloway 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; Sylvia Avila of WCA Waste Corporation of Texas ("WCA"); Sergeant Jean Gobar, Deputy Cardenas and Major Chad Norvell of the Fort Bend County Sheriff's Department; 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 6:07 p.m., welcomed attendees and introduced the Board of Directors.

COMMENTS FROM THE PUBLIC

Mr. Larry and Ms. Martha Biggs and Ms. Dobesh requested the Board consider improvements to a pond near 2215 Woodland Drive. Mr. Biggs said the pond does not hold water leaving fish and the pond fountain exposed. Mr. Jordan noted that proposed drainage improvements the Board is currently discussing involve some modification of the pond.

Mr. Fred Davenport discussed District debt, taxes and average liability per household. Director Vance noted that taxes have dropped even though the District constructed and financed a surface water treatment plant and was required by the federal government to construct a levee for flood protection.

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. Director Boyd 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

Ms. Avila reviewed a customer issue report, and reported replacement of a damaged recycling cart and missed collection. Ms. Avila said Global Positioning Systems ("GPS") have been installed on all collection trucks.

OPERATION OF DISTRICT FACILITIES

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

Ms. Campbell discussed EDP follow up to resident correspondence received through the District website including consultant response to same, requiring no Board actions, which are listed in the District operator's report attached to these minutes.

Mr. Ammel discussed with the Board rehabilitation of the jet machine trailer, including replacing hoses, rebuilding the pump, repair of the trailer and painting for \$14,730.23. Following review and discussion, Director Boyd moved to authorize rehabilitation of the jet machine trailer for an amount not to exceed \$14,730.23.

Mr. Ammel next reported a manhole overflow on October 31, 2013 and said EDP has filed a response with Texas Commission on Environmental Quality ("TCEQ") and said no further action is required.

Mr. Ammel also discussed grease trap inspections, including assessment of reinspection fees, and reported the status of ongoing sidewalk repairs.

Mr. Ammel also reviewed a site support proposal from GB Tech for the firewall at the surface water treatment plant.

Director Kluppel discussed overall water accountability. Mr. Ammel said EDP did leak detection and outfall surveys and found some chlorine residual prompting another round of leak surveys. Mr. Ammel said he anticipates about 200 man hours to complete the second leak detection survey.

Following review and discussion, Director Kluppel moved (1) approve the operations report; and (2) approve a site support proposal from GB Tech for the firewall at the surface water treatment plant. 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.

SECURITY AND PUBLIC SAFETY MATTERS

Sgt. Gobar updated the Board on processing existing patrol deputies through the Sheriff's Department qualification program, updating of patrol vehicles for District patrol use and introduced Deputy Cardenas.

Major Norvell and Deputy Cardenas also discussed traffic stops on Plantation Drive from Harlem Road to FM 359 and working with schools to resolve traffic back up issues on Plantation Drive, Old South, and Pitts.

Chief Woolley reported no fires in the District since the last meeting. He reported PGVFD is accepting donations for relief to be delivered to the Philippines. He also updated the Board on fire hydrant painting. Director Minchew said the District is investigating seeking an opinion from the Attorney General for clarification of recent legislation regarding contracting for fire service.

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 the status of contract closeout materials, review of Change Order No. 8 and final record drawings and certificate of substantial completion.

Ms. Humphries discussed ABHR attempts to finalize a Services Agreement with Pall Technology Services ("Pall") to provide technical maintenance, system inspection, cleaning and technical support for the microfiltration system at the surface water treatment plant. Mr. Howard discussed possible voiding of warranty on Pall equipment if any contractor other than Pall services the equipment noting the Pall equipment is due for a control system upgrade. The Board concurred to defer discussion until ABHR and EDP research further, including review of Pall's contract with Fort Bend County Water Control Improvement District No. 2.

ENGINEERING MATTERS

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

Ms. B. Miller reported the status of J&C's draft of the District's Monitoring and Operations Plan ("MOP") outlining sampling locations and frequency for water quality monitoring and said J&C plans to submit the MOP to the TCEQ in February 2014.

Ms. B. Miller also updated the Board on J&C's preparation of the application for renewal of Permit No. WQ0011655-001 and said J&C will request authorization to submit the application to TCEQ at the Board's December meeting.

With regard to drainage improvement projects authorized at the November 18 special meeting, Ms. B. Miller said that J&C will proceed with bidding the inlet replacement project and is designing a modified Grove 4/5 drainage project, as discussed at the November 18 special meeting.

Ms. B. Miller next discussed the status of construction of the Pecan Lakes Flood Protection System, and recommended the Board approve Pay Estimate no. 5 in the amount of \$685,528.01, payable to LECON, Inc. Ms. B. Miller also discussed a Consent to Encroachment requested from CenterPoint Energy and associated payment for same in the amount of \$500.

Ms. B. Miller next reported the status of construction of the Pecan Lakes Pump Station and recommended the Board approve Pay Estimate No. 3 in the amount of \$406,456.78, payable to JTR Constructors, Inc.

Ms. B. Miller reported well pumping equipment at Water Well No. 3 was pulled and a straightness deficiency on one section of shaft was corrected and three segments of column pipe with damaged threads were replaced. She said the well was returned to service and the Board can expect a final pay application next month.

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. 4 in the amount of \$21,528, payable to Nunn Constructors, Ltd. She also reviewed Change Order No. 1 in the amount of \$446,131.60 for additional repair work identified following blasting.

Ms. B. Miller also said that a notice to proceed with the sanitary sewer rehabilitation will be issued this month.

Ms. B. Miller next presented a draft copy for the proposed revisions to the District's Drought Contingency Plan discussed at the November 18, 2013 special meeting.

Following review and discussion, Director Howard moved to (1) approve the engineering report; (2) approve all pay estimates and change orders discussed above; and (3) authorize payment in the amount of \$500 for Consent to Encroach from CenterPoint Energy. The motion, which was seconded by Director Boyd, 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 correspondence received from Fort Bend County regarding inspection of levees and criteria for same.

ATTORNEY'S REPORT

The Board considered a Resolution Voting for Water District Candidate for Board of Director Election for Fort Bend Central Appraisal District. After review and discussion, Director Kluppel moved to adopt a Resolution Voting for Director for Board of Director Election for Fort Bend Central Appraisal District reflecting that the District's 20 votes are cast in favor of Albert Glover and direct that the Resolution be filed appropriately and retained in the District's official records. Director Boyd seconded the motion, which passed unanimously.

PARK MATTERS

Ms. Campbell reported the new fence to be installed at Pitts Road Park should be complete on Friday. He reported reservations are running smoothly.

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

The Board did not convene in executive session to deliberate the deployment or specific occasions for implementation of security personnel or devices.

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

The Board did not convene in executive session to deliberate the purchase, exchange, lease, or value of real property.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION INCLUDING CONDEMNATION PROCEEDINGS

At 7:28 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 REGARDING PENDING OR CONTEMPLATED LITIGATION INCLUDING CONDEMNATION PROCEEDINGS

At 7:44 p.m. the Board reconvened in open session. Following discussion in executive session, Director Boyd moved to proceed, as discussed in executive session. Director Kluppel seconded the motion, which passed unanimously.

There being no additional business to consider, the meeting was adjourned at 7:45 p.m.


Secretary, Board of Directors

(SEAL)



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