

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

November 27, 2012

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in regular session, open to the public, on the 27<sup>th</sup> day of November, 2012, 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; Brian Jordan and Bethany Miller of Jones & Carter, Inc. ("J&C"); Greg Ordeneaux of Tax Tech, Inc.; Mike Ammel, Angelica Ross, Clayton Galloway, Ben Connelley and Doug Owen of Environmental Development Partners, L.L.C. ("EDP"); Mary Ann Mihills of McLennan & Associates, L.P.; Deputy Aaron Tysinski and Deputy James Eleckel of the Fort Bend County Constable's Office, Precinct 3 ("Precinct 3"); Pat Naff of CDC Unlimited, LLC ("CDC"); Larry Laird, Jr. of LEM Construction ("LEM"); Steve Crow, District resident; Jonathan Howard of Arcadis U.S., Inc. ("Arcadis"); Charles McFarland of Joyce McFarland + McFarland, LLP; Blake Kridel of Storm Water Solution, LLP; 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

Katherine Myers, Jim Ashmore, Ford Femal and Larry Laird, Jr. expressed support for renaming the surface water treatment plant "In Memory of Herman Myers."

Lila Smith asked if the Board had any issues to report to Commissioner Andy Meyers.

Paul Metcalf inquired regarding the District's jurisdiction to make and pay for sidewalk repairs in the District.

Larry Laird Jr. offered to assist with signage if the Board authorizes naming the surface water treatment plant "In Memory of Herman Myers."

### CONSENT AGENDA

Director Howard offered Board members the opportunity to remove items from the consent agenda for individual discussion. There being no response from any Board member, Director Kluppel moved to approve all items on the consent agenda. Director Minchew seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

### SECURITY MATTERS

Director Minchew, Deputy Tyskinski and Deputy Eleckel reported regarding patrol activity and security issues within the District and responded to an inquiry from Paul Metcalf regarding signage at the end of Pitts Road.

### ADDITIONAL PARK MATTERS

The Board discussed general dissatisfaction with overall park maintenance in the District, discussed services provided and fees charged by the YMCA and Terra Management Services and discussed a parks management proposal received from Professional Management Services. Mr. Stone discussed the daily inspection and cleaning and increased service for landscaping and irrigation in Professional Management Services' proposal and discussed how complaints and work flow would be processed. Ms. Knoepful discussed with Director Minchew mowing fees and service levels. Mr. Stone confirmed, upon inquiry from Director Howard, that routine irrigation repairs are part of the contract pricing. Following discussion, Director Minchew moved to authorize ABHR to issue notice of possible termination and intent to continue the contract on a month to month basis to Terra Management Services and the YMCA. The motion, which was seconded by Director Boyd, passed unanimously. The Board then concurred to hold a special meeting on December 6, 2012 at 10:00 a.m. at the District administration office to further review the proposal from Professional Management Services and consider the contracts of Terra Management Services and the YMCA. Director Minchew also requested an expanded mowing proposal to include parks from CDC Unlimited, Inc.

Directors Howard and Minchew updated the Board on the status of meeting with the POA to develop a proposed landscaping and maintenance plan for landscaping of medians along Mason Road from FM 359 to Skinner Road, adjacent to the District.

### SIDEWALK IMPROVEMENTS

Director Minchew and Mr. Owen updated the Board on progress identifying and prioritizing sidewalk repairs needed and coordination with the POA, who has decided

to contract with the District's operator to do certain of its sidewalk repairs. Ms. Humphries confirmed that repairs are related to the maintenance and operation of District facilities. Director Howard requested that Old South be inspected and addressed next and confirmed that the annual budget for the sidewalk repairs is \$60,000.

#### OPERATION OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report for the month of November, 2012, a copy of which is attached, and which was provided in advance to the Board.

Mr. Ammel discussed water accountability in the District, overall water loss and historical use and loss, including surface water amounts pumped. Mr. Ammel also presented a new billing format, which includes customer water usage information. Following review, the Board concurred to authorize EDP to implement the new proposed billing format.

Mr. Owen reviewed a proposal from Foster Fence to repair the access gate at water plant no. 3 for \$3,090. Director Minchew requested that EDP solicit additional proposals, including Apache Fence.

Mr. Ammel reported on repairs in the District, including repair to the digester at the wastewater treatment plant. Following review and discussion, Director Kluppel moved to approve the District operator's report and authorize repair of the access gate at water plant no. 3 for an amount not to exceed \$3,090, subject to solicitation of additional proposals, including Apache Fence. 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. 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 Vance seconded the motion, which passed unanimously.

#### DISTRICT NEWSLETTER AND WEBSITE

Mr. Ammel reported regarding the status of publication of the quarterly newsletter.

## CONVERSION TO SURFACE WATER

Mr. Laird, Mr. Howard and Ms. B. Miller reported on progress of addressing all punch list items at the surface water treatment plant and schedules for testing, reviewed an updated minor deficiencies list with the Board and reported regarding recent meetings of Arcadis and Jones & Carter. Mr. Howard said that raw water pump nos. 2 and 3 failed and it was determined that the pumps failed due to operation with a lack of lubricating fluid. Mr. Laird said the manufacturer quoted an estimate of \$19,000 and \$20,000, not including installation charges, to make repairs. Mr. Laird said he got an additional repair bid from Alsay, Inc. in the amount of \$6,600 and discussed with the Board the effect of the repair with regard to the remaining warranty on the pumps. Discussion ensued regarding operational issues, including discussion regarding SCADA systems that may contain information regarding the pump failure, original specifications, removal of silt and the effect on ongoing OAD testing.

Following discussion, Director Kluppel moved to authorize repair of the raw water pumps by Alsay, Inc. for an amount not to exceed \$6,600. Director Boyd seconded the motion, which passed unanimously.

## ENGINEERING MATTERS

M. Jordan and 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.

Mr. Kridel reported the cleanout of Bullhead Bayou is complete and discussed future maintenance. He reported that a sidewalk broken by the excavator was repaired.

Mr. Jordan first reported that Fort Bend County will require all levee owners to have an emergency action plan ("EAP"). Mr. Jordan said the additional information required is budgeted for 2013 as a special project.

Ms. B. Miller reported that the District's bond application is pending approval by the Texas Commission on Environmental Quality ("TCEQ").

Mr. Jordan also reported he met with the Pecan Grove County Club regarding right of way for drainage improvement projects and said they were receptive and requested a letter outlining the District's needs and intent.

Mr. Jordan reported Jones & Carter solicited bids for camera survey of water well no. 3 and reviewed two (2) bids. He recommended awarding the contract to the lowest bidder, Alsay Incorporated, in the amount of \$17,100. Following discussion, Director Kluppel moved to award the contract to camera survey water well no. 3 to Alsay Incorporated in the amount of \$17,100. Director Vance seconded the motion, which passed unanimously.

Mr. Jordan next reported the 2012 channel slope paving is finished and recommended the Board approve Change Order No. 1 in the amount of \$7,832, a contract extension of 45 days and Pay Estimate No. 2 and Final in the amount of \$93,861.02, payable to Gonzalez Construction Enterprise, Inc. Following discussion, Director Kluppel moved to approve Change Order No. 1 in the amount of \$7,832, a contract extension 45 days and Pay Estimate No. 2 and Final in the amount of \$93,861.02, payable to Gonzalez Construction Enterprise, Inc. The motion, which was seconded by Director Vance, passed unanimously.

Mr. Jordan said that the autodialer at the Surface Water Treatment Plant is complete, but a final invoice has not been submitted.

#### REPORTS FROM DIRECTORS, COMMITTEES, AND DISTRICT CONSULTANTS

Discussion continued regarding renaming the surface water treatment plant "In Memory of Herman Myers." Following discussion, Director Minchew moved to rename the surface water plant "In Memory of Herman Myers." Director Vance seconded the motion. Director Howard asked Mr. Laird to submit the memorial plaque to the Board for approval prior to placement of the plaque. The motion passed by a vote of 3 to 1, with Director Kluppel voting against the motion and Director Boyd abstaining from voting. Director Howard requested that an item be placed on the January agenda to establish a policy regarding naming District facilities.

Director Kluppel reported on the most recent meeting of the Gulf Coast Water Authority and Ford Bend County Flood Management Association meetings.

#### 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 Howard announced that the Board would convene in executive session to conduct a private consultation with attorney to discuss pending or contemplated litigation, including condemnation proceeding and actions related to facility construction. Mr. McFarland, Ms. J. Miller, Ms. Brook and Ms. Humphries were also present during executive session.

#### RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE DEPLOYMENT OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES

At 8:11 p.m. the Board reconvened in open session. Following discussion in executive session, Director Kluppel moved to authorize Mr. McFarland to proceed to trial on the condemnation of the parcel from Ms. Abb Ivey for the Pecan Lakes levee project. Director Minchew seconded the motion which passed unanimously.

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

At 8:12 p.m., Director Howard announced that the Board would convene in executive session to deliberate the deployment or specific occasions for implementation of security personnel or devices. Ms. J. Miller, Ms. Humphries and Ms. Brook were also present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE DEPLOYMENT OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES

At 8:21 p.m. the Board reconvened in open session. There was no action taken following discussion in executive session.

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.

ATTORNEY'S REPORT

The District discussed a letter from the Brazos River Authority, a copy of which is attached, advising that the Gulf Coast Water Authority ("GCWA") is enacting a Stage 1 Response of their Drought Contingency Plan and requesting all of our customers to initiate Stage 1. Ms. Humphries said the District's contract assigned to GCWA is backed by reservoir water, so the District should not have any curtailment. Following discussion, Director Kluppel moved to authorize ABHR to send a letter to GCWA reiterating that the District's contract assigned to GCWA is backed by reservoir water, so the District should not have any curtailment. Director Boyd seconded the motion which passed unanimously.

The Board discussed the upcoming Association of Water Board Directors winter conference in Austin. Ms. Humphries 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 3 days; (2) a maximum of 2 nights hotel accommodations; and (3) meal expenses of up to 2 meals per day, upon presentation of itemized receipts for same. The motion was seconded by Director Minchew and carried by unanimous vote.

Ms. Humphries reviewed correspondence requesting participation in the "Region H Project" project to measure water conservation efforts and evaluate water conservation strategies sponsored by The Texas Water Foundation along with Former

Senator Kip Averitt and Carole Baker. The Board concurred that this item not be placed on the agenda for consideration.

The Board discussed meeting schedules for December, 2012 and confirmed a meeting on December 17, 2012 at 11 a.m. There being no further 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 October, 2012 .....	3
termination list .....	3