

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

November 29, 2011

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in regular session, open to the public, on the 29th day of November, 2011, 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:

Joe Taylor	President
Richard Stolleis	Vice President
G. E. Kluppel	Secretary
John Minchew	Assistant Vice President/ Assistant Secretary
Kevin Krahn	Assistant Vice President/ Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were residents of the District listed on Exhibit A attached hereto; Ken Stringer of LEM Construction Co., Inc. ("LEM Construction"); Jason Kirby and Bethany Miller of Jones & Carter, Inc. ("J&C"); Kim Cruthirds of Tax Tech, Inc.; Clayton Galloway, Doug Owen, Breah Campbell, and Mike Ammel of Environmental Development Partners, L.L.C. ("EDP"); Shirley McLennan of McLennan & Associates, L.P.; Kevin Atkinson of WCA Waste Corporation of Texas, LP ("WCA"); Sheldon Buck of Arcadis U.S., Inc. ("Arcadis"); Constable Rob Cook and Deputy Aaron Tyksinski of the Fort Bend County Constable's Office, Precinct 3; Pat Naff of CDC Unlimited, LLC; and Lynne B. Humphries and Janet Swartz of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the October 25 and 26, 2011, meetings, which were prepared and distributed in advance of the meeting. Following review and discussion, Director Kluppel moved to approve the minutes of the October 25 and 26, 2011, meetings. Director Stolleis seconded the motion, which carried unanimously.

DITCH, LEVEE MAINTENANCE, AND REPAIRS

Mr. Naff updated the Board on ditch, levee maintenance, and repairs. He stated that crushed granite has been added to the jogging trail.

GARBAGE COLLECTION AND RECYCLING SERVICES

Mr. Atkinson distributed and reviewed a report on garbage collection in the District during the past month, a copy of which is attached. Mr. Atkinson reported that

WCA will pick up Christmas trees for recycling on January 4 and January 7, 2012. Ms. Campbell stated that she will post notice of the tree recycling dates on the website and send a notice with the next water bill.

#### TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Cruthirds reviewed with the Board the monthly tax assessor/collector's report, a copy of which is attached. She updated the Board on the status of collection of delinquent taxes and 2011 tax payments and responded to questions from Board members. Following review and discussion, Director Stolleis moved to approve the tax assessor/collector's report, and authorize payment of bills from the tax account. Director Kluppel seconded the motion, which passed by unanimous vote.

#### OPERATION OF DISTRICT FACILITIES AND HEARING REGARDING TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT ACCOUNTS

Mr. Ammel reviewed the EDP operations report for the month of November, 2011, a copy of which is attached, and which was provided previously to the Board.

Mr. Ammel stated that EDP has completed the initial directional flushing of the system and has scheduled another flushing of the system the week of December 12, 2011. Mr. Ammel updated the Board on the chloramine conversion and stated that the conversion is scheduled to commence December 12, 2011. He added that notification of the conversion has been mailed to customers. Mr. Ammel updated the Board on training of the EDP staff on operation of the surface water treatment plant and preparation for the commencement of the operation of the plant.

Mr. Ammel stated that Randalls Grocery Store has requested an adjustment to its water bill due to a leak in the irrigation system that has since been repaired.

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 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. A copy of the termination list is attached. No customers on the termination list were present at the meeting to address the Board, nor did they submit a written statement on the matter.

After review and discussion, Director Stolleis moved to (1) approve the operator's report; (2) approve an adjustment to the Randalls Grocery Store water bill for approximately \$640.00; and (3) authorize termination of utility service for delinquent customers in accordance with the District's Rate Order. Director Kluppel seconded the motion, which carried unanimously.

## DISTRICT NEWSLETTER AND WEBSITE

The Board asked EDP to post the notice on chloramine conversion on the website.

## CONVERSION TO SURFACE WATER

Mr. Buck reviewed an Activity Report from Arcadis U.S., Inc. on the surface water treatment plant, a copy of which is attached.

Mr. Buck reviewed and recommended approval of Pay Estimate No. 19 from LEM Construction in the amount of \$882,952.86. After review and discussion, Director Kluppel moved, based upon Mr. Buck's recommendation, to approve Pay Estimate No. 19 in the amount of \$882,952.86 to LEM Construction. Director Krahn seconded the motion, which passed unanimously. Mr. Buck noted that he will present a change order next month.

Mr. Buck discussed installation of equipment at the surface water treatment plant and stated that testing is scheduled to commence on December 5, 2011, and run for three days. Mr. Stringer reported on testing at the plant and the schedule for installation of computers. Mr. Ammel stated that he will send Directors Krahn and Taylor a list of prices for glassware and lab supplies needed for the surface water treatment plant. Ms. Humphries noted that she will contact SIG/McDonald & Wessendorff to request that insurance on the plant become effective December 1, 2011. The Board concurred to conduct a special meeting on December 15, 2011, at 4:00 p.m. to tour the surface water treatment plant.

## ENGINEERING MATTERS

Mr. Kirby reviewed with the Board the engineer's report, a copy of which is attached, and which was provided in advance of the meeting.

Mr. Kirby stated that plans for the southern portion of the Pecan Lakes Flood Plain Protection System have been submitted to Fort Bend County for review. Mr. Kirby discussed commencing design of south ditch improvements from Pitts Road to the confluence of Jones Creek Outfall Channel.

Mr. Kirby updated the Board on the construction of the surface water treatment plant offsite utility extensions. He reviewed and recommended approval of Pay Estimate No. 6 in the amount of \$210,418.84 to Hurtado Construction Company.

Mr. Kirby updated the Board on the chloramine conversion of water plant nos. 1, 2, and 3. He reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$68,042.21 to R&B Group, Inc.

Mr. Kirby updated the Board on the wastewater treatment plant belt filter press replacement project.

Mr. Kirby discussed Lift Station No. 5 electrical improvements. He stated that an alternate bid item for replacement of the conduit was included in the contract with Neil Technical Services ("Neil") in the event the existing wire cannot be removed and the conduit cannot be reused. Mr. Kirby stated that if Neil determines that a new conduit is needed, they will want to install the conduit as soon as possible to minimize the time period the lift station operates on the generator. Mr. Kirby stated that the cost of new conduit would be approximately \$11,700.

Mr. Kirby stated that the stormwater permit application for the wastewater treatment plant and the Year Four Annual Report on the MS-4 Storm Water Management Plan were submitted to the Texas Commission on Environmental Quality.

Following review and discussion, Director Kluppel moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 6 in the amount of \$210,418.84 to Hurtado Construction Company for the surface water treatment plant offsite utility extensions, based upon the engineer's recommendation; (3) approve Pay Estimate No. 3 in the amount of \$68,042.21 to R&B Group, Inc. for the chloramine conversion of water plant nos. 1, 2, and 3, based upon the engineer's recommendation; and (4) authorize Director Taylor to approve installation of a new conduit for the electrical system at Lift Station No. 5 in an amount not to exceed \$11,700.00, if necessary. Director Krahn seconded the motion, which passed by unanimous vote.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. McLennan distributed and reviewed the monthly bookkeeper's report, a copy of which is attached, which was provided in advance of the meeting, including the investment report, budget comparison, and the District's bills. After review and discussion, Director Kluppel moved to approve the bookkeeper's report, investment report, and payment of the District's bills. Director Stolleis seconded the motion, which passed by unanimous vote.

#### REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS REGARDING EVENTS AND ACTIVITIES ATTENDED DURING THE MONTH, INCLUDING FORT BEND FLOOD MANAGEMENT ASSOCIATION MEETINGS

Director Stolleis reported on a meeting he attended of the Fort Bend Flood Management Association. He stated that the budget and a June seminar were discussed.

#### COMMENTS FROM THE PUBLIC

There were no comments from the public.

## DEVELOPMENT AND MAINTENANCE OF PARKS

The Board reviewed a report on parks for November, a copy of which is attached. Director Krahn stated that the Park Committee will consider landscaping for Plantation Park in the spring and is still looking at lighting of the flags.

## REPORT ON SECURITY MATTERS

Constable Cook reported on security in the District.

## DISTRICT FIRE PLAN AND REPORT FROM FIRE PLAN COMMITTEE

Director Krahn updated the Board on a meeting of the Fire Plan Committee. He stated that the Committee came to a consensus that the Pecan Grove Volunteer Fire Department ("PGVFD") and the City of Richmond Fire Department (the "City") should leverage their resources in order for both to continue to serve the community. Director Krahn stated that the committee discussed possible ways to develop a blended strategy for both departments to serve the community. He stated that both fire chiefs were present at the committee meeting and the Committee asked the City Fire Department and the PGVFD to meet to address coordination between the departments for the benefit of the community.

Director Krahn recommended that a letter be sent to the City Fire Department and PGVFD requesting that they work together to investigate possibilities of determining a blended policy that meets the common good of the residents. He added that the letter will request that himself, the Chief of the City Fire Department, the chief of the PGVFD, a representative of the City of Richmond Administration, a representative of the Board of the PGVFD, and a least two volunteer firemen of the City and the PGVFD be included in the discussion on a blended policy. Director Krahn stated that the letter also will request that the outcome of the discussions be presented to the Pecan Grove Municipal Utility District Board of Directors on January 31, 2012. After discussion, Director Kluppel moved to authorize Director Krahn to draft a letter to the City and the PGVFD, to be signed by the Board President, requesting that they meet to discuss a plan for a blended policy and present the findings to the Board on January 31, 2012. Director Minchew seconded the motion. Upon the question being called, Directors Minchew, Taylor, Kluppel, and Krahn voted "Aye," Director Stolleis abstained, and the motion passed.

## ATTORNEY'S REPORT

Ms. Humphries stated that the District received a request for a voluntary Census Survey to be completed by the District. The Board concurred to not answer the Census Survey.

Ms. Humphries stated that a letter was sent on behalf of the District to Lamar Consolidated Independent School District to request that they register Lift Station No. 11 as a critical load facility with the appropriate authorities, if not already registered.

After discussion, Director Kluppel moved to conduct the next meeting on December 20, 2011 due to the holidays. Director Minchew seconded the motion, which passed by unanimous vote.

Directors Stolleis stated that he and Director Krahn are serving on a committee to address possible amendments to the District's Groundwater Reduction Plan.

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 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

At 7:06 p.m. Director Taylor announced that the Board would convene in executive session to deliberate the purchase, exchange, lease, or value of real property.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

Director Taylor announced that the Board would reconvene in open session at 7:09 p.m. After discussion, Director Kluppel moved to accept a Special Warranty Deed for a 0.1047 acre tract and direct that the Deed be filed appropriately and retained in the District's official records. Director Stolleis seconded the motion, which passed by unanimous vote

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 7:10 p.m. Director Taylor 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 7:20 p.m. the Board reconvened in open session and took no action.

There being no further business to come before the Board, the meeting was adjourned.

---

Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
report from WCA on garbage collection .....	1
tax assessor/collector's report .....	2
EDP operations report for November, 2011.....	2
termination list .....	2
Activity Report from Arcadis, U.S., Inc. on the surface water treatment plant.....	3
engineer's report .....	3
bookkeeper's report.....	4
November parks report.....	5