

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

December 16, 2014

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in regular session, open to the public, on the 16th day of December, 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
Ryan Yokubaitis	Vice President
Buddy Kluppel	Secretary
Randy Vance	Assistant Vice President/ Assistant Secretary
Kirk Boyd	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 and Grady Turner and Scott Saenger of Jones & Carter, Inc. ("J&C"); Greg Ordeneaux of Tax Tech, Inc.; Mike Ammel, Clayton Galloway and Breah Campbell of Environmental Development Partners, L.L.C. ("EDP"); Pat Naff of CDC Unlimited, LLC; Shirley McLennan of McLennan & Associates, L.P.; Sergeant Jean Gobar and Deputy Jordan Kelly of Fort Bend County Sheriff's Office; Marcus Campbell of Time and Season Property Management ("Time & Season"); Chief Joe Woolley of Pecan Grove Volunteer Fire Department ("PGVFD"); Ryan Niles of Arenosa Development; Trevor Royal of WCA Waste Corporation of Texas ("WCA"); Blake Kridel of Storm Water Solutions, LP; 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 at 6:00 p.m. and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Paul Metcalf inquired regarding development of a District dog park, the status of drainage improvements in Plantation, Section 7 and addition of District security patrol hours and requested information regarding the District's legal action filed in Fort Bend County against the City of Richmond.

CONSENT AGENDA

Director Howard offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Boyd moved to approve all items on the consent agenda. Director Yokubaitis 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

Sgt. Gobar reported on patrol and security since the Board's last regular meeting. Director Kluppel requested a comparative analysis of crime in the District to other areas in the County.

Chief Woolley discussed VFD activity since the last meeting; including a status of creation of the proposed emergency services district ("ESD"), fire hydrant painting and VFD sponsored community events. He also updated the Board on the status of finalizing a list of approved additional services to be added to the District Master Services Agreement with VFD.

Sgt. Gobar and Deputy Kelly left the meeting.

DEVELOPMENT AND MAINTENANCE OF PARKS

Mr. Campbell reviewed a parks report, a copy of which is attached, and updated the Board on maintenance and repairs in District parks and reservations. Mr. Campbell reviewed an estimate from Texas Fence in the amount of \$400 to add access to the PGVFD parking lot and two quotes to replace soccer goals at Pitts Park. Following review and discussion, Director Kluppel moved to (1) approve the estimate from Texas Fence in the amount of \$400 for access to the PGVFD; and (2) approve a proposal in the amount of \$4,990 for the purchase and installation of 2 Fushion HS Match Goals from Soccer4All. Director Boyd seconded the motion, which passed unanimously.

Discussion ensued regarding installing electrical outlets at Memorial Park on the conduit at the wall.

BULLHEAD BAYOU

Mr. Kridel updated the Board on the status of installation and startup of an aerator and service panel in Bullhead Bayou at Colonel Court South Drive and Old South Drive and said it should be complete and powered by Christmas.

Mr. Naff left the meeting.

OPERATION OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report for the month of November, 2014, a copy of which is attached, and which was provided in advance to the Board.

Mr. Ammel reported the status of maintenance and repairs made during the month. He also reported regarding overall water accountability and ongoing efforts to identify any possible leaks in the system. Discussion ensued regarding ongoing issues with radio signals between groundwater plants and the surface water plant.

Mr. Ammel next requested authorization to repair lift pump no. 1 at lift station no. 4 for an estimate of \$2,894 plus \$500 for installation.

Following review and discussion, Director Boyd moved to approve the operations report and authorize repair of lift pump no. 1 at lift station no. 4, as discussed above. Director Yokubaitis 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 Boyd 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 Yokubaitis seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Turner reviewed the engineering report, a copy of which is attached, and which had been distributed to the Directors in advance of the meeting.

Discussion ensued regarding issues with coordinating aesthetic repairs of the Pecan Lakes floodwall with the contractor and the Pecan Lakes Homeowners Association, encroachments identified on District owned property and review of storm water plans for the out of District senior housing project on FM 359.

Ms. Miller presented a Berg Oliver Associates proposal in the amount of \$2,475 for phase 1 environmental survey associated with conveyance of detention tracts by Johnson Development.

Mr. Turner updated the Board regarding design of additional security requested at the surface water treatment plant and requested authorization to solicit security system/installation proposals, as discussed with the security committee.

Following review and discussion, upon a motion by Director Kluppel and a second by Director Boyd, the Board voted unanimously to (1) approve the engineer's report; (2) approve a Berg Oliver Associates proposal in the amount of \$2,475 for phase 1 environmental survey associated with conveyance of detention tracts by Johnson Development; and (3) authorize J&C to solicit security system/installation proposals for the surface water treatment plant, as discussed with the security committee.

DISTRICT WEBSITE AND NEWSLETTER

There was no Board discussion for this agenda item. Upon inquiry by Mr. Paul Metcalf, Ms. Campbell provided the cost for preparation and distribution of the most recent newsletter.

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 reported regarding Brazos River Authority matters. Director Kluppel also reported regarding Fort Bend Flood Management Association ("FBFMA") matters, including increased fees for renewal of membership in FBFMA. Following discussion, Director Kluppel moved to decline renewal in FBFMA and to authorize ABHR to notify FBFMA of the Board's decision. Director Vance seconded the motion, which passed unanimously.

Director Boyd reported regarding City of Richmond matters regarding an ESD proposed by PGVFD, which the City has denied consent to creation since the proposed ESD is in the City's ETJ.

ATTORNEY'S REPORT

In response to inquiry by Mr. Paul Metcalf, Ms. Humphries reported the District has filed a declaratory judgment against the City of Richmond alleging the annexation of the senior housing project on FM 359 was illegal.

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

Director Howard announced that the Board would convene in executive session at 7:05 p.m. to conduct a private consultation to deliberate the purchase, exchange, lease, or value of real property. Ms. Humphries, Ms. Brook and Ms. Miller were present during executive session.

Mr. Rozell entered executive session at 7:12 p.m.

RECONVENE IN OPEN SESSION AND AUHTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 7:17 p.m. No action was taken.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO (1) SEEK ADVICE ON PENDING OR CONTEMPLATED LITIGATION, INCLUDING CONDEMNATION PROCEEDINGS, AND (2) MATTERS IN WHICH THE DUTY OF THE ATTORNEY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT CONFLICT WITH CHAPTER 551 TEXAS GOVERNMENT CODE AND SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO (1) SEEK ADVICE ON PENDING OR CONTEMPLATED LITIGATION, INCLUDING CONDEMNATION PROCEEDINGS, AND (2) MATTERS IN WHICH THE DUTY OF THE ATTORNEY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT CONFLICT WITH CHAPTER 551 TEXAS GOVERNMENT CODE

Director Howard announced that the Board would convene in executive session at 7:19 p.m. to conduct a private consultation with the District's attorney to seek advice on litigation matters.

RECONVENE IN OPEN SESSION AND AUHTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 7:20 p.m. No action was taken.

EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION, OF SECRUTIIY PERSONNEL OR DEVICES

The Board determined no executive session was necessary.

There being no additional business to consider, the meeting was adjourned at 7:21 p.m.


Secretary, Board of Directors

(SEAL)



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