

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

August 23, 2016

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in special session, open to the public, on the 23rd day of August, 2016 at the Pecan Grove Baptist Church, 1727 FM 259, 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
G.E. "Buddy" Kluppel	Secretary
Stephen D. Crow	Assistant Secretary/ Assistant Vice President
Charles D. Bertrand	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; Grady Turner and Scott Saenger of Jones & Carter, Inc. ("J&C"); Mike Ammel and Breah Campbell of Environmental Development Partners, LLC ("EDP"); Shirley McLennan and Jorge Diaz of McLennan & Associates, L.P. ("M&A"); Marcus Campbell of Time and Season Property Management ("Time & Season"); and Lynne Humphries, Anne Stanford, Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

BUDGET WORKSHOP

The Board first considered approving the Pecan Grove Volunteer Fire Department ("PGVFD") for the fiscal year ending October 31, 2017. Following review and discussion, upon a motion by Director Kluppel and a second by Director Bertrand, the Board voted 4 to 0 to approve the PGVFD budget, with Director Yokubaitis being absent at the time of the vote. The Board also discussed the City of Richmond's fire protection services fee increase per connection.

Director Yokubaitis joined the meeting.

The Board conducted a budget workshop in connection with the budget for the fiscal year ending September 30, 2017. The Board reviewed revenue and expense line items in the proposed budget, and commented and adjusted projections and inclusion of special construction and parks projects.

Discussion ensued regarding costs associated with administration of the lease of water supply capacity to Fort Bend County Municipal Utility District Nos. 134D and

134E (“No. 134D and No. 134E”) and notice of intent to adopt a budget required by the District’s Lease Agreement for Water Supply Capacity with No. 134D and No. 134E.

The Board next discussed the Parks Committee’s recommendations for repair, maintenance and rehabilitation of existing recreational facilities and new park projects in 2016, including asphalt paving of the parking lot at the Pecan Grove Park on Pitts Road, tree trimming, rehabilitation of the granite trail on the levee top and other greenway enhancements. The Board concurred to table replacement of playground equipment and new ground cover and discussed adding scope to Time & Season’s contract to include mowing oversight. Ms. Brook reported CDC’s estimated cost for maintenance of 2 additional pond areas, including fertilization. The Board requested that ABHR place an item on the September regular meeting to amend the District’s contract with Time & Season to include additional work scope, including mowing oversight and trash pickup and that the Parks Committee meet with Marcus Campbell to define the proposed additional work scope.

The Board then reviewed proposed special engineering projects for the fiscal year ending September 30, 2017, including improvements at Lift Stations Nos. 4 and 7, Phase II of Wastewater Treatment Plant Improvements, rehabilitation of sanitary sewer in Plantation, Sections 6, 7, 8, 9 and 10 and Greens Sections 1 and 2 and a SCADA System inventory and report. Discussion ensued regarding using surplus water bond funds to pay for the proposed SCADA System inventory and report and the Board concurred to move the proposed project/expense from the operating budget and pay for the project out of surplus water bond funds. The Board also concurred to defer Phase II of Wastewater Treatment Plant Improvements for the next budget year.

AMEND DISTRICT OPERATOR’S CONTRACT

Ms. Stanford next reviewed proposed amendments to the District’s Operating Services Agreement with EDP. The Board requested distribution of a directory of District dedicated EDP staff. Discussion ensued regarding benefit and costs of implementing an automated meter program; no action was taken. Following discussion, the Board concurred to defer further discussion regarding the proposed contract amendment to the August regular meeting.

AMEND RATE ORDER

The Board next considered amending the District’s Rate Order to increase the charge per connection for City of Richmond (the “City”) fire protection services to Pecan Lakes residents from \$11.22 to \$11.33 due to the City’s fee increase. Following review and discussion, Director Crow moved to amend the District’s Rate Order, as discussed. The motion was seconded by Director Kluppel and passed unanimously.

REVIEW BIDS AND AWARD CONTRACTS

Mr. Turner next reviewed bids for sanitary sewer repairs in Plantation 6, 7, 8 9 and 10 and Greens Sections 1 and 2. Following review and discussion, Director Crow moved to reject the bids. Director Yokubaitis seconded the motion, which passed unanimously.

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

Director Howard announced the Board would convene in executive session at 8:57 p.m. to conduct a private consultation with the District's attorney. ABHR and J&C were present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 9:10 p.m. Following review and discussion in executive session, Director Yokubaitis moved to authorize J&C and Directors Bertrand and Howard to approve a settlement offer, as amended, with Pecan Grove Golf, LLC, as discussed. Director Bertrand seconded the motion, which passed unanimously.

There being no additional business to consider, the meeting was adjourned.

(SEAL)



C. J. Kuppel
Secretary, Board of Directors