

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

September 27, 2016

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 September, 2016 at the Pecan Grove Country Club, 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; Chris Jousan, Bethany Miller and Scott Saenger of Jones & Carter, Inc. ("J&C"); Kathy Cruthirds of Tax Tech, Inc.; Mike Ammel, Clayton Galloway, Sarah Hume and Breah Campbell of Environmental Development Partners, LLC ("EDP"); Jorge Diaz of McLennan & Associates, L.P. ("M&A"); Sergeant Jean Gobar of Fort Bend County Sheriff's Office ("FBSCO"); Chief Joe Woolley of Pecan Grove Volunteer Fire Department ("PGVFD"); Pat Naff of CDC Unlimited, LLC; Trevor Royal of WCA Waste Corporation of Texas; Marcus Campbell of Time and Season Property Management ("Time & Season"); Shay Shafie of The Johnson Development Corporation; and 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. Ashmore updated the Board regarding the Fort Bend County Road and Bridge Department's plans/schedule for improvements to Morton League Road between Plantation Drive and Pitts Road and requested that the Board authorize posting of a status on the District website.

Mr. Metcalf requested the Board authorize an email alert when new information is added to the District website. He also requested that drainage plans and drawings for Plantation 7 be added to the District website.

CONSENT AGENDA

Director Howard offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Kluppel moved to approve all items on the consent agenda. Director Crow seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

ITEMS REMOVED FROM CONSENT AGENDA

There was no discussion under this agenda item.

ADDITIONAL BOOKKEEPING MATTERS

The Board considered release of check no. 9556 in the amount of \$3,800 to Imagination Monkey. Following discussion, the Board concurred to release the check, as written.

Mr. Diaz confirmed that all Board and consultant comment/revisions to the 2017 fiscal year budget discussed at the August budget workshop were incorporated. Following review and discussion, Director Kluppel moved to approve the proposed budget for the District's fiscal year ending September 30, 2017. The motion, which was seconded by Director Yokubaitis, passed unanimously.

Mr. Diaz next reviewed the District's annual budget for Temporary Leased Surface Water Capacity to Fort Bend County Municipal District Nos. 134D and 134E ("Harvest Green"). Ms. Brook confirmed that ABHR provided the contractually required notice to Harvest Green that the Board would approve a budget for the 2017 fiscal year at its regular meeting on Tuesday, September 27, 2016 at the Pecan Grove Country Club at 6:00 p.m. Following review and discussion, Director Kluppel moved to approve the annual budget for Temporary Leased Surface Water Capacity to Harvest Green for the fiscal year ending September 30, 2017. The motion, which was seconded by Director Yokubaitis, passed unanimously.

Mr. Diaz also presented check no. 1578 payable to Pecan Grove Golf, LLC to be discussed further in executive session. The Board concurred to request that Mr. Diaz hold the check until settlement with Pecan Grove Golf, LLC is final.

PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ORDER LEVYING TAXES, AND AMENDMENT TO INFORMATION FORM

Ms. Cruthirds stated Tax Tech, Inc. published a Notice of Public Hearing in the Fort Bend Herald notifying that the District anticipates levying a \$0.625 tax rate at this

meeting. Director Howard then opened the public hearing. No members of the public came forward to make comments. Director Howard then closed the public hearing.

Ms. Brook presented to the Board an Order Levying Taxes for 2016 reflecting a total \$0.625 tax rate, comprised of \$0.375 for debt service and \$0.25 for operations and maintenance. She then presented to the Board an Amendment to Information Form reflecting the 2016 tax rate. Following review and discussion, Director Kluppel moved to adopt the Order Levying Taxes as presented, approve and authorize execution of the Amendment to the Information Form, and direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Crow seconded the motion, which passed unanimously.

### SECURITY AND PUBLIC SAFETY MATTERS

Sergeant Gobar reported on patrol and security since the Board's last regular meeting and discussed options for improving traffic control on Plantation Drive during school arrival and dismissal peak hours, including a possible crosswalk.

### DEVELOPMENT AND MAINTENANCE OF PARKS

Mr. Campbell reviewed a parks report, a copy of which is attached, and updated the Board on park reservations, maintenance and repairs in District parks.

### OPERATIONS OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report, a copy of which is attached, and which was provided in advance to the Board. He discussed routine repairs completed, and recommended the Board authorize the following repairs to District facilities:

1. Lab testing/additional monitoring at the Surface Water Treatment Plant in the amount of \$10,630;
2. Repair of booster pump no. 3 at Water Plant No. 1 in the amount of \$7,342;
3. Repair of lift pump no. 1 at Lift Station No. 5 in the amount of \$4,214, plus an additional \$1,200 for EDP time and materials;
4. Repair of lift pump no. 1 at Lift Station No. 9 in the amount of \$4,225; and
5. Repair of the blower motor at the Wastewater Treatment Plant in the amount of \$6,810.

Discussion ensued regarding a request from Fort Bend County Elections to include a special insert regarding upcoming election cycles in the District utility bills. The Board requested that ABHR follow up with Fort Bend County Elections regarding bilingual notice requirements.

Ms. Campbell also presented a follow up request from a customer requesting additional reimbursement of a plumber's invoice due to sewer back up. Following discussion, the Board concurred to deny the request for additional reimbursement.

Following review and discussion, Director Crow moved to (1) approve the operations report; (2) approve the testing and repair proposals listed above; and (3) authorize insertion of an election flyer, subject to bilingual content confirmation. Director Kluppel 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 provided to the Directors 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 Crow 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 Kluppel seconded the motion, which passed unanimously.

#### SECURITY AND PUBLIC SAFETY MATTERS (CONTINUED)

Chief Woolley reported on PGVFD activity since the last meeting.

#### ENGINEERING MATTERS

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

Ms. B. Miller reported regarding wastewater treatment plant phase 1 improvements and recommended the Board approve Pay Application No. 10 in the amount of \$144,900.44. She confirmed that all scheduled work will occur inside the facility fence.

Ms. B. Miller next updated the Board regarding drainage improvements for The Grove, Sections 4 and 5 and Plantation, Sections 4 and 5 and recommended the Board approve Pay Estimate No. 11 in the amount of \$272,839.68, payable to LECON, Inc. Ms. B. Miller said that the contractor has committed to completing all work impacting roadways by November 15, 2016. Discussion ensued regarding acceleration of concrete curing and pipe joint testing in The Groves, Sections 4 and 5. Director Howard stated that work in Plantation 7 will not begin until after the 2016 holiday season, with the

exception of work on the golf course which is scheduled to begin on December 1, 2016. Director Yokubaitis requested J&C follow up with the contractor regarding pump dewatering in a resident's yard to make sure the resident was agreeable to continuing with the work and not inconvenienced any more than necessary.

Ms. B. Miller next discussed bids received for drainage improvements in Plantation 7 and recommended that the Board award the contract to the lowest qualified bidder, D. Grimm, in the amount of \$1,789,999.99, based on the engineers' recommendations, and because it would result in the best and most economical completion of the project. Based on the engineer's recommendation, Director Kluppel moved to approve the award of the contract to the lowest qualified bidder, D. Grimm, subject to review and approval of payment and performance bonds and insurance. Director Crow seconded the motion, which passed unanimously. Discussion ensued regarding inspectors assigned to the project.

Ms. B. Miller next updated the Board regarding recommendations for Jones Creek slope repairs and requested to meet with a subcommittee to review the proposed options and have the proposed options ready for Board consideration at the October Board meeting. Following discussion, the Board concurred to appoint a subcommittee of Directors Yokubaitis and Bertrand.

Mr. Jousan updated the Board regarding the status of installation of the water interconnect meter between the District and Harvest Green, including pending approval from the North Fort Bend Water Authority ("NFBWA"). Mr. Jousan said Harvest Green has a meeting scheduled with NFBWA on Friday to work through the remaining approval issues. Discussion with residents on Colonel Court ensued regarding water fees paid by Harvest Green, possible future subsidence issues, the status of fire service for Harvest Green and regarding the proposed location of the fence.

Following review and discussion, upon a motion by Director Kluppel and a second by Director Crow, the Board voted unanimously to (1) approve the engineer's report; and (2) approve the pay estimates presented and recommended by J&C.

#### DISTRICT WEBSITE AND NEWSLETTER

Director Yokubaitis updated the Board regarding the District newsletter and termination of the contract with Imagination Monkey. Following discussion, the Board concurred to authorize posting of annual energy usage information and the Morton League Road improvement status to the District's website.

REPORTS FROM DIRECTORS, COMMITTEES, AND DISTRICT CONSULTANTS REGARDING CORRESPONDENCE AND/OR REPORTS RECEIVED DURING THE MONTH

There was no discussion for this agenda item.

ATTORNEY'S REPORT

There was no discussion for this agenda item.

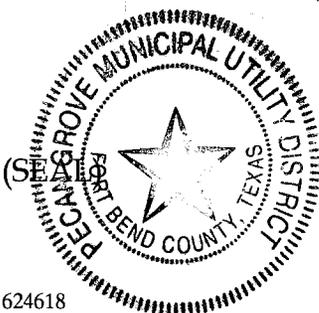
EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO (1) SEEK ADVICE ON PENDING OR CONTEMPLATED LITIGATION, INCLUDING CONDEMNATION PROCEEDINGS, AND (2) MATTERS IN WHICH THE DUTY OF THE ATTORNEY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL 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 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 7:22 p.m. to conduct a private consultation with the District's attorney. ABHR and J&C, the District's expert witnesses, were present during executive session.

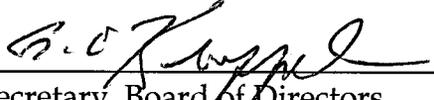
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 7:34 p.m. Following review and discussion, Director Crow moved to authorize the District's consultants to move forward, as discussed in executive session. Director Kluppel seconded the motion, which passed unanimously.

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



624618

  
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

|                                    | Minutes     |
|------------------------------------|-------------|
|                                    | <u>Page</u> |
| Meeting attendance .....           | 1           |
| Tax assessor/collector report..... | 2           |
| Bookkeeper's report .....          | 2           |
| Parks report .....                 | 3           |
| Operations report .....            | 3           |
| Engineering report .....           | 4           |