

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

November 29, 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 29th day of November, 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, thus constituting a quorum.

Also present at the meeting were residents of the District listed on Exhibit A attached hereto; Chris Jousan, Grady Turner and Kaci Hicks 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"); Shirley McClennan and Jorge Diaz of McLennan & Associates, L.P. ("M&A"); Chief Joe Woolley of Pecan Grove Volunteer Fire Department ("PGVFD"); Trevor Royal and Melvin Moore of WCA Waste Corporation of Texas ("WCA"); Marcus Campbell of Time and Season Property Management ("Time & Season"); 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. Ciarella discussed a proposed load shedding program offered through NRG Energy. Following discussion, the Board requested that ABHR review the proposed agreement and place an agenda item on the December, 2016 meeting agenda to consider approval of the proposed agreement, if appropriate.

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, with the exception of item e. Director Crow seconded the

motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached, including the bookkeeper's report and the tax assessor collector's report.

ITEMS REMOVED FROM CONSENT AGENDA

The Board considered a request from WCA that the Board reconsider approval of the Consumer Pricing index increase WCA requested in April, 2016 to be effective May 1, 2016. Following review and discussion, Director Kluppel moved to approve the April, 2016 price increase with an effective date of May 1, 2016 and authorize ABHR to amend the District Rate Order to increase the sewer base rate by \$.023 per residence for consideration at the December, 2016 Board meeting. The motion was seconded by Director Yokubaitis and passed unanimously.

Discussion continued regarding issues with recycling routes and proposed delivery of recycling bins from a District location. EDP offered to keep the recycling bins at the Surface Water Treatment Plant and deliver them to customers when requested.

ADDITIONAL BOOKKEEPING MATTERS

Ms. McLennan requested that the Board appoint Jorge Diaz as the District's investment officer. The Board concurred to place items on the December, 2016 meeting agenda to appoint Jorge Diaz as the District's investment officer.

SECURITY AND PUBLIC SAFETY MATTERS

Chief Woolley reported on PGVFD activity since the last meeting.

Director Howard said that there will be follow up discussion at the December, 2016 Board meeting regarding the security committee's meeting with the Pecan Grove Plantation Property Owner's Association ("POA") to discuss the POA's request for additional night patrol.

Director Howard next reported regarding ongoing discussions with Fort Bend Independent School District ("FBISD") regarding a FBISD proposed crosswalk on Plantation near Bowie Middle School for an estimated cost of \$35,000 to \$40,000. Following discussion, the Board concurred that Director Howard contact FBISD and Fort Bend County to advise that the District is not offering to fund or construct the proposed crosswalk at this time.

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. Mr. Campbell reported regarding quotes received for tree trimming along the levee for an estimated cost of \$38,000. Following review and discussion, the Board concurred to request that the proposed tree trimming project be broken into 4 sections and that CDC also submit a quote for tree trimming.

Discussion ensued regarding a request from Mr. Metcalf for development of a dog park in Pecan Grove Park. Following discussion, Director Yokubaitis said the parks committee would meet with Mr. Metcalf to review his proposal for development, and discuss donations committed through Mr. Metcalf for development. Mr. Ross asked that the Board solicit community input regarding development of the dog park before committing to proceed with this project.

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 requested the Board approve the following:

1. Partial payment for work completed to date on the Wastewater Treatment Plant Building Rehabilitation in the amount of \$31,000;
2. Replacement of four lead chemical feed pumps at the Surface Water Treatment Plant for an estimated cost of \$3,149 for each pump;
3. Replacement of the raw water sludge pump no. 2 at the Surface Water Treatment Plant for an estimated cost of \$9,761;
4. Replacement of the raw water pump motor no. 1 at the Surface Water Treatment Plant for an estimated cost of \$3,806, plus an estimated cost of \$1,800 for EDP time and materials for installation; and
5. Replacement of the surface water flow controller at Water Plant No. 3 for an estimated cost of \$4,807 plus an installation cost of \$600.

Following review and discussion, upon a motion by Director Yokubaitis and a second by Director Bertrand, the Board voted unanimously to (1) approve the operator's report; and (2) approve the proposals listed above.

Ms. Campbell discussed a proposed Service Agreement with Wilson Fire Equipment Services for monitoring the fire system at the Surface Water Treatment Plant for an annual cost of \$480 plus a one time programming fee of \$150. The Board concurred to defer action and requested additional proposals.

Discussion ensued regarding run time on raw water pumps at the Surface Water Treatment Plant ("SWTP"), including maximizing service hours on the pumps, total plant production and overall reliability of the plant. Following discussion, the Board concurred to refer further discussion to the operating committee for follow up with EDP and J&C and to request that the committee, EDP and J&C come up with a prioritized list of how to maximize production and improve reliability at the SWTP.

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 Yokubaitis 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 Bertrand seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

Mr. Turner next updated the Board regarding meetings with the Board subcommittee to discuss the final report regarding the Jones Creek slope failure and recommended the Board approve a proposal in the amount of \$19,272.16 with Champions Hydro-Lawn to remove debris along Jones Creek and authorize preparation of a short form construction contract for same. Discussion ensued regarding Fort Bend County's (the "County") response regarding the County's responsibility to maintain Jones Creek. Mr. Turner also reported that the property owner on the opposite side of Jones Creek has also declined to share in the cost of repair and/or maintenance of Jones Creek.

Mr. Turner next discussed the status of Water Plant No. 1 MCC Replacement and recommended the Board approve Pay Estimate No. 2 in the amount of \$152,389.89 and Change Order No. 1 in the amount of \$8,491 for installation of an additional solenoid valve on the air system and additional wiring to connect the sand filter to run when the well switches over to automatic operation.

Mr. Turner then reported the status of design of a proposed reclaimed water project and discussion ensued regarding identifying primary users of the proposed

system and developing a proposed price/rate. Mr. Turner said J&C would prepare an analysis of production cost/base line fees. Following discussion, the Board concurred to appoint a committee of Directors Howard and Yokubaitis to meet with J&C on December 7, 2016 at 1:00 p.m. to further discuss the project and analysis with Johnson Development and representatives of the North Fort Bend Regional Water Authority.

Mr. Turner 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. 12 in the amount of \$1,119,713.40. Discussion ensued regarding ponding issues identified following concrete pouring on Plantation Drive and said the concrete may need to be removed and replaced in areas, but said the repairs, if any, will occur after January 1, 2017. Additional discussion ensued regarding contractor installation of the wrong pipe material and ongoing discussions with the contractor to bring the constructed material to a level of performance that meets the specified material. Mr. Turner said the contractor, to date, has been unwilling to modify the installation and said J&C sent a letter requesting compliance and a revised schedule for completion. Following discussion, the Board requested that ABHR review the project contracts and contractor correspondence, provide input to J&C and follow up with the Board at the December meeting regarding Board options if the contractor refuses to bring the pipe installation to specification.

Mr. Turner next discussed construction of drainage improvements in Plantation, Section 7 and discussion ensued regarding proposed project disposal routes. Director Howard noted the project superintendent did not attend the preconstruction meeting last week. Mr. Turner said the contractor intends to mobilize on December 6, 2016 and discussion ensued regarding notifying the community and affected homeowners with website postings and door hangers. Directors Howard and Bertrand offered to assist with door to door notification of affected homeowners.

Discussion ensued regarding recoating of some locations along Pecan Lakes Levee where there is water seepage and J&C's attempts to discuss repairs under warranty with the contractor. Following discussion, the Board concurred to request that ABHR schedule a conference call with J&C to further discuss how to best proceed.

Mr. Jousan updated the Board regarding the status of installation of the water interconnect meter between the District and Harvest Green, and presented a water meter easement from the District to Fort Bend County Municipal Utility District No. 134E.

Following review and discussion, upon a motion by Director Yokubaitis and a second by Director Crow, the Board voted unanimously to (1) approve the engineer's report; (2) a proposal in the amount of \$19,272.16 and preparation of a contract with Champions Hydro-Lawn to remove debris along Jones; (3) approve Pay Estimate No. 2

in the amount of \$152,389.89 and Change Order No. 1 in the amount of \$8,491 for the Water Plant No. 1 MCC Replacement; (4) approve Pay Estimate No. 12 in the amount of \$1,119,713.40 for drainage improvements in The Grove, Sections 4 and 5 and Plantation, Sections 4 and 5; and (5) approve a water meter easement from the District to Fort Bend County Municipal Utility District No. 134E.

DISTRICT WEBSITE AND NEWSLETTER

Director Yokubaitis said there would be no fall newsletter. The Board also concurred to authorize posting of deadlines for payment of property taxes to avoid penalties for delinquent payment on the District website.

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

Director Kluppel reported regarding Brazos River Authority matters and Director Bertrand reported regarding emergency management/flooding event educational events hosted by Fort Bend County.

ATTORNEY'S REPORT

There was no discussion for this agenda item.

DECEMBER MEETING

The Board concurred to next convene on December 20, 2016 at 5:00 p.m.

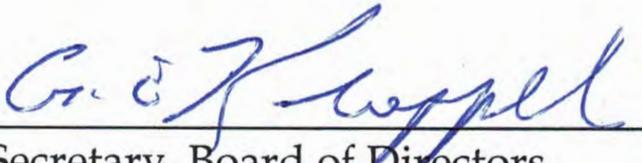
EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, OR PURSUANT TO THE SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board determined it was not necessary to convene in executive session.

There being no additional business to consider, the meeting was adjourned at 7:35 p.m.

(SEAL)




Secretary, Board of Directors

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