

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

January 10, 2017

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in special session, open to the public, on the 10th day of January, 2017 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 Tomalea Bench, District resident; David Ciarella of Enhanced Energy Services of America, LLC, and a District resident; Joseph M. Cibor and Ron Langston of Cibor Geoconsultants; Grady Turner, Kaci Hicks and Scott Saenger of Jones & Carter, Inc. ("J&C"); Marcus Campbell of Time & Season; Breah Campbell of Environmental Development Partners, LLC ("EDP"); and Lynne Humphries, Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

DEMAND RESPONSE OFFERED BY NRG

Ms. Brook updated the Board regarding ABHR's review of a proposed load shedding program offered through NRG Energy (the "Program"), including additional analysis required by J&C to determine if the District's generators meet the emissions requirements needed to participate in the NRG ERS Program. Following discussion, the Board concurred to table further discussion indefinitely.

ENGINEERING MATTERS

The Board first discussed a request from Fort Bend County Municipal Utility District No. 134D ("Harvest Green") for permanent water service. Mr. Turner presented information about the District's water facilities. Discussion ensued regarding District capacity requirements for both current customers and at build out of the District, surface water conversion mandates, ongoing efforts to resolve operational problems at the surface water treatment plant to increase production capacity and probable terms and conditions of a possible permanent service agreement with Harvest Green.

The Board then discussed the District's Groundwater Reduction Plan ("GRP"), design and estimated cost for construction of a proposed reclaimed water project, surface water conversion fees, GRP fees and funds available for design and construction of a reclaimed water system. A copy of the reclaimed water rate analysis documents are attached.

Mr. Turner, Mr. Saenger, Mr. Cibor and Mr. Langston next discussed geotechnical evaluation of and options, including cost estimates, which are attached, for repair of the slope along Jones Creek outside the District's levee. Mr. Turner and Mr. Saenger then discussed repair options that are eligible for funding/reimbursement through the Federal Emergency Management Agency ("FEMA"). Following review and discussion, upon a motion by Director Kluppel and a second by Director Crow, the Board voted unanimously to authorize additional soil borings for an amount not to exceed \$20,000.

CONTRACT FOR TREE PLANTING ON MASON ROAD

The Board next reviewed bids for planting trees along Mason Road received by Mr. Campbell. Following review and discussion, upon a motion by Director Yokubaitis and a second by Director Crow, the Board voted unanimously to award a contract for tree planting along Mason Road to the lowest qualified bidder, Watt Landscaping, in the amount of \$27,250, subject to receipt of necessary HB 1295 disclosures and review of the payment bond and insurance. Discussion ensued regarding watering the planted trees and Mr. Campbell said he would bring a proposal for watering to the January 31, 2017 Board meeting.

ENGINEERING MATTERS (CONTINUED)

Discussion continued regarding construction of a proposed reclaimed water project and end users/customer of reclaimed water. Following discussion, the Board concurred to authorize J&C to advise Harvest Green that the District does not have sufficient excess capacity to commit to permanent water service at this time, but is willing to sell reclaimed water to Harvest Green when available. The Board also appointed a committee of Directors Howard and Bertrand to meet with the Pecan Grove Plantation Golf Club to discuss future reclaimed water service.

The Board next discussed discussion among landowners west of Highway 359, Costello Engineering, J&C and ABHR regarding possible construction of a new levee on the south side of Highway 90 as part of a long term master plan to make Highways 90a and 359 passable during flooding events and provide Brazos River flood protection and drainage for areas along FM 359.

Mr. Turner updated the Board regarding drainage improvements for The Grove, Sections 4 and 5, Plantation, Sections 4 and 5 and Plantation, Section 7.

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


Secretary, Board of Directors

(SEAL)



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