

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

January 31, 2017

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in regular session, open to the public, on the 31st day of January, 2017 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; Grady Turner and Kaci Hicks of Jones & Carter, Inc. ("J&C"); Chief Joe Woolley of the Pecan Grove Volunteer Fire Department ("PGVFD"); Kathy Cruthirds of Tax Tech, Inc.; Mike Ammel, Clayton Galloway, Sarah Hume and Breah Campbell of Environmental Development Partners, LLC ("EDP"); Mark McGrath of McGrath & Co., PLLC; Pat Naff of CDC Unlimited, LLC; Greg Lentz of FirstSouthwest, a Division of Hilltop Securities; Jason Watt of Watt Landscaping; Sheriff Troy Nehls, Deputy Jordan Kelley and Deputy Chad Norvell of the Fort Bend County Sherriff's Office ("FBCSCO"); Jorge Diaz of McLennan & Associates, L.P. ("M&A"); Marcus Campbell of Time and Season Property Management ("Time & Season"); and Lynne Humphries, Hannah Brook and Hope Jeffers of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Howard opened the meeting at 5:00 p.m. and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Metcalf requested that layman's drawings for drainage plans for Plantation 7 be added to the District website.

Mr. Adkinson commented that signage posted on the gravel walkway behind Old Colony Drive is inadequate and reported that owners are leaving dogs off leash when using the trail.

Bill and Cathryn Bursh commented that drawings for drainage improvements in Plantation, Section 7 that are posted on the District website do not match the work on the posted timeline. Mr. Bursch requested that the District post an updated project timeline.

Mike and Jenny Stern and Mr. Eric Marmol commented that the Pecan Grove levee near Copperfield Court is deteriorating and pushing against residents' lot fences.

Ed and Cathleen Caliburton deferred making comment.

CONSENT AGENDA

Director Howard offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Yokubaitis 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, including the bookkeeper's report and the tax assessor collector's report.

ITEMS REMOVED FROM CONSENT AGENDA

There was no discussion for this agenda item.

ADDITIONAL BOOKKEEPING MATTERS

Mr. Diaz presented handwritten check no. 9793 in the amount of \$766.81, made payable to Director Bertrand for reimbursement of AWBD winter conference expenses, which were submitted in accordance with the District's Travel Guidelines. Upon a motion by Director Kluppel and a second by Director Crow, the Board voted unanimously to approve the additional check.

SECURITY AND PUBLIC SAFETY MATTERS

Chief Woolley reported on PGVFD activity since the last meeting and updated the Board regarding Fort Bend County Municipal Utility District No. 134D's ("Harvest Green") efforts to hold a May, 2017 Fire Plan election.

Director Howard discussed a meeting with Sherriff Nehls, Jim Ashmore of the Pecan Grove Property Owner's Association ("POA") and Marc Bateman of the Pecan Grove Community Improvement Association ("CIA") to discuss the POA's request for additional night patrol coverage, specifically between the hours of 9:00 p.m. to 7:00 a.m., Wednesday through Saturday. Sherriff Nehls discussed the schedule change in 2015, reviewed patrol statistics from 2014 to 2016 and said the patrol data supports and reinforces the effectiveness of the current schedule established by the FBSCO. Additional discussion ensued regarding recent traffic detail in the District. Sherriff

Nehls said that he would revise the patrol schedule only if both the POA and District agreed to the change. Following discussion, Director Kluppel moved to keep the patrol hours recommended by Sherriff Nehls. Director Yokubaitis seconded the motion, which passed unanimously. Ms. Humphries noted that the POA executed a cost sharing agreement with the District to share in the cost of patrol for 2017 and said that if the POA opts to discontinue cost sharing, the Board will need to make changes to the District's Law Enforcement Services Agreement with FBCSO. The Board requested that patrol statistics, as presented and discussed in this meeting, be posted to the District website.

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 discussed resident concern regarding dogs off leash in District recreational areas. As requested by Director Bertrand, he presented pricing for 3 pet waste disposal station options. Discussion ensued regarding enforcement of Fort Bend County leash laws. It was noted that the FBCSO can ticket people who let their dogs off the leash in public areas since it is against county law

Ms. Brook presented a contract awarded at the January 10, 2017 special Board meeting to Watt Landscaping for planting trees along Mason Road for signature. Ms. Brook also discussed the contractor's request that the Board waive workers compensation coverage required by the contract and reviewed a form waiver of workers compensation coverage. Director Crow reported that Watt Landscaping will begin planting 83 live oak trees around Feb 10, 2017.

Following review and discussion, upon a motion by Director Crow and a second by Director Yokubaitis, the Board voted unanimously to (1) approve the parks report; (2) approve installation of pet waste stations, including 4 new signs, poles, refills and trash cans, in the amount of \$1,120; (3) approve the waiver of requirement of workers compensation coverage for Watt Landscaping; and (4) approve reimbursement of \$500 to Watt Landscaping for the costs of a payment bond.

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. Mr. Ammel discussed routine repairs completed, and requested the Board approve repair of the recycle lift pump no. 3 at the surface water treatment plant for an estimated cost of \$12,443, plus an estimated cost of \$800 for EDP time and materials.

Ms. Campbell presented proposals for monitoring the fire system at the Surface Water Treatment Plant and recommended the Board approve the proposal and a Services Agreement with SecureCheck.

Ms. Campbell next reviewed a proposal from Hach Services for 2017 service at the Surface Water Treatment Plant.

Ms. Campbell next presented a list of accounts recommended for write off as uncollectable totaling \$5,580.

Ms. Campbell discussed a customer appeal from Randy Morse at 2722 Falling Forest Court protesting water use metered and billed. She said EDP met with the customer and no Board action is required at this time.

Ms. Campbell also discussed a customer appeal from Jack Crutchfield, Jr. regarding service at 1306 Roundstone Drive requesting waiver of late fees and an adjustment of billing to average use. Discussion ensued regarding methods of customer notification for termination or disruption of service and the Board requested that EDP look into ways to improve dissemination of service information to District customers.

Following review and discussion, upon a motion by Director Crow and a second by Director Bertrand, the Board voted unanimously to (1) approve the operator's report; and (2) approve repair of the recycle lift pump no. 3 at the surface water treatment plant; (3) accept the proposal of SecureCheck and authorize preparation of and signature upon a Services Agreement with SecureCheck and attachment of the approved proposal as Exhibit A to the Services Agreement; (4) approve a proposal from Hach Services for 2017 service at the Surface Water Treatment Plant; (5) write off the uncollectable balance of accounts in the amount of \$5,580, as presented; and (6) waive late fees billed for service at 1306 Roundstone Drive.

COMMITTEE EVALUATION OF SURFACE WATER TREATMENT PLANT RELIABILITY

There was no separate discussion for this agenda item.

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 Bertrand seconded the motion, which passed unanimously.

AMEND DISTRICT RATE ORDER

The Board considered amending the District Rate Order to include additional payment options. Following review and discussion, upon a motion by Director Crow and a second by Director Kluppel, the Board voted unanimously to amend the District Rate Order.

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 first addressed resident comments regarding resident fences along the Pecan Grove levee. He recommended dredging to address soil and debris pushing against the sod. Discussion ensued regarding options for correcting the fence line and addressing the levee issues. Ms. Campbell said EDP would work with CDC to clear out the debris, soil, etc. and determine what work is needed to repair the fences damaged by the District's levee.

Mr. Turner updated the Board regarding Pecan Grove Plantation Golf Club (the "Club") electric and sanitary sewer easements located on Ed Kahlenberg's lot on Old South Drive and said that he is meeting with the Club on Thursday to discuss relocation of the lines. He noted there are no District facilities on the lot located outside of the easements.

Mr. Turner next updated the Board regarding design of a waterline to serve the PGVFD Fire Station No. 2 and said the estimated construction cost is \$100,000. Discussion ensued regarding necessity of the line and the Board requested that J&C bring draft plans and estimates to the February Board meeting. Additional discussion ensued regarding cost sharing design and construction of the proposed waterline by and among the District, PGVFD, Harvest Green and Fort Bend County Municipal Utility District No. 118 since the station services those districts also.

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. 14 in the amount of \$155,740.75. Director Howard requested construction of affected sidewalks on the District's lots immediately when construction

is complete. Mr. Ammel said EDP will supervise the construction of the sidewalk following completion of construction.

Mr. Turner next discussed construction of drainage improvements in Plantation, Section 7 and recommended the Board approve Pay Estimate No. 1 in the amount of \$190,158.27 and Change Order No. 2 in the amount of \$89,988.50, subject to receipt of a 1295 certificate, to complete portions of work that were removed from the contract because of the revised soil disposal route. Mr. Turner confirmed that current construction activity is consistent with the timeline posted on the District website. Discussion ensued regarding pond depth, completion of plastic lining along the cart path and portions of the project to be constructed by the Club. Mr. Turner said he would post plans on the website.

Mr. Turner discussed evaluation of, options for and costs to repair the slope along Jones Creek outside the District's levee. Mr. Turner said that a portion of the project costs will be paid from funding/reimbursement through the Federal Emergency Management Agency ("FEMA"). Mr. Lentz stated the District could sell the remaining available \$1.7 million in authorized but unissued drainage bonds without increasing the tax rate and said he would bring a projected cash flow analysis to the February Board meeting. Discussion ensued regarding available surplus bond proceeds that may be available for project funding.

The Board discussed Jim Keller's report of "unpermitted" repairs made by Union Pacific Railroad ("UPR") at UPR's Brazos River crossing in Richmond at the December, 2016 Board meeting and considered a letter in support to formally state the Board's position regarding UPR repairs on the Brazos River crossing and request attention from any agency having jurisdiction over repairs made on or in the Brazos River.

Following review and discussion, upon a motion by Director Crow and a second by Director Bertrand, the Board voted unanimously to (1) approve the engineer's report; (2) approve the pay estimates and change orders presented and discussed above, as recommended by J&C; and (3) approve a letter stating the Board's position regarding UPR repairs on the Brazos River crossing.

DISTRICT WEBSITE AND NEWSLETTER

There was no additional discussion for this agenda item.

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

Director Howard reported regarding the Association of Water Board Directors winter conference.

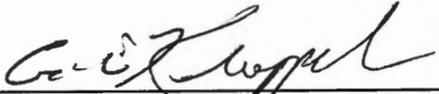
ATTORNEY'S REPORT

There was no discussion for this agenda item.

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 7:06 p.m.


Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
list of meeting attendees	1
bookkeeper's report	2
tax assessor collector's report.....	2
parks report.....	3
operations report.....	3
engineering report	5