

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

February 28, 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 28th day of February, 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, except Director Yokubaitis, thus constituting a quorum.

Also present at the meeting were residents of the District listed on Exhibit A attached hereto; Scott Saenger, 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 and Breah Campbell of Environmental Development Partners, LLC ("EDP"); Melvin Moore of WCA Waste Corporation of Texas; Jorge Diaz of McLennan & Associates, L.P. ("M&A"); Marcus Campbell of Time and Season Property Management ("Time & Season"); and Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Howard opened the meeting at 5:30 p.m. and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Bill Burch expressed concern regarding the ultimate depth of the pond to be constructed with drainage improvements in Plantation 7 and the effect of open ditch construction on adjacent property value. He also asked if the project was correctly represented and on schedule to complete as currently posted on the District website.

Mr. Paul Metcalf reported inconsistent garbage collection schedules. He also reported that he has complained to EDP regarding his water meter reading/water use and provided the Board with a copy of his current water bill. He asked for a meeting with EDP to discuss his water use/bill.

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 consent agenda item i. 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

Discussion ensued regarding preferred curbside placement of garbage cans to optimize garbage collection with WCA's mechanized arm trucks and to keep roadways clear of garbage cans. The Board concurred to include a utility billing insert and posting notice to the District website regarding preferred can placement.

ADDITIONAL BOOKKEEPING MATTERS

Mr. Diaz presented the following additional handwritten checks for Board approval:

1. Check No. 9849 in the amount of \$4,800, payable to Arenosa Development;
2. Check No. 9850 in the amount of \$23,458, payable to MidContinent Group;
3. Check No. 9851 in the amount of \$2,162, payable to Watt Landscaping; and
4. Check No. 1624 in the amount of \$19,272.16, payable to Champions HydroLawn.

Upon a motion by Director Kluppel and a second by Director Crow, the Board voted unanimously to approve the additional checks listed above.

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 updated the Board regarding security patrol in the District and said he would request that a representative of the Fort Bend County Sherriff's Office attend and report at the March Board meeting.

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 updated the Board regarding installation of 3 pet waste disposal stations, tree installation on Mason Road and a car wash service to be provided to residents affected by ongoing construction of drainage improvement projects. The Board requested that the car wash information be posted on the District website.

Discussion ensued regarding options for irrigating the planted trees along Mason Road. Mr. Campbell requested authorization to work with the Parks Committee to review options for irrigation installation and authorize irrigation work not to exceed \$10,000 under the District's contract with Time & Season. Following review and discussion, upon a motion by Director Kluppel and a second by Director Crow, the Board voted unanimously to (1) approve the parks report; and (2) authorize the Parks Committee to approve irrigation installation work for trees planted along Mason Road for an amount not to exceed \$10,000. The Board concurred to authorize EDP to set the tap and meter for the proposed irrigation system.

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 the following:

1. Installation of conduit and wires for the sulfur dioxide induction pump at the wastewater treatment plant for an estimated cost of \$4,125;
2. Replacement of the base elbow bracket and mounting bracket for lift pump no. 3 at the wastewater treatment plant for an estimated cost of \$13,815.15; and
3. Replacement of pump for jet machine for an estimated cost of \$4,750.

Ms. Campbell reported regarding painting the portable generator and fuel trailer and the annual Granular Activated Carbon ("GAC") exchange at the Surface Water Treatment Plant.

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 repairs/installation/replacements listed above.

COMMITTEE EVALUATION OF SURFACE WATER TREATMENT PLANT RELIABILITY

Mr. Ammel reported on a recent quarterly meeting with area surface water operators to discuss similar surface water treatment plant operational issues. Mr. Ammel discussed rewriting the automation software at the surface water treatment plant to reduce downtime. Mr. Ammel said Prime Controls estimates the cost to

rewrite the program at \$100,000. The joint operators group also discussed a purchasing cooperative among area operators for discounted operational supplies through bulk purchasing. Discussion ensued regarding surplus bond funds for water projects or facilities available to pay for a program rewrite.

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.

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 updated the Board on repair of a sinkhole at the wastewater treatment plant outfall and recommended the Board approve payment to CDC in the amount of \$23,050.

Mr. Turner next reported regarding wastewater treatment plant phase I improvements and recommended that the Board approve Pay Estimate No. 12 in the amount of \$178,221.05, payable to T&C Construction, Ltd.

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. 15 in the amount of \$144,080.75, payable to LECON, Inc. Discussion ensued regarding an anticipated delay in restoration landscaping until the expiration of the one year warranty period and Director Howard requested that the curbs on Plantation Drive be poured as soon as possible. Mr. Turner also discussed significant rain during construction and said the contractor requested 170 total calendar days, but J&C recommends authorizing 72 impact days by change order making the contractor's final contract completion date February 6, 2017.

Mr. Turner next discussed construction of drainage improvements in Plantation, Section 7 and recommended the Board approve Pay Estimate No. 2 in the amount of

\$408,264.48 and approve payment to Sustainable Solutions in the amount of \$12,000 for work related to the Golf Club property. Mr. Turner responded to previous comments and concerns regarding construction of drainage improvements in Plantation 7 and said the District's contractor is on schedule to complete the District's portion of the project by March 31, 2017 and will do some finish grading at contract completion. Mr. Turner explained that the Pecan Grove Golf Club will complete the remainder and aesthetic part of the planned drainage/golf course improvements. Directors Bertrand and Howard requested that the District's contractor repair the sidewalks used for construction access.

Mr. Turner discussed evaluation of, options for and costs to repair the slope along Jones Creek outside the District's levee and requested authorization to submit repair plans to the City of Richmond and Fort Bend County. Mr. Turner updated the Board regarding a pending request funding/reimbursement through the Federal Emergency Management Agency ("FEMA") and requested that the Board authorize J&C to prepare an application to the Texas Commission on Environmental Quality ("TCEQ") for \$1.7 million in authorized but unissued drainage bonds to finance the additional work for this project.

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; (2) approve the pay estimates and invoices presented and discussed above, as recommended by J&C; and (3) authorize J&C to prepare a bond application package and approve a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds.

DISTRICT WEBSITE AND NEWSLETTER

Ms. Campbell updated the Board regarding preparation of the Spring newsletter.

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

Ms. Brook next discussed renegotiation of the price for delivery of water pursuant to the District's Emergency Water Supply Contract with Fort Bend Water Control District No. 3 ("WCID 3"). Following review and discussion, upon a motion by Director Kluppel and a second by Director Crow, the Board voted unanimously to

authorize update of the delivered water price by letter agreement subject to confirmation from EDP of the current cost to deliver water to WCID 3, if necessary.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

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

There being no additional business to consider, the meeting was adjourned at 6:49 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	2
operations report	3
engineering report.....	4