

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

March 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 March, 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.

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"); Greg Ordeneaux of Tax Tech, Inc.; Breah Campbell, Sarah Hume and Clayton Galloway of Environmental Development Partners, LLC ("EDP"); Melvin Moore and Pedro Pratt of WCA Waste Corporation of Texas; Jorge Diaz of McLennan & Associates, L.P. ("M&A"); Pat Naff of CDC Unlimited, LLC; Sgt. Bennett of Fort Bend County Sherriff's Department; 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. Moore introduced Pedro Pratt.

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 Yokubaitis 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 the following additional handwritten checks for Board approval:

1. Check No. 9906, payable to Lindsay Schott; and
2. Check No. 9907, payable to Boy Scout Troop No. 1880.

Discussion ensued regarding transferring funds from TexPool Local Government Investment Pools ("TexPool") to the higher yielding Texas CLASS Investment Pool.

Upon a motion by Director Crow and a second by Director Kluppel, the Board voted unanimously to (1) approve the additional checks listed above; and (2) authorize transfer of 2/3 of the District's funds available for investment into Texas CLASS, subject to a higher yield rate and transfer of 1/2 of the funds available for investment if the rates for Texas CLASS and TexPool are the same.

SECURITY AND PUBLIC SAFETY MATTERS

Sgt. Bennett reported regarding patrol in the District.

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.

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, including installation of new swings, installation of irrigation on Mason Road and replacement of aerators at Bullhead Bayou.

The Board next discussed constructing a walking trail around the perimeter of Pecan Grove Park and making additional improvements to the back parking lot. Following discussion, the Board requested that the parks committee follow up with Time & Season and make a recommendation to the Board at the April Board meeting.

The Board also discussed possible construction of a District administration building in Pecan Grove Park.

OPERATIONS OF DISTRICT FACILITIES

Ms. Campbell reviewed the EDP operations report, a copy of which is attached, and which was provided in advance to the Board. Ms. Campbell discussed routine repairs completed, and requested the Board approve the following:

1. Sandblasting and recoating fire hydrants for an estimated \$65,000; and
2. Replacement of the condenser and upgrade of the air handler for the electrical room in the belt press building at the Surface Water Treatment Plant for an amount not to exceed \$10,000, subject to Director Howard's review and approval.

Ms. Campbell requested a District Rate Order amendment pertaining to delinquent letter fees, disconnection notification door tags and additional deposit for reconnection after disconnection.

Director Kluppel discussed current well pumpage fees charged to Ground Water Reduction Plan ("GRP") participants in the District's Rate Order and moved to (1) increase the fee for GRP participants to \$1.00 to become effective October 1, 2017; (2) authorize amendment of the District Rate Order at the April, 2017 Board meeting to address increases requested by EDP and the pumpage fee for GRP participants; and (3) request that ABHR send a letter to the Pecan Grove Golf Club following the April, 2017 meeting with a copy of the amended Rate Order as notification of the increase in pumpage rates. The motion was seconded by Director Crow and passed unanimously.

Mr. Metcalf contested EDP's most recent water meter readings and utility bill and presented an analysis of his usage which is attached to these minutes. Director Bertrand noted that Mr. Metcalf's complaint is primarily related to the higher tier billing rates.

Following review and discussion, upon a motion by Director Kluppel and a second by Director Bertrand, the Board voted unanimously to (1) approve the operator's report; and (2) approve replacement of the condenser and upgrade of the air handler for the electrical room in the belt press building at the Surface Water Treatment Plant for an amount not to exceed \$10,000, subject to Director Howard's review and approval.

COMMITTEE EVALUATION OF SURFACE WATER TREATMENT PLANT RELIABILITY

Ms. Campbell and Mr. Turner updated the Board regarding ongoing assessment of Surface Water Treatment Plant reliability.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

The Board next conducted a hearing on the termination of utility service to delinquent accounts. Ms. Campbell 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 Kluppel 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 first discussed modifications to the Emergency Action Plan "EAP" for the levee system and requested signature on revised EAP and authorization to file the modified EAP with Fort Bend County Offices of Emergency Management.

Mr. Turner next discussed rehabilitation of lift station nos. 4 and 7 and requested authorization to begin design of rehabilitation of lift station no. 7 and a committee meeting to discuss options for rehabilitation to lift station no. 4. He said all of the electrical components for lift station no. 4 are underground in a manhole and J&C needs input regarding location of the electrical components and possibly fencing. The Board concurred to designate a special committee of Directors Yokubaitis and Howard. Following review and discussion, Director Yokubaitis moved to approve sandblasting and recoating fire hydrants for an amount not to exceed \$65,000 and defer lift station 4 construction for the following budget year. The motion was seconded by Director Crow and passed unanimously.

Mr. Saenger discussed scheduling a special meeting to discuss a request from Fort Bend Municipal Utility Nos. 134D and 134E for permanent potable water supply, reclaimed water participation and how to provide future potable and reclaimed water supply without triggering disincentive fees. The Board concurred to tentatively schedule a special meeting on April 24, 2017 at 9:00 a.m. at EDP's offices. Mr. Turner noted that 134D and 134E have been paying their pro rata share of the maintenance cost, but next month they also start paying their share of debt service usage.

Mr. Turner next reported regarding wastewater treatment plant phase I improvements and said invoices for repair of lift pump no. 1 will be backcharged to the contractor in the amount of \$14,032.50 due to an electrical short.

Mr. Turner then reported the status of construction of the Water Plant No. 1 MCC Replacement and recommended the Board approve Pay Estimate No. 4 in the amount of \$16,258.01, payable to McDonald Electric.

Mr. Turner next discussed the status of design of the reclaimed water system and requested authorization to submit the plans for agency review.

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. 16 in the amount of \$126,102.63, payable to LECON, Inc. Mr. Turner noted the contractor is disputing the Board's offer of 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. 3 in the amount of \$411,899.30. He said the Golf Club has requested revisions including removal of work scope from the District's contract, but recommends that any proposed change order removing scope be signed and approved by the Golf Club. Director Howard noted that fences along golf course are holding water and Mr. Turner said the contractor will do some finish grading to define swales and clean-up the site to alleviate drainage issues.

Mr. Turner discussed evaluation of the slope along Jones Creek outside the District's levee and recommended the Board approve payment to Cibor for Invoice No. 2 in the amount of \$787.50 and Invoice No. 3 in the amount of \$15,560.90.

Following review and discussion, upon a motion by Director Crow and a second by Director Kluppel, 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; (3) authorize J&C to file the modified EAP with Fort Bend County Offices of Emergency Management; and (4) authorize J&C to submit plans for the reclaimed water system for agency review.

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

There was no discussion for this agenda item.

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 7:30 p.m.

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
list of meeting attendees.....	1
bookkeeper's report	1
tax assessor collector's report	1
Pecan Grove Fire Department flyer	2
parks report.....	2
operations report	3
Mr. Metcalf's analysis of water usage.....	3
engineering report.....	4