

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

April 24, 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 24th day of April, 2017, at the Pecan Grove MUD Customer Service Office, 2035 FM 359, Suite 13, 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
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 Jorge Dias of McLennan & Associates, LP; Scott Saenger, Grady Turner and Kaci Hicks of Jones & Carter, Inc. ("J&C"); and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

DESIGN OF AND CONSTRUCTION OF A RECLAIMED WATER SYSTEM

The Board discussed the status of design of a reclaimed water system and estimates for construction. Discussion ensued regarding projected reclaimed water rates for potential users and current pumpage fees charged to non-District owned groundwater wells in the District's Groundwater Reduction Plan. The Board also discussed use of surplus funds from the District's Series 2010 Unlimited Tax Bonds previously authorized by the Texas Commission on Environmental Quality ("TCEQ") and other operational revenue and surplus funds available to fund construction of a reclaimed water system project. The Board requested additional information regarding estimated expenses for operation of a reclaimed water system following construction. Following discussion, the Board concurred to authorize J&C to move forward and prepare specifications in preparation for advertisement for bids for construction following approval of project plans.

SURPLUS FUNDS FROM DISTRICT'S SERIES 2010, 2013 AND 2015 UNLIMITED TAX BONDS

The Board discussed surplus funds from the District's Series 2010, 2013 and 2015 Unlimited Tax Bonds ("surplus funds") and potential projects eligible for funding with surplus funds, including possible construction of a District administration building. The Board concurred to schedule a special meeting on May 4, 2017 at 9:00 a.m. to tour other area utility district administration and community buildings. Following review and discussion, Director Kluppel moved to authorize Director Howard to solicit proposals from 3 architects for design of a District administration building. The motion was seconded by Director Crow and passed unanimously. The Board requested that the District bookkeeper prepare a 3 year projection of revenue and capital expenses. The Board also discussed scheduling a budget workshop meeting in June to discuss water revenue, expense and rates.

REQUEST FROM FORT BEND COUNTY MUNICIPAL UTILITY DISTRICTS NOS. 134D AND 134E TO PROVIDE PERMANENT POTABLE WATER SUPPLY

The Board discussed correspondence received from Fort Bend County Municipal Utility District No.'s 134D and 134E ("Harvest Green") requesting permanent potable water supply. The Board reviewed an analysis of current groundwater connections and surface water conversion requirements to be accomplished by 2025 and discussed possible future availability of reclaimed water that could be sold to Harvest Green. Following review and discussion, Director Kluppel moved to authorize the District engineer to advise Harvest Green that the District is unable to commit to providing permanent potable water supply to Harvest Green. The motion was seconded by Director Crow and passed unanimously.

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




Secretary, Board of Directors