

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

September 8, 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 8th day of September, 2017 at the Pecan Grove Baptist Church, 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; Bob Jones, Bethany Miller, James Jones, Bob Aylward, Carlos Cotton and Grady Turner of Jones & Carter, Inc. ("J&C"); Breah Campbell and Tracy Butcher of Environmental Development Partners, LLC ("EDP"); Sergeant William Bennett, Fort Bend County Sheriff Troy Nehls, Deputy Ed Gordon and Deputy Kelly Jordan of the Fort Bend County Sheriff's Department; Trevor Royal of WCA Waste Corporation of Texas ("WCA"); Greg Lentz of FirstSouthwest, a Division of Hilltop Securities; Chief Joe Woolley of the Pecan Grove Volunteer Fire Department ("PGVFD"); Greg Ordeneaux of Tax Tech, Inc.; Jorge Diaz of McLennan & Associates, L.P. ("M&A"); and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

Remarks from the Board President

Director Howard opened the meeting at 3:30 p.m., welcomed attendees and updated residents regarding arrangements made with WCA to remove heavy debris in front of flood damaged homes throughout the District.

Executive Session Pursuant to Section 551.071, Texas Government Code

Director Howard announced the Board would convene in executive session at 3:35 p.m. to conduct a private consultation with the District's attorney. ABHR was present during executive session.

Reconvene in Open Session and Authorize Appropriate Action

The Board reconvened in regular session at 4:12 p.m. No action was taken.

Additional Remarks from the Board President

Director Howard recognized EDP for emergency operation efforts during Hurricane Harvey, thanked District resident volunteers for help during and immediately after Hurricane Harvey, acknowledged and sympathized with residents damaged by flooding and introduced Mr. Jones to discuss flooding during Hurricane Harvey and to discuss the history of flooding and efforts to mitigate flooding in the District.

Hurricane Harvey Related Matters

Mr. Bob Jones introduced Mr. Alyward and other persons from J&C and then discussed the history of area flood mitigation, development near and around the Brazos River and its tributaries, the early development of Pecan Grove and Plantation, Sections 4 and 5 and the drainage system, including storm water overflow from Bullhead Bayou, detention ponds in the District, and, specifically, the detention pond in Plantation, Sections 4 and 5.

Mr. Jones opened the floor to questions and Mr. Jones and Directors Howard, Kluppel and Yokubaitis responded to resident concerns.

Director Howard concluded the question and answer session at 5:40 p.m. and announced a 5 minute break. The meeting resumed at 5:45 p.m.

2017 Tax Rate

Mr. Lentz recommended a 2017 tax rate of \$0.615 per \$100 of assessed valuation, \$0.25 for maintenance and operations and \$0.365 for debt service. After review and discussion, Director Kluppel moved to approve a proposed 2017 tax rate of \$0.615 per \$100 of assessed valuation, to authorize the tax assessor/collector to publish notice in the Fort Bend Herald of the 2017 tax rate hearing on September 26, 2017, where the Board will adopt the tax rate and to authorize the District's website administrator to post notice of the 2017 tax rate hearing on the District's website. Director Crow seconded the motion, which passed unanimously. A copy of the tax rate analysis is attached.

Discussion ensued and Mr. Ordeneaux explained the process for Fort Bend County Appraisal District reappraisal of property as a result of flood damage.

Security and Public Safety Matters

Sgt. Bennett and Sherriff Nehls reviewed District patrol statistics and responded to security and patrol questions from District residents. Sgt. Bennett introduced all deputies present. Director Howard updated the Board regarding ongoing discussions with the Pecan Grove Property Owner's Association (the "POA") regarding cost sharing patrol expense for 2018. He said, as of now, only the The Grove Community Improvement Association (the "CIA") and The Grove Homeowner's Association (the "HOA") have committed to cost share security patrol with the District.

Chief Woolley discussed PGVFD operations during Hurricane Harvey.

Operations of District Facilities

Ms. Campbell said EDP's operations report will be presented at the September, 2017 regular Board meeting. She requested authorization to submit invoices totaling \$135,000 for payment of storm expense and operation. Ms. Humphries stated the importance of record keeping for submittal of expenses to Fort Bend County and the Federal Emergency Management Agency ("FEMA") for possible reimbursement.

Following review and discussion, upon a motion by Director Kluppel and a second by Director Crow, the Board voted unanimously to approve the storm expenses and operational fees requested by EDP.

Termination of Water and Sewer Service to Delinquent Customers

The Board next considered delinquent water and sewer accounts. Following review and discussion, Director Crow moved to (1) waive delinquent account penalties for the month of August; (2) suspend mailing of delinquent notices for the month of August; and (3) delay disconnections until after the September 26, 2017 Board meeting. Director Bertrand seconded the motion, which passed unanimously.

Engineering Matters

Mr. Turner reviewed the engineering report, a copy of which is attached and was distributed to the Directors in advance of the meeting.

Mr. Turner reported that the control building at Water Plant No. 1 took in water during Hurricane Harvey and said that, although there does not appear to be any damage, the contractor for the MCC replacement will check everything in the control building before issuing the final pay estimate.

Mr. Turner said J&C issued a Notice to Proceed to the contractor for installation of a floodgate on FM 359 and that installation will be complete by November. Ms. B.

Miller said that J&C will assess flood event information and make recommendations to modify the contract scope, if necessary, to address additional issues. Director Yokubaitis requested the traffic control plan posted on the District website be bumped to the top of home page posts.

Mr. Turner reported on the status of construction of drainage improvements in Plantation, Section 7 and recommended the Board approve Pay Estimate No. 8 in the amount of \$67,807.13. He recommended that the Board approve Change Order No. 6 reducing the contract amount by \$56,461.99. The Board determined that Change Order No. 6 is beneficial to the District.

Mr. Turner presented contracts for signature for Jones Creek Slope Repairs and updated the Board regarding the District's application for reimbursement pending with the Federal Emergency Management Agency Natural Resources Conservation Service ("NRCS"). Discussion ensued regarding funding for the repairs.

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 estimate presented and discussed above, as recommended by J&C; (3) approve Plantation, Section 7 Change Order No. 6 reducing the contract amount by \$56,461.99 based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation.

Comments from the Public

Additional public comments were made regarding:

1. Thanking the Board for updating the website regularly during Hurricane Harvey and during post-storm recovery operations; and
2. Impact to the Pecan Grove Baptist School during installation of the flood gate on FM 359.

Minutes

The Board considered approving the minutes from the July 25, 2017 regular Board meeting and the August 15, 2017 special budget workshop meeting. Following review and discussion, Director Crow moved to approve both sets of minutes. Director Yokubaitis seconded the motion, which passed unanimously.

Tax Assessment and Collection Matters

Mr. Ordeneaux presented the tax assessor/collector's report and delinquent tax report, copies of which are attached, reviewed the checks presented for payment from the tax account, reported regarding taxes collected from the 2016 tax levy to date,

delinquent taxes from previous tax years and the status of previously authorized payment plans for delinquent tax balances. Following review and discussion, Director Crow moved to accept the tax assessor/collector's report and pay the bills described therein. Director Yokubaitis seconded the motion, which passed unanimously.

Financial and Bookkeeping Report

Mr. Diaz presented and reviewed the bookkeeper's report. He discussed current public fund investment markets, reviewed the District's investment report, and reviewed budget to actual revenues and expenses and variances. Copies of the bookkeeper's report, investment report, budgets, and a list of bills presented for payment are attached.

Mr. Diaz also reviewed the draft budget for the fiscal year ending September 30, 2018.

Following review and discussion, Director Yokubaitis moved to accept the bookkeeper's report and pay the bills described therein, including additional handwritten checks for payment of storm expenses and labor to EDP. Director Crow seconded the motion, which passed unanimously.

Executive Session Pursuant to Section 551.071, Texas Government Code

Director Howard announced the Board would convene in executive session at 6:59 p.m. to conduct a private consultation with the District's attorney. ABHR was present during executive session.

Reconvene in Open Session and Authorize Appropriate Action

The Board reconvened in regular session at 7:42 p.m. Following discussion in executive session, Director Kluppel moved to schedule an executive session on Thursday, September 14, 2017 at 2:00 p.m. to interview engineering firms to serve as experts to assist with investigation of the cause(s) of flooding during Hurricane Harvey.

There being no additional business to consider, the meeting was adjourned at 7:44 p.m.



(SEAL)


Secretary, Board of Directors

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