

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

December 19, 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 19th day of December, 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, some of which signed in and are listed on Exhibit A attached hereto; Marcus Campbell of Time & Season Property Management; Breah Campbell and Tracy Butcher of Environmental Development Partners, LLC ("EDP"); Justin Ring and Megan Crutcher of Odyssey Engineering ("Odyssey"); Trevor Royal of WCA Waste Corporation of Texas ("WCA"); Kathy Cruthirds of Tax Tech, Inc.; Jorge Diaz of McLennan & Associates, L.P. ("M&A"); Dave Ciarella of Enhanced Energy Services of America, LLC, also a resident of the District; Britton Harris of Harris Hilburn, LLP; and Lynne Humphries, Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Howard opened the meeting at 5:32 p.m., welcomed attendees and updated residents attending the meeting regarding the District's change in engineering consultants and transition of pending engineering projects from Jones & Carter ("J&C") to Odyssey, noting that the Board has made clear to Odyssey that remediation of drainage facilities in Plantation, Sections 4 and 5 is a priority.

COMMENTS FROM THE PUBLIC

Mr. Collins commented regarding LJA Engineering's report to the District dated September 29, 2017, and LJA's recommendation .

Mr. Metcalf inquired regarding the capacity/operation of the District's storm water pump system and asked if the system operating and/or designed correctly. He asked that the District investigate the storm water pump system to see if there are any

improvements. Mr. Metcalf also submitted written comment, a copy of which is attached.

SECURITY AND PUBLIC SAFETY MATTERS

There was no discussion for this agenda item.

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

Ms. Brook discussed a notice received from the Fort Bend County auditor regarding true-up of actual security costs for the current contract year and requesting additional funds to fully fund the security contract. Ms. Brook said that the additional patrol cost sharing participants will be invoiced for their share of the additional amount requested by Fort Bend County.

Director Yokubaitis requested back up for Pay Estimate No. 10 and Final for the Plantation Section 7 submitted for payment by Jones & Carter and directed the District bookkeeper to hold payment to the contractor subject to his approval after coordinating with Odyssey to confirm that all charges, previously approved and discussed by the Board, are included in the Final Pay Estimate.

DEVELOPMENT AND MAINTENANCE OF PARKS

Mr. Campbell reviewed the parks report, a copy of which is attached. Director Yokubaitis updated the Board regarding installation of new playground equipment and shade structures.

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 updated the Board regarding coordinating with Odyssey to continue EDP's reliability assessment at the surface water treatment plant. She also reported that the emergency water interconnect meter between the District and Fort Bend County Municipal Utility District No. 134D ("134D") is not working due to intermittent power failure and said that EDP is working with the meter vendor to make necessary repairs. Discussion ensued regarding EDP's interim procedure to calculate total water produced and invoiced to 134D while the meter is down for repair.

Ms. Campbell discussed routine repairs completed and requested authorization to make the following replacement/maintenance:

1. Replacement of the air compressor on the membrane system at the surface water treatment plant for an estimated cost of \$6,000; and
2. Application of ant bait on the levee for a quarterly cost of \$5,000.

In response to Director Bertrand and to address Mr. Metcalf's earlier inquiry, Mr. Butcher and Mr. Ring explained how the District drains storm water into the Brazos River and how the District's storm water pump system works. Discussion ensued regarding the Fort Bend County Drainage District's measurement of storm water levels and freeboard on the District's levee following Hurricane Harvey.

Following review and discussion, upon a motion by Director Kluppel and a second by Director Crow, the Board voted unanimously to (1) approve the operator's report; and (2) approve the repair/maintenance requested by EDP, as discussed above, based on the recommendations of EDP.

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 Crow seconded the motion, which passed unanimously.

ODYSSEY ENGINEERING MATTERS

The Board received an engineering report from J&C, a copy of which is attached. Mr. Ring reviewed J&C's report which included a recommendation from J&C that the Board approve:

1. Plantation Section 7, Change Order No. 7 reconciling project impact days and adding 91 days to the performance period to move the contract completion date to August 18, 2017;
2. Plantation Section 7, Pay Estimate No. 10 and Final in the amount of \$250,797.67, payable to D. Grimm, Inc.; and
3. 359 Gate Installation; Pay Estimate No. 3 in the amount of \$30,466.80, payable to Black Castle General Contractor.

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

Mr. Ring first reported regarding proposed construction of a levee along the east and north perimeter of the existing detention basin in Plantation, Section 4 and 5 to tie into the existing levee. Mr. Ring requested authorization to proceed with design plans for the proposed levee extension, including any necessary geotechnical investigation, topographic survey and coordinating with Harvest Green to acquire right of way, if needed.

Mr. Ring next updated the Board regarding filing a Notice of Change to the Texas Commission on Environmental Quality ("TCEQ") naming the District engineering firm as Odyssey Engineering. Mr. Ring recommended the Board approve submission of the notice of change and authorize Odyssey to file the notice with the TCEQ.

Mr. Ring said Odyssey is monitoring the FM 359 gate installation and plans to do a full levee inspection during January, 2018. Mr. Ring discussed significant deterioration of sheet piling in the Pecan Lakes levee slope and requested authorization to do a topographical survey of the levee to measure movement and a geotechnical investigation for use in developing both a temporary and long term stabilization resolution. Mr. Ring noted Federal Emergency Management Agency ("FEMA") has been onsite to survey and document both new and old damage to the Pecan Lakes levee.

Mr. Ring next reported regarding FEMA's inspection of Jones Creek outfall slope paving to assess damage.

Following review and discussion, and based upon Odyssey's recommendation, upon a motion by Director Kluppel and a second by Director Yokubaitis, the Board voted unanimously to (1) approve the engineer's report; (2) approve the pay estimates

and change order discussed above, subject to Director Yokubaitis' previous instruction that the District bookkeeper hold Change Order No. 7 and Pay Estimate No. 7 pending receipt of back up documentation from J&C, as discussed; (3) authorize Odyssey to survey the Pecan Lakes levee slope and do a geotechnical investigation, as discussed; and (4) approve submission of the Notice of Change of engineering contact and authorize Odyssey to file the notice with the TCEQ.

Additional discussion ensued regarding the proposed Plantation, Sections 4 and 5 levee expansion project. Ms. Crutcher said Odyssey got limited topographical information from LJA to determine what additional right of way, if any, is needed to construct the proposed expansion. She said the District may need a 10' to 12' fill easement from Harvest Green but said that Odyssey is still working to determine the core boundaries of Bullhead Slough. Ms. Crutcher said the developers of Harvest Green have offered a couple of different locations for use a possible fill location. She noted the District may have access space on the District's south basin by excavating internally and creating more storage volume. The Board requested Odyssey consider options for expediting the work, including coordination with the Fort Bend County Drainage District and if needed, the City of Richmond. Following review and discussion, Director Kluppel moved to authorize Odyssey to design the proposed expansion and to advertise for bids for construction of the proposed expansion at the earliest opportunity. The motion was seconded by Director Crow and passed unanimously.

DISTRICT WEBSITE AND NEWSLETTER

Director Yokubaitis and Ms. Campbell updated the Board regarding the next newsletter.

REPORTS FROM DIRECTORS, COMMITTEES AND DISTRICT CONSULTANTS

There was no discussion for this agenda item. Mr. Ciarella said he would be prepared to present an energy usage analysis at the February, 2018 Board meeting.

ATTORNEY'S REPORT

Ms. Humphries presented a Special Warranty Deed from JB Land Co, Inc. and Belcross, Inc. to convey approximately 11.83 acres along the south side of Oyster Creek to the District. Following review and discussion, upon a motion by Director Kluppel and a second by Director Crow, the Board voted unanimously to accept the deed.

The Board next discussed scheduling special meetings on January 4 and January 23, 2018 to discuss funding options for future capital improvements.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

Director Howard announced the Board would convene in executive session at 6:55 p.m. to conduct a private consultation with the District's attorney. ABHR and Mr. Harris were present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 7:08 p.m. Following discussion in executive session, Director Kluppel moved to authorize Mr. Harris to prepare and file pleadings, as discussed. Director Crow seconded the motion, which passed unanimously.

There being no additional business to consider, the meeting was adjourned at 7:10 p.m.


Secretary, Board of Directors



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