

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

February 8, 2018

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 February, 2018 at the Pecan Grove Customer Service Office, 2035 FM 359, Suite K, 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 Kluppel, thus constituting a quorum.

Also present at the meeting were Wendy Hale-Erich, District resident; Justin Ring and Megan Crutcher of Odyssey Engineering Group; and Lynne Humphries of Allen Boone Humphries Robinson LLP ("ABHR").

REVIEW BIDS AND AWARD CONTRACT FOR LEVEE EXTENSION PROJECT
AROUND PLANTATION SECTIONS 4 & 5 POND

Ms. Crutcher reviewed 5 bids for construction of a levee extension around Plantation Sections 4 & 5 detention pond and recommended the Board award the contract to the lowest qualified bidder, R&T Ellis Excavating, Inc., in the amount of \$167,560. Based on the engineer's recommendation, the Board concurred that in its judgment, R&T Ellis Excavating, Inc. was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Ms. Crutcher discussed the process for executing contracts and reviewing performance and payment bonds, a 45 day construction period, and liquidated damages and economic incentives. After review and discussion, Director Crow moved to award the contract to R&T Ellis Excavating, Inc. in the amount of \$167,560, subject to final approval of the plans, and authorize the Board President and Secretary to execute the contract. Director Bertrand seconded the motion, which was unanimously approved.

Mr. Ring said the expected completion date, subject to weather conditions, will be mid-April, 2018.

RESOLUTION AUTHORIZATION APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ")

The Board then discussed surplus funds remaining from the District's Series 2015 and 2017 drainage bonds to fund replacement gates at the south pump station. Mr. Ring presented a bid from Hartwell Environmental in the amount of \$192,096. Ms. Humphries said the District could submit notice to the TCEQ for use of surplus funds because the proposed repair is rehabilitation of a District facility previously financed with bond proceeds. Following review and discussion, Director Crow moved to award the contract to Hartwell Environmental and authorize ABHR to send a letter to the TCEQ providing notice of intent to use surplus funds from the District's Series 2015 and 2017 drainage bonds to pay for the replacement flap gates at the south storm water pump station. Director Bertrand seconded the motion, which passed unanimously. Mr. Ring stated this contract is only for fabrication of the replacement gates, which will take about 3 to 4 months. He said the District would make arrangements for installation in the future. He said installation costs are expected to be between \$150,000 and \$200,000.

AMEND DISTRICT RATE ORDER

The Board next discussed and considered amending the District Rate Order to increase the security deposit for temporary water meters from \$1,000 to \$2,000 plus increase the temporary water rate to \$4.00 to include the surface water fee. Following review and discussion, Director Crow moved to amend the Rate Order, as discussed. The motion was seconded by Director Bertrand and passed unanimously. The Board discussed Municipal Financial Services' pending review and comparison of rates as part of the EVO metrics comparison study and report previously authorized by the Board.

REQUEST FOR OUT OF DISTRICT SERVICE

After discussion, the Board concurred to deny the request for out-of-District service to a proposed townhome development outside the District on the proposed County extension of Timothy Lane.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

Director Howard announced the Board would convene in executive session at 9:31 a.m. to conduct a private consultation with the District's attorney. Ms. Humphries was present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 9:38 a.m.

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


Secretary, Board of Directors

(SEAL)

