

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

February 27, 2018

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in regular session, open to the public, on the 27th day of February, 2018 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"); Pat Naff of CDC Unlimited, LLC; Mary Ann Mihills and Lisa Rickert of FSG Information Systems LP; Autumn Phillips of Municipal Accounts & Consulting, LP ("MAC"); Sergeant Bennett of Fort Bend County Sherriff's Department; Kathy Cruthirds of Tax Tech, Inc.; Sam Johnson of Coats Rose, PC; Jerry Ulke and David Hogue of The Johnson Development Corporation; Trevor Royal of WCA Waste Corporation of Texas; Jorge Diaz of McLennan & Associates, L.P. ("McLennan"); Dave Ciarella of Enhanced Energy Services of America, LLC, also a resident of the District; Chris Jousan of Jones & Carter, Inc.; and Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Howard opened the meeting at 5:33 p.m. and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Metcalf requested an update on progress of drainage related engineering projects and requested permission to inspect the District's storm water pump system.

Mr. Obachi provided service literature to the Board and requested an agenda item to make a presentation to the Board.

Ms. Hale-Erich asked if temporary closure devices would be installed during the construction of remedial drainage improvements in Plantation, Sections 4 and 5 to prevent inflow from outside the levee in the event of a heavy rainfall during construction.

ODYSSEY ENGINEERING MATTERS

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

Mr. Johnson discussed a request submitted by Fort Bend County Municipal Utility District Nos. 134D and 134E requesting an extension of leased water capacity until their water plant is completed and operational in the summer of 2019. Mr. Hogue provided a Harvest Green development update, including plans for commercial development on the east side of Harvest Green. Mr. Jousan reported regarding the total connection count at buildout in Harvest Green and the capacity of their water plant under construction. Mr. Ulke updated the Board regarding previous issues with the water interconnect meter due to power fluctuations and he said the problem was resolved by installing a battery back up to the interconnect meter.

Ms. Crutcher updated the Board and public regarding the status of installation of sluice and flap gates on FM 359 and confirmed that the stainless steel flap gates are ordered and being fabricated by Hartwell Environmental. She said the north gate was installed and grouted per manufacturer recommendations and reported that the contractor was forming up the south sluice gate and pouring the junction box last week.

Ms. Crutcher next reviewed a proposal for a detailed geotechnical investigation and design recommendations for Jones Creek slope repairs from Ninyo & Moore in the amount of \$27,300. Ms. Crutcher said the work would be subcontracted by Odyssey and include an investigation of soils, existing sheet pilings and pre-existing conditions. She said the National Resources Conservation Service ("NRCS") is requiring this geotechnical investigation as part of the District's application for financial assistance.

Ms. Crutcher discussed the 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 and confirmed that the detention basin will be available during construction without temporary closures, but said that temporary closures are in the District's equipment inventory for use in the event of a heavy rain/flooding event. Ms. Crutcher presented contracts for signature and Ms. Brook confirmed that ABHR reviewed selected provisions of the contracts, surety bonds and insurance for the proposed project. Ms. Crutcher reported that Fort Bend County has conditionally approved the plans and approval from the City of Richmond is pending. Discussion

ensued regarding the pre-construction meeting and schedule to issue a Notice to Proceed ("NTP") to the contractor and the Board concurred to authorize Odyssey to issue the NTP. Ms. Crutcher said the estimated time to construct the levee expansion is 45 to 60 days from the NTP and estimates completion in mid-April, 2018. Ms. Crutcher reviewed a proposal from Ninyo & Moore in the amount of \$24,200 for construction materials testing and said the work would be subcontracted by Odyssey with no additional mark up to the District.

Mr. Ring reported regarding preliminary discussion at Fort Bend County to connect Old Dixie through Harvest Green, but said there is no definitive discussion yet.

Following review and discussion, and based upon Odyssey's recommendation, upon a motion by Director Kluppel and a second by Director Bertrand, the Board voted unanimously to (1) approve the engineer's report; (2) authorize an item on the March regular meeting agenda to consider amendment of the Lease Agreement for Water Supply Capacity with Fort Bend County Municipal Utility District Nos. 134D and 134E; and (3) authorize geotechnical work, as discussed above, with regard to Jones Creek and the proposed levee expansion.

SECURITY AND PUBLIC SAFETY MATTERS

Director Howard provided an update on Chief Joe Woolley's health.

Sergeant Bennett reported regarding District patrol and security since the last Board meeting and inquiries regarding patrol coverage and response to calls after midnight, parking near school zones and ambulance traffic on Plantation Drive.

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 Crow seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

ITEMS REMOVED FROM CONSENT AGENDA

There was no discussion for this agenda item.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Brook stated, in accordance with the District's Investment Policy, Autumn Phillips as the bookkeeper and Mark Burton and Ghia Lewis as the Investment Officer are required to execute disclosure statements that disclose any relationships with banks

and brokers who seek to sell investments to the District. She added the disclosure statements will be filed with the Texas Ethics Commission and in the District Records and updated whenever necessary.

The Board discussed updating the District's Registration Form to reflect Autumn Phillips as the District's bookkeeper and Mark Burton and Ghia Lewis as the investment officer.

The Board reviewed an amended Exhibit A to the District's Depository Pledge Agreement with Compass Bank.

Following review and discussion, Director Crow moved to (1) accept the disclosure statements pursuant to the District's Investment Policy and the Public Funds Investment Act; (2) authorize ABHR to update the District's Registration Form and file the updated form with the Texas Commission on Environmental Quality ("TCEQ"); and (3) amend Exhibit A to the District's Depository Pledge Agreement with Compass Bank. Director Kluppel seconded the motion, which passed unanimously.

PRESENTATION FROM ENHANCED ENERGY SERVICES OF AMERICA, LLC

Mr. Ciarella presented an energy consumption and market pricing report, a copy of which is attached. He discussed opportunities to lock in and lower prices for future contract periods. Following discussion, the Board requested that Mr. Ciarella provide pricing proposals to the Board on Friday before the March, 2018 regular Board meeting.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered adopting a Resolution Concerning Exemptions from Taxation. Following review and discussion, Director Crow moved to adopt a Resolution granting a \$25,000 deduction of the appraised value of residential homesteads for residents over 65 or disabled. The motion was seconded by Director Kluppel and passed unanimously.

DEVELOPMENT AND MAINTENANCE OF PARKS

Mr. Campbell reviewed the parks report, a copy of which is attached, discussed ongoing maintenance and enforcement of park rules and regulations.

Discussion ensued regarding ongoing issues with the aerator run time schedule in Bullhead Slough and maintenance schedules. Mr. Campbell said he is working with CDC to repair washout spots on the walking trail.

Discussion ensued regarding scheduled use of the recreational fields by Lamar Little League beginning March 1, 2018, including discussion regarding days reserved

for resident only use, requests from the Little League Association for field improvements, user fees and a request to designate one field for resident only use 5 days per week.

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 water accountability for the month of January, 2018 and updated the Board regarding installation of a Comcast data line at water plant no. 2.

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

1. Installation of new guiderails for lift pump no. 3 at the wastewater treatment plant for an estimated cost of \$3,149.90; and
2. Repair the step-screen at the wastewater treatment plant for an estimated cost of \$18,009.10.

Following discussion, the Board concurred to (1) request additional pricing for repair of the step-screen at the wastewater treatment plant; and (2) request that EDP complete installation of the guiderails for lift pump no. 3 under EDP's contract.

Following review and discussion, upon a motion by Director Kluppel and a second by Director Yokubaitis, the Board voted unanimously to approve the operator's report.

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 Yokubaitis seconded the motion, which passed unanimously.

DISTRICT WEBSITE AND NEWSLETTER

There was no discussion for this agenda item.

REPORTS FROM DIRECTORS, COMMITTEES AND DISTRICT CONSULTANTS

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

Director Howard announced the Board would convene in executive session at 7:25 p.m. to conduct a private consultation with the District's attorney. Ms. Brook and Ms. Miller were present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 7:51 p.m.

There being no additional business to consider, the meeting was adjourned at 7:52 p.m.


Secretary, Board of Directors

(SEAL)



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