

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

March 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 27<sup>th</sup> day of March, 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, Mike Ammel and Tracy Butcher of Environmental Development Partners, LLC ("EDP"); Justin Ring, Philip Huseman and Megan Crutcher of Odyssey Engineering ("Odyssey"); Chief Joe Woolley of Pecan Grove Volunteer Fire Department ("PGVFD"); Pat Naff of CDC Unlimited, LLC; Mary Ann Mihills, Mark Burton and Autumn Phillips of Municipal Accounts & Consulting, LP ("MAC"); Kathy Cruthirds of Tax Tech, Inc.; Sam Johnson of Coats Rose, PC; Cameron Miller of Jones & Carter, Inc.; Jerry Ulke and David Hogue of The Johnson Development Corporation; Dave Ciarella of Enhanced Energy Services of America, LLC, also a resident of the District; and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Howard opened the meeting at 5:37 p.m. and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Metcalf asked if the District was going to pump down the Plantation 4 & 5 detention pond in preparation for heavy weather and possible flooding forecasted for tomorrow.

## SECURITY AND PUBLIC SAFETY MATTERS

Ms. Humphries said the PGVFD has requested that the District, pursuant to its fire services contract with the PGVFD, consent to a public hearing process and certification necessary for the PGVFD to qualify for a tax exempt financing under Sec. 147(f) and Sec. 150(e) of the Internal Revenue Code to purchase a new fire engine truck. Following discussion, the Board concurred to authorize ABHR to notify the PGVFD of the Board's authorization to proceed with the necessary notices and documents to conduct the required hearings as long as there is no expense to the District.

## 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, with the exception of agenda items 4(d) and 4(k). Director Crowe 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 AND ADDITIONAL BOOKKEEPING ITEMS

Discussion ensued regarding garbage collection schedule issues. Director Yokubaitis said he addressed late collection with Trevor Royal of WCA.

Mr. Burton reviewed a metrics report measuring the operational, financial and tax data of the District ("EVO"). Following discussion, the Board concurred to defer approval of the EVO and authorize Director Bertrand to work with Municipal Financial Services ("MFS") to revise and finalize the EVO.

Ms. Phillips updated the Board regarding transition and reconciliation of financial records received from McLennan & Associates, LP. She then presented and reviewed the bookkeeper's report, a copy of which is attached, including the investment report, and actual to budget variances. She discussed and recommended diversification of the District's invested funds. She also reported that one-time adjustments to financial statements during the month of January, 2018 will show as net in the February, 2018 bookkeeping report. After review and discussion, Director Crow moved to approve the bookkeeper's report and payment of the bills. Director Yokubaitis seconded the motion, which passed unanimously.

## SECURITY AND PUBLIC SAFETY MATTERS (Cont'd)

Chief Woolley provided an update regarding PGVFD activity and events since the last Board meeting, including the pending application for an upgrade of the

Insurance Service Office (“ISO”) rating. He also discussed the total cost of the fire engine truck proposed for purchase/financing.

#### PRICING PROPOSAL FROM ENHANCED ENERGY SERVICES OF AMERICA, LLC

Mr. Ciarella discussed energy market pricing and reviewed pricing proposals and terms for an electricity contract to begin June 1, 2020. Following review and discussion, Director Kluppel moved to authorize a 36-month contract with TXU Energy beginning June 1, 2020 and to authorize Director Yokubaitis to execute a 36 month contract with TXU Energy not to exceed the kilowatt charge approved by the Board. Director Bertrand seconded the motion, which 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 and requested authorization for the following:

1. Prepare, stain or polish the Pecan Grove Park Restrooms floors for an estimated amount of \$3,500;
2. Prepare, stain or polish the Pavilion floor for an estimated amount of \$5,600; and
3. Pressure wash around the perimeter fence of at Pecan Grove Park for an estimated amount of \$6,950.

Following review and discussion, Director Crowe moved to authorize polishing the Pecan Grove Park restroom floors and pavilion floor, as discussed above. Director Yokubaitis seconded the motion, which passed unanimously. The Board concurred to request that Mr. Campbell solicit and submit to the parks committee additional proposals/pricing for pressure washing the perimeter fence at the Pecan Grove Park and to authorize the parks committee to approve the proposal of the lowest, qualified bidder.

Discussion ensued regarding developing a quarterly budget to address deterioration/erosion of the walking trail on the levee.

Mr. Ashmore thanked Mr. Campbell for preparing Pecan Grove Park for the community Easter egg hunt.

#### 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 February, 2018. Mr. Ammel said that the surface water plant was down for a portion of the February, 2018 production cycle for maintenance

and issues with high solids and low water production. He said actuators were installed today to remove solids. Mr. Ammel also reported higher than normal turbidity from Jones Creek, most likely caused by rainwater in the Brazos River.

Ms. Campbell said that testing of the communication systems for all three plants will begin on April 18, 2018, first at the surface water treatment plant.

Ms. Campbell also reported that the District was selected by the Environmental Protection Agency ("EPA") for testing under the Unregulated Contaminant Monitoring Rule 4 and that results of that testing will be added to the monthly operations report.

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

1. Purchase of a spare chlorine dioxide pump at the surface water treatment plant for an estimated cost of \$4,131; and
2. Replacement of the backwash clarifier variable frequency drive ("vfd") at the surface water treatment plant for an estimated cost of \$3,500.

Ms. Campbell next presented an appeal from the customer at 1427 Hobson Drive requesting a \$25 credit for a returned check charge due to fraudulent activity on the customer's account verified by Bank of America.

Following review and discussion, upon a motion by Director Yokubaitis and a second by Director Crow, the Board voted unanimously to (1) approve the operator's report; (2) approve the purchase and replacement discussed above; and (3) approve the appeal of the District customer at 1427 Hobson Drive.

#### 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 Yokubaitis 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

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.

Ms. Crutcher updated the Board regarding raising of the raw water pump slab and recommended the Board approve Pay Estimate No. 1 and Final in the amount of \$5,100, payable to Concrete Raising Corporation.

Ms. Crutcher next presented a proposal from CDC in the amount of \$12,400 for levee repairs at 936 Plantation Meadows and said Odyssey will coordinate with EDP to reinstall residential fencing when the repair of the levee is complete. She recommended installing a gate that the District can use to access the levee for maintenance and easement.

Ms. Crutcher next reported the status of the District's application to the National Resources Conservation Service ("NRCS") for Jones Creek slope repairs and recommended the Board authorize and acknowledge expiration of the District's previous application to the NRCS for tax day floods in 2016 to make the District eligible for Hurricane Harvey financial assistance. Ms. Crutcher said NRCS is aware of the District's proposed construction schedules and recommended that the Board schedule a special meeting, if needed to review and confirm the proposed scope of work for Jones Creek.

Ms. Crutcher updated the Board regarding the status of installation of sluice and flap gates on FM 359 and recommended the Board approve Pay Estimate No. 5 in the amount of \$11,760.30, payable to Black Castle General Contractors. She said the south pump station flap gate order is pending adjustments by Hartwell Environmental.

Director Yokubaitis requested that EDP price and bring proposals for new fuel tanks.

Following review and discussion, and based upon Odyssey's recommendation, upon a motion by Director Yokubaitis and a second by Director Crow, the Board voted unanimously to (1) approve the engineer's report; (2) approve pay estimates and proposals presented and discussed above; and (3) authorize Director Howard to execute a replacement application to the NRCS for Jones Creek slope repairs and any other documents necessary to secure funding through NRCS.

## DISTRICT WEBSITE AND NEWSLETTER

Ms. Campbell updated the Board regarding recent updates to the District website and said the next newsletter is scheduled for release on April 15, 2018.

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.

Director Howard announced that the Board would take a brief break at 7:17 p.m. before convening in executive session.

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. ABHR and Odyssey were present during executive session. Odyssey left executive session at 7:35 p.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 7:43 p.m.

EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE

The Board determined it was not necessary to convene in this executive session.

RESIGNATION AND APPOINTMENT ITEMS

There was no discussion or action taken for these agenda items.

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

(SEAL)



  
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
list of meeting attendees.....	1
tax assessor collector's report .....	2
bookkeeper's report .....	2
parks report.....	3
operations report .....	3
engineering report.....	5