

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

July 31, 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 31<sup>st</sup> day of July, 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:

Ryan Yokubaitis	President
Stephen D. Crow	Vice President
G.E. "Buddy" Kluppel	Secretary
Jean Gobar	Assistant Secretary
Charles D. Bertrand	Assistant Vice President

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; Sergeant Michael Patterson and Deputy Kelly of Fort Bend County Sherriff's Department; Mike Ammel, Breah Campbell, Russell Piper and Cheryl Shafer of Environmental Development Partners, LLC ("EDP"); Justin Ring, Phillip Huseman and Megan Crutcher of Odyssey Engineering ("Odyssey"); Pat Naff of CDC Unlimited, LLC; Mary Ann Mihills of Municipal Accounts & Consulting, LP ("MAC"); Kathy Cruthirds of Tax Tech, Inc.; Richard Whitt of Ninyo & Moore Geotechnical & Environmental Sciences Consultants; and Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Yokubaitis opened the meeting at 5:30 p.m. and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Metcalf requested additional information regarding a proposed draft budget line item for the fiscal year ending September 30, 2019 for levee repair and rehabilitation. Mr. Metcalf asked if the Board intended to proceed with installation of smart water meters in the District, as discussed in previous Board meetings.

CONSENT AGENDA

Director Yokubaitis 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 ITEMS

There was no discussion for this agenda item.

#### SECURITY AND PUBLIC SAFETY MATTERS

Sergeant Patterson and Deputy Kelly reported regarding District patrol and security since the last Board meeting and new patrol officers starting patrol in the District on August 11, 2018. Sergeant Patterson also responded to Mr. Metcalf's inquiry regarding reported drug activity levels in the District.

Discussion ensued regarding correspondence received by Director Yokubaitis from Shelly Hughes, the accountant assigned to the District's contract with the Fort Bend County Sherriff's Office, stating that the Pecan Grove Property Owner's Association ("POA") discussed contracting with the Precinct 3 Constable for separate patrol services. The Board discussed patrol coverage and funding options if the POA exits the cost shared patrol program by and among the District, the POA, The Grove Community Improvement Association (the "CIA") and the Pecan Grove Homeowner's Association (the "HOA") and entertained comments from Mr. Metcalf, Ms. Hale-Erlich and Ms. Beck regarding same. Director Yokubaitis noted that Ms. Hughes said the POA told her that the District was aware that the POA requested separate patrol service, but said that, in fact, no Directors were aware of the POA's intent to solicit separate patrol services. Ms. Hale-Erlich also noted that she, as a POA member, was unaware of the POA's intent to solicit separate patrol services.

#### DEVELOPMENT AND MAINTENANCE OF PARKS

Mr. Campbell reviewed the parks report, a copy of which is attached, discussed ongoing maintenance in District parks and requested authorization to work with Storm Water Solutions, LP to repair 2 aerators in Bullhead Slough for an amount not to exceed \$7,500. Director Yokubaitis also requested that SWS look at the algae growth in the Pecan Lakes detention pond. Following discussion and review, Director Kluppel moved to approve the parks report and authorize SWS to repair 2 aerators in Bullhead Slough for an amount not to exceed \$7,500. The motion was seconded by Director Crow and passed unanimously.

## 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 July, 2018 and updated the Board regarding the status of implementing EDP's new customer billing system.

Ms. Campbell discussed repair items at District facilities and requested authorization to repair the raw water pump motor no. 1 at the surface water treatment plant for an estimated cost of \$2,975, plus an estimated amount of \$1,200 for EDP time and materials to install the pump.

Ms. Campbell also recommended referral of 13 delinquent accounts to collections. A list of the accounts recommended for debt collection is attached.

Discussion ensued regarding 2 complaints received by EDP this week regarding cleaning out the drainage channel. Mr. Naff discussed estimates to remove debris from the drainage channel and the Board concurred to request that Mr. Naff prepare and send a proposal to the August 13, 2018 budget workshop meeting for review.

Following review and discussion, upon a motion by Director Crow and a second by Director Kluppel, the Board voted unanimously to (1) approve the operator's report; (2) authorize repair of the raw water pump motor no. 1 at the surface water treatment plant for an estimated cost of \$2,975, plus an estimated amount of \$1,200 for EDP time and materials to install the pump; and (3) authorize the District operator to turn over 13 accounts, as recommended, for debt collection.

## 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 Crow 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 Kluppel seconded the motion, which passed unanimously.

## AMEND RATE ORDER

The Board next considered amending the District's Rate Order to increase the groundwater reduction plan ("GRP") fee from \$1.00 to \$1.50, effective August 1, 2018 to match the current surface water fee. Following review and discussion, Director Crow moved to approve the proposed amendment to the District Rate Order, as discussed. Director Gobar seconded the motion, which passed unanimously. Discussion with Ms. Beck ensued regarding the Pecan Lakes Homeowner's Association's make up well at the Pecan Lakes detention pond. Following discussion, Ms. Crutcher said Odyssey would follow up with Ms. Beck and the Pecan Lakes HOA to discuss permitting, disincentive fees charged by the Fort Bend Subsidence District and groundwater reduction plan participation requirements.

## ODYSSEY ENGINEERING MATTERS

Mr. Ring reviewed the Odyssey engineering report, a copy of which is attached and was distributed to the Directors in advance of the meeting. Mr. Ring, Ms. Crutcher and Mr. Huseman provided an update regarding ongoing engineering and construction projects.

Mr. Ring then discussed proposed levee repairs at 1603 Savannah and presented a proposal from CDC in the amount of \$7,225 to remove and replace the existing timber bulkhead. He also discussed a proposed levee repair at 2110 Old Dixie and presented a proposal from CDC in the amount of \$7,775 to remove and replace existing fencing, install a small area drain the incoming sheet flow, import and compact fill material and thin out and raise the tree canopy. Mr. Ring said the resident at 2110 Old Dixie has reviewed and approved the District's repair plan. Discussion ensued regarding developing and implementing a comprehensive tree trimming policy.

Mr. Ring stated bids were received for installation of the South Pump Station flap gates and recommended that the Board award the contract to Lonnie Lischka Company, LP ("Lischka") in the amount of \$61,230. The Board concurred that, based on the engineer's recommendation, in its judgment, Lischka 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.

Mr. Ring then discussed painting the South Pump Station and reviewed and recommended approval of Change Order No. 1 to the contract with Phoenix Coating Specialist for the South Pump Station Coating Rehabilitation to increase the contract in the amount of \$1,800 to removal the mortar thin coat and coat with the original coating. Based on the engineer's recommendation, the Board determined that Change Order No. 1 is beneficial to the District.

Mr. Ring next reported regarding the status of installation of the north, south and west flood gates on FM 359 and, upon the recommendation of Jones & Carter, recommended the Board approve Pay Estimate No. 6 in the amount of \$74,876.13, payable to Black Castle General Contractor. Mr. Ring also reviewed and, upon the recommendation of Jones & Cater, recommended approval of Change Order No. 3 to the contract with Black Castle General Contractor for an increase the contract in the amount of \$2,243.20 to adjust the quantity of concrete slope paving around the southern sluice gate and add 22 days to the contract for additional concrete and conflict coordination with CenterPoint Energy for a gas line. Based on the engineer's recommendation, the Board determined that Change Order No. 3 is beneficial to the District.

Mr. Ring reviewed the District's updated Emergency Action Plan ("EAP") and requested authorization to submit the EAP to Fort Bend County.

Mr. Ring then discussed the status of expansion of the levee around the Plantation, Sections 4 and 5 detention pond and requested authorization for ABHR to provide notification to the Texas Commission on Environmental Quality ("TCEQ") of the District's intent to fund the project with surplus funds from the District's Series 2015 Drainage Bonds.

Mr. Ring next discussed requests for utility capacity commitments received from:

1. Miramont Interests, LC for 5 connections to serve a daycare facility; and
2. Hickory Barn BBQ for 15 connections to serve a restaurant facility.

Following review and discussion, and based upon Odyssey's recommendation, upon a motion by Director Crow and a second by Director Kluppel, the Board voted unanimously to (1) approve the engineer's report; (2) award a contract for installation of the South Pump Station flap gates to Lischka in the amount of \$61,230, based upon the District engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; (3) approve Change Order No. 1 in the amount of \$1,800 as an increase to the contract with Phoenix Coating Specialist, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; (4) approve Pay Estimate No. 6 in the amount of \$74,876.13, payable to Black Castle General Contractor, for installation of the north, south and west flood gates on FM 359; (5) approve Change Order No. 3 in the amount of \$2,243.20 as an increase to the contract with Black Castle General Contractor, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; (6) authorize Odyssey to submit the District's EAP to Fort Bend County; (7) approve CDC proposals discussed above; and (8) approve utility commitments to Miramont Interests, LC and Hickory Barn BBQ, as discussed above.

#### DISTRICT WEBSITE AND NEWSLETTER

Director Crow urged residents to opt in or sign up through EDP for text and email alerts from the District.

#### REPORTS FROM DIRECTORS, COMMITTEES AND DISTRICT CONSULTANTS

Director Kluppel reported regarding recent meetings and projects of the Brazos River Authority and Gulf Coast Water Authority.

Director Yokubaitis responded to Mr. Metcalf and said that the Board has not taken any action regarding smart water meters. He also discussed potentially developing a District Geographical Information System ("GIS").

#### ADDITIONAL BOOKKEEPING MATTERS (CONTINUED)

Upon a motion by Director Kluppel and a second by Director Bertrand, the Board voted unanimously to approve the 2019 fiscal year budget submitted by the Pecan Grove Volunteer Fire Department ("PGVFD") at the June, 2018 Board meeting.

#### ATTORNEY'S REPORT

The Board reviewed a revised proposed joint maintenance agreement between the District and Fort Bend County Municipal Utility District No. 134D (Harvest Green) incorporating changes discussed at the recent special meeting. Following review and discussion, the Board concurred to table discussion until the Board's August 13, 2018 budget workshop meeting.

Ms. Brook then reviewed a Resolution Regarding Intent to Reimburse the District's operating account from future bond proceeds for construction of flap gates at the South Pump Station and repainting of the South Pump Station for an amount not to exceed \$150,000. Following review and discussion, upon a motion by Director Crow and a second by Director Kluppel, the Board voted unanimously to approve a Resolution Regarding Intent to Reimburse the District's operating account from future bond proceeds for construction of flap gates at the South Pump Station and repainting of the South Pump Station for an amount not to exceed \$150,000.

Director Yokubaitis announced at 6:40 p.m. that the Board would take a brief break before convening in executive session.

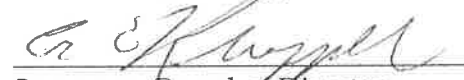
EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT  
CODE

Director Yokubaitis announced the Board would convene in executive session at 6:53 p.m. to conduct a private consultation with the District's attorney. ABHR, Odyssey and Mr. Whitt, expert consultants to the District, were present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 7:28 p.m.

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

  
Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
list of meeting attendees.....	1
bookkeeper's report.....	2
tax assessor collector's report .....	2
parks report.....	2
operations report .....	3
engineering report.....	4