

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

December 4, 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 4th day of December, 2018 at the Pecan Grove MUD 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:

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 Justin Ring, Phillip Huseman and Megan Crutcher of Odyssey Engineering Group ("Odyssey"); Robert Moss and Darren Strozewski of DCS Engineering, LLC ("DCS"); Duncan Flintoff of R.G. Miller Engineers; Mike Ammel, Russell Piper and Breah Campbell of Environmental Development Partners ("EDP"); Mark McGrath of McGrath & Co., PLLC ("McGrath"); and Lynne Humphries of Allen Boone Humphries Robinson LLP ("ABHR").

ATTORNEY MATTERS

Ms. Humphries presented a Resolution Authorizing Signature of a Contingent Fee Legal Services Contract ("Resolution") between the District and Burdine Wynne LLP to proceed with litigation for damages incurred by the District. Ms. Humphries presented a Contingent Fee Legal Services Contract between the District and Burdine Wynne LLP to proceed with litigation for damages incurred by the District. After review and discussion, Director Kluppel moved to (1) adopt the Resolution; (2) approve the Contingent Fee Legal Services Contract between the District and Burdine Wynne LLP; (3) authorize ABHR to submit the contract to the Comptroller of the State of Texas for approval; and (4) direct that the Resolution and Contract be filed appropriately and retained in the District's official records. Director Crow seconded the motion, which carried unanimously.

AGREED UPON PROCEDURES REPORT BY DISTRICT AUDITOR

Mr. McGrath next reviewed a proposal to perform an Agreed Upon Procedures report (the "AUP report") regarding bookkeeping services and fees charged from March 1, 2018 through October 31, 2018. Following review and discussion, Director Kluppel move to (1) approve an engagement letter with McGrath for preparation of the AUP report; and (2) approve the AUP report. Director Crow seconded the motion, which was unanimously approved.

AUTHORIZE TERMINATION OF CONTRACT WITH MUNICIPAL ACCOUNTS & CONSULTING, L.P. AND AUTHORIZE ENTERING INTO CONTRACT FOR BOOKKEEPING SERVICES

The Board next discussed the District's current bookkeeping contract with MAC and bookkeeping services and fees incurred from March 1, 2018 through October 31, 2018. Mr. McGrath left the meeting. Director Yokubaitis discussed efforts to find another bookkeeping service for the District and then presented a proposed contract with Myrtle Cruz, Inc. ("MCI"). Following review of the proposed contract with MCI and discussion, Director Kluppel moved to (1) terminate the District's current contract with MAC effective as of December 31, 2018, unless otherwise agreed or recommended by MCI; (2) authorize entering into a contract with MCI and authorize Director Yokubaitis to execute the contract with MCI; (3) authorize ABHR to prepare a letter of termination to MAC for Director Yokubaitis' signature with instructions regarding transfer of bookkeeping records to MCI and request for a credit from MAC, as recommended by the AUP. Director Crow seconded the motion which passed unanimously.

Ms. Humphries left the meeting and Justin Ring, Ms. Crutcer, Mr. Huseman, Mr. Ammel, Mr. Strozewski, Mr. Moss and Mr. Flintoff entered the meeting.

SURFACE WATER TREATMENT RELIABILITY ASSESSMENT

Mr. Strozewski and Mr. Moss updated the Board regarding ongoing reliability assessment at the surface water treatment plant and recommendations for improvements.

GEOGRAPHICAL INFORMATION SYSTEM ("GIS")

Mr. Flintoff discussed proposed development of a GIS. Following Mr. Flintoff's presentation, Director Crow moved to approve design/development of a GIS. Director Bertrand seconded the motion which passed unanimously.

CAPITAL IMPROVEMENT PLAN

Mr. Ring updated the Board on the Capital Improvement and Maintenance Plan ("CIP"). The Board discussed proposed projects and funding options.

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


Secretary, Board of Directors

(SEAL)

