

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

December 18, 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 18th day of December, 2018 at the Pecan Grove Baptist Church, 1727 FM 359, 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 except Director Gobar, thus constituting a quorum.

Also present at the meeting were: residents of the District, including Robert Barta, Sherrie Lindemann, Paul Metcalf, Fred Ross, John Minchew and Jacque Bertrand; David Ciarella, District resident, who also is a representative of the District's energy consultant, Enhanced Energy Services of America, LLC; Breah Campbell, Russell Piper, Cheryl Shafer and Mike Ammel of Environmental Development Partners, LLC ("EDP"); Chief Joe Woolley of Pecan Grove Volunteer Fire Department ("PGVFD"); Justin Ring, Phillip Huseman and Megan Crutcher of Odyssey Engineering ("Odyssey"); Karen Sears of Storm Water Solutions, LP; Pat Naff of CDC Unlimited, LLC; Mark Burton of Municipal Accounts & Consulting, LP ("MAC"); Kathy Cruthirds of Tax Tech, Inc.; Trevor Royal of WCA Waste Corporation of Texas; Marcus Campbell of Time & Season; Chad Howard; Deputy Watkins of the Fort Bend County Sherriff's Department; Christina Perry of Myrtle Cruz, Inc.; and Lynne Humphries, Hannah Brook, and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Yokubaitis opened the meeting at 5:00 p.m. and welcomed attendees.

COMMENTS FROM THE PUBLIC

Mr. Ross commented regarding the District patrol and asked for detail regarding a recent accident.

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

Ms. Brook stated, in accordance with the District's Investment Policy, Christina Perry as the bookkeeper and Mary Jarmon 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 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; and (2) amend Exhibit A to the District's Depository Pledge Agreement with Compass Bank. Director Kluppel seconded the motion, which passed unanimously.

SECURITY AND PUBLIC SAFETY MATTERS

Deputy Watkins discussed security patrol in the District and provided additional information to Mr. Ross regarding an accident report for accident on Old South.

Chief Woolley reported regarding fire protection in the District and in Fort Bend County Municipal Utility District No. 134D ("No. 134D").

OPERATIONS OF DISTRICT FACILITIES

Mr. Piper reviewed the EDP operations report, a copy of which is attached, and which was provided in advance to the Board. Mr. Piper discussed water accountability for the month of December 2018.

Mr. Piper presented an appeal from the District customer at 2102 Belle Grove Lane requesting reimbursement of electrical repairs to the private line in addition to CenterPoint Energy set up fees.

Following review and discussion, upon a motion by Director Kluppel and a second by Director Crow, the Board voted unanimously to (1) approve the operator's report; and (2) approve reimbursement, as requested, from the customer at 2102 Belle Grove Lane.

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 Crow seconded the motion, which passed unanimously.

DEVELOPMENT AND MAINTENANCE OF PARKS

Mr. Campbell reviewed a written parks report, a copy of which is attached, and discussed ongoing repairs, improvements and projects, including an update on installation of the monument in Plantation Memorial Park.

Ms. Sears updated the Board regarding ongoing efforts to resolve electrical supply to aerator issues in Bullhead Slough and maintenance and repairs in Bullhead Slough.

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 first discussed the status of design of a first phase of a reclaimed water system, and estimated costs to potential users to retrofit existing infrastructure and construct other onsite improvements in order to receive reclaimed water.

Mr. Ring reported that Odyssey completed the annual report for Year 4 of the Small Municipal Separate Storm Sewer System (MS4) General Permit TXR040225 and requested authorization to submit the report to the Texas Commission on Environmental Quality ("TCEQ").

Mr. Ring next reviewed an application to the TCEQ requesting a change of scope and use of surplus funds previously approved for use by the TCEQ in 2014.

Discussion ensued regarding City of Richmond construction of elevated storage behind Rio Vista.

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) authorize the District engineer to submit the annual report for Year 4 of the Small Municipal Separate Storm Sewer System (MS4) General Permit TXR040225 to the TCEQ; (3) authorize the District engineer to submit an application to the TCEQ requesting a change of scope and use of surplus funds, as discussed; and (4) authorize the District bookkeeper to invoice Fort Bend County Municipal Utility District No. 134E pursuant to the Drainage Swale Agreement;

DISTRICT WEBSITE AND NEWSLETTER

The Board discussed responding to emails through website.

SURFACE WATER MATTERS AND REPORTS FROM DIRECTORS, COMMITTEES AND DISTRICT CONSULTANTS

Director Kluppel discussed recent issues with Gulf Coast Water Authority, and Brazos River Authority ("BRA") interest in leasing, at a pass through cost, any surplus surface water. Following review and discussion, Director Bertrand moved to authorize execution of an agreement with BRA, as discussed, when received, subject to the review and approval of Director Kluppel. Director Crow seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

The Board discussed meetings dates and locations for 2019. Following review and discussion, Director Crow moved to (1) designate the Pecan Grove Baptist Church as the District meeting place for 2019; (2) authorize purchase of signs with the new meeting place for posting in the District; and (3) authorize changes to the District website to show the District's new meeting place for 2019. Director Bertrand seconded the motion, which passed unanimously.

Discussion ensued regarding proposed capital improvements and options for funding same. The Board concurred to hold a special workshop meeting to discuss same on January 21, 2019 at 4:00 p.m.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

Director Yokubaitis announced the Board would convene in executive session at 6:08 p.m. to conduct a private consultation with the District's attorney regarding litigation. ABHR and Mr. Harris were present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 6:14 p.m. No action was necessary.

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




Secretary, Board of Directors

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