

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

February 26, 2019

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in regular session, open to the public, on the 26th day of February, 2019 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, 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; 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 and Cheryl Shafer of Environmental Development Partners, LLC ("EDP"); Assistant Chief Billy Hoyt of Pecan Grove Volunteer Fire Department; Justin Ring and Phillip Huseman of Odyssey Engineering ("Odyssey"); Karen Sears of Storm Water Solutions, LP; Pat Naff of CDC Unlimited, LLC; Kathy Cruthirds of Tax Tech, Inc.; Trevor Royal of WCA Waste Corporation of Texas; Marcus Campbell of Time & Season; Simon VanDyk and Michael Willett of Touchstone District Services; Greg Lentz of Masterson Advisors LLC; Christina Perry of Myrtle Cruz, Inc.; Shannon Waugh of Off Cinco; and Lynne Humphries, Hannah Brook, and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

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

COMMENTS FROM THE PUBLIC

There were no comments from the public.

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, with the exception of agenda items 3 (c), 3 (d) and 3 (e). 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

Director Crow discussed the current operating budget, an anticipated variance after July, 2019 when lease of water capacity to, and operating revenue from, Fort Bend Municipal Utility District No. 134D terminates and the anticipated impact on the District's operating funds available for maintenance of District facilities.

ADDITIONAL BOOKKEEPING ITEMS

Ms. Perry reported additional checks written after the bookkeeping report for payment of interest on outstanding bonds and for Pay Estimate No. 1 in the amount of \$50,607, payable to Lonnie Lischka, LP. Following review and discussion, Director Crow moved to approve the bookkeeper's report and authorize payment of bills, including additional checks written after the bookkeeping report was issued, as presented and discussed. The motion was seconded by Director Bertrand and passed unanimously.

UNLIMITED TAX REFUNDING BOND SALE, SERIES 2019

Mr. Lentz reviewed a financial analysis of savings potentially created by a proposed refunding bond issuance, discussed current bond market conditions, issuance costs of the refunding bonds, and scheduling a closing date.

Mr. Lentz reviewed the draft Preliminary Official Statement for the District's Series 2019 Refunding Bonds.

Ms. Humphries reviewed a Resolution Authorizing the Issuance of the District's Series 2019 Refunding Bonds.

Following review and discussion, Director Crow moved to (1) approve the Preliminary Official Statement, subject to final revisions; (2) adopt the Resolution Authorizing the Issuance of the District's Series 2019 Refunding Bonds for a maximum par amount not to exceed \$30,000,000; and (3) authorize Director Yokubaitis or, alternatively, Director Crow to act as the District's authorized representative to approve the sale of the refunding bonds, subject to a minimum net present value savings of 4.5%, and to select the maturities or series of the District's outstanding bonds to be refunded and to perform any actions needed to effect the sale of the Refunding Bonds, including the execution of the Bond Purchase Agreement and any other necessary documents; Director Kluppel seconded the motion, which passed unanimously.

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.

SECURITY AND PUBLIC SAFETY MATTERS

Assistant Chief Hoyt reported regarding fire protection in the District and PGVFD activity since the last Board meeting.

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 monument signs in Memorial Park and Pecan Grove Park.

Mr. Campbell reviewed Storm Water Solutions' report regarding ongoing efforts to resolve electrical supply to aerator issues in Bullhead Slough and maintenance and repairs in Bullhead Slough. He also reviewed a Storm Water Solutions proposal to clean out the dead vegetation. Following review and discussion, Director Crow moved to approve the proposal from Storm Water Solutions to treat and remove vegetation from Bullhead Slough. Director Kluppel seconded the motion, which passed unanimously.

Discussion ensued regarding possible future dredging of Bullhead Slough to increase capacity as part of the Capital Improvements Plan.

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. Ms. Campbell also discussed water accountability for the month of February, 2019.

Mr. Piper next discussed the status of previously approved repair and maintenance items and requested authorization to complete the following work:

1. Replacement of the surface water treatment plant sludge well pump no. 2 for an estimated cost of \$11,000;
2. Replacement of the surface water treatment plant raw water intake level transducer for an estimate cost of \$2,960; and
3. Repair the wastewater treatment plan onsite lift pump no. 3 for an estimated cost of \$8,500.

Following discussion, the Board concurred to table replacement of the surface water treatment plant sludge well pump no. 2 for an estimated cost of \$11,000.

Following review and discussion and upon the recommendation of EDP, Director Crow moved to (1) approve the operator's report; (2) approve replacement of the surface water treatment plant raw water intake level transducer for an estimate cost of \$2,960; and (3) approve repair of the wastewater treatment plan onsite lift pump no. 3 for an estimated cost of \$8,500. Director Bertrand seconded the motion which passed unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

The Board next conducted a hearing on the termination of utility service to delinquent accounts. Mr. Piper 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 Bertrand seconded the motion, which passed unanimously.

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 and Mr. Huseman provided an update regarding ongoing engineering and construction projects.

Mr. Ring presented a proposal in the amount of \$1,500 from CDC to sod the levee area that was excavated by the Chevron station.

He also reviewed a Services Agreement with Champions Hydro-Lawn, Inc. and attachment proposals for installation of aerators, inspection of aerators and desilting of detention basin and removal of dead vegetation in Pecan Lakes. He also recommended that the Board authorize CDC to perform an herbicide treatment at Pecan Lakes.

Mr. Ring reported regarding geotechnical analysis and the status of final structural design of Jones Creek slope repairs and Pecan Lakes slope failure, Phase 1 and Phase 2. Discussion ensued regarding additional federal emergency funds allocated for the repair of Jones Creek slopes and projected schedules for advertising for bids for construction. Mr. Ring discussed Odyssey's design approach and scope of work similar to work in

Jones Creek near the Rio Vista community and similar successes of the gabion/basket structure in Fort Bend Levee Improvement District No. 11 where he serves as President.

Mr. Ring next discussed proposed improvements to Bent Creek Drainage and requested authorization to solicit a proposal for Bent Creek Drainage Improvements.

Mr. Ring recommended the addition of surge protection at the surface water treatment plant and requested authorization to solicit proposals for surge protection. The Board concurred to request that the specification include a stainless steel enclosure.

Director Yokubaitis commented regarding the District's plan to use reclaimed water at the Pecan Grove Country Club to irrigate the golf greens.

Mr. Ring discussed the status of flap gate installation at the South Pump Station and recommended that the Board approve Pay Estimate No. 1 in the amount of \$50,607, payable to Lonnie Lischka, LP. He also recommended approval of Change Order/Quantity Adjustment No. 1 to the contract adding 50 calendar days to the contract. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Ring reported the status of construction of drainage swales adjacent to Harvest Green, Sections 19 and 20 and requested authorization to invoice Fort Bend County Municipal Utility District No. 134D for Phase 2 design and bid phase.

After review and discussion, and based upon Odyssey's recommendation, Director Crow moved to (1) approve the engineer's report; (2) approve a proposal in the amount of \$1,500 from CDC to sod the levee area that was excavated by the Chevron station; (3) approve a Services Agreement with Champions Hydro-Lawn, Inc. and attachment proposals for installation of aerators, inspection of aerators and desilting of detention basin and removal of dead vegetation in Pecan Lakes; (4) authorize CDC to perform an herbicide treatment at Pecan Lakes; (5) authorize Odyssey to solicit proposals for proposed improvements to Bent Creek Drainage; (6) authorize Odyssey to solicit proposals for surge protection at the surface water treatment plant; (7) approve Pay Estimate No. 1 in the amount of \$50,607, payable to Lonnie Lischka, LP for flap gate installation at the South Pump Station; (8) approve Change Order No. 1 adding 50 days to the District's contract with Lonnie Lischka, LP for installation of flap gates at the South Pump Station with no increase or decrease to the contract, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; and (9) authorize Odyssey to invoice Fort Bend County Municipal Utility District No. 134D for design of drainage swales, Phase 2 design and to advertise for bids for construction. Director Gobar seconded the motion, which passed by unanimous vote.

DISTRICT WEBSITE AND NEWSLETTER

There was no discussion or action for this agenda item.

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

Directors Crow and Bertand reported regarding the Association of Water Board Directors winter conference and legislative updates reported at the conference.

ATTORNEY'S REPORT

There was no additional discussion for this agenda item.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

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

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


Secretary, Board of Directors

(SEAL)



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