

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

April 16, 2019

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in special session, open to the public, on the 16th day of April, 2019 at the Pecan Grove Country Club, Highway 359 at Plantation Drive, 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 Kathryn Foss of Municipal Financial Services; Michael Willett, Simon VanDyk, Coleen Culpepper, Beth Wolf and Rob Miller with Touchstone District Services ("Touchstone"); Greg Lentz of Masterson Advisors, LLC; Breah Campbell, Russell Piper, Cheryl Shafer and Mike Ammel of Environmental Development Partners, LLC; Justin Ring, Megan Crutcher and Philip Huseman of Odyssey Engineering; and Lynne Humphries, Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

OPEN HOUSE

The Board hosted an open house meeting to provide information to the public regarding the May, 2019 bond election. Board members and consultants met with and answered questions from residents.

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

(SEAL)




Secretary, Board of Directors

Ms. Webb asked for additional information regarding the upcoming bond election and when additional information would be posted on the District website and distributed to taxpayers in the District.

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 item 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

Ms. Humphries discussed the filing of the District's Annual Report in accordance with Securities and Exchange Commission Rule 15c2-12. Ms. Humphries explained that the District's bond resolutions require the District to file updated financial and operation information about the District on an annual basis. Following review and discussion, Director Kluppel moved to authorize filing of the Annual Report. Director Gobar seconded the motion, which passed unanimously.

ADDITIONAL BOOKKEEPING ITEMS

Ms. Perry reviewed email from the District's auditor regarding review of a final invoice submitted by the District's former bookkeeper, Municipal Accounts & Consulting, LP ("MAC"), and recommending that the Board owes MAC a final payment of \$3,925.14.

The Board discussed records storage and retention and requested that District consultants gather options and costs for storage of records and that an agenda item be included on the April, 2019 meeting agenda to consider an Amended Records Retention Policy.

Following review and discussion, Director Kluppel moved to approve a final payment to MAC in the amount of \$3,925.14. Director Crow seconded the motion, which passed unanimously.

SECURITY AND PUBLIC SAFETY MATTERS

Chief Joe Woolley reported regarding fire protection in the District and PGVFD activity since the last Board meeting. He also responded to Ms. Hale-Erlich's earlier comment regarding use of sirens when responding to calls in the District.

Deputy Watkins discussed security patrol in the District. Director Gobar asked for more concentrated traffic control in the District school zones.

UNLIMITED TAX REFUNDING BOND SALE, SERIES 2019

Mr. Lentz reviewed an updated financial analysis of savings potentially created by a proposed refunding bond issuance based upon current bond market conditions.

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. Director Yokubaitis requested that Mr. Campbell submit updated park photos to the District website administrator for posting.

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 provided an updated regarding removal of dead vegetation from Bullhead Slough. The Board concurred to request that aerator run times be adjusted from 9:00 a.m. to 5:00 p.m.

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 also discussed water accountability for the month of March, 2019.

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

1. Replacement of the disinfection basin sample pump at the surface water treatment plant for an estimated cost of \$5,900;
2. Replacement of RAS pump no. 1 rotating assembly at the wastewater treatment plant for an estimated cost of \$3,100; and
3. Repair blower no. 1 at the wastewater treatment plant for an estimated cost of \$7,700.

Following discussion, the Board concurred to take no action to replace the surface water treatment plant sludge well pump no. 2 for an estimated cost of \$11,000. Ms. Campbell reported that sludge well pump no. 2 was repaired by Neil Technical Services ("NTS") under the District's Service Agreement with NTS.

Ms. Campbell reviewed a renewal proposal to be added to the District's Service Agreement with Hach Company for an annual amount of \$30,300.

Ms. Campbell reviewed uncollectable accounts and requested authorization to write off 38 accounts totaling \$4,485.55 as uncollectable.

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 disinfection basin sample pump at the surface water treatment plant for an estimated cost of \$5,900; (3) approve replacement of RAS pump no. 1 rotating assembly at the wastewater treatment plant for an estimated cost of \$3,100; (3) authorize repair of blower no. 1 at the wastewater treatment plant for an estimated cost of \$7,700; (4) approve a proposal from Hach Company for 2019 service in the amount of \$30,300; and (5) authorize EDP to write off 38 accounts totaling \$4,485.55 as uncollectable. Director Kluppel seconded the motion which passed unanimously.

The Board next discussed amending the District Rate Order to (2) clarify that no potable water may be used to fill amenity lakes within the District boundary effective on April 1, 2019; and (2) that any potable water used to fill ponds will be charged the Fort Bend County Disincentive Fee of \$6.50 per thousand gallons, effective on April 1, 2019. Following review and discussion, Director Crow moved to approve the Rate Order amendments discussed. Director Gobar 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 Gobar seconded the motion, which passed unanimously.

WATER CONSERVATION

Ms. Humphries stated that the Texas Commission on Environmental Quality rules require that the District review and adopt an Amended and Restated Water Conservation Plan and an Amended and Restated Drought Contingency Plan in 2019, prior to May 1st.

Following discussion, the Board concurred to defer action until the Board's April, 2019 Board meeting.

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 first discussed (1) proposed modifications to culverts on Mayweather Lane; and (2) proposed modifications to the Main Channel Rehabilitation at Jones Creek and requested authorization to begin design on both. Discussion ensued regarding soliciting bids for grout filling for an amount not to exceed \$75,000.

In response to an earlier inquiry by Ms. Hale-Erich, Mr. Ring said the proposed Jones Creek Drainage Improvement District would not have a significant effect downstream of Highway 59 along Jones Creek.

Mr. Ring stated that bids were received for drainage improvements on Bent Creek Court and recommended that the Board award the contract to Site Work Construction, LLC ("Site Work") in the amount of \$49,600. The Board concurred that, in its judgment, Site Work 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 discussed plans for (1) the mixing system at the surface water treatment plant; and (2) the MCC at Water Plant No. 2 and requested authorization to advertise for bids for construction for both projects.

Mr. Ring then stated that bids were received for construction of surge protection at the surface water treatment plant and recommended that the Board award the contract to Neil Technical Services ("NTS") in the amount of \$35,500. The Board concurred that, in its judgment, NTS 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.

Discussion ensued regarding ongoing discussion with the owners of the Pecan Grove Plantation Country Club regarding proposed use of reclaimed water to irrigate golf courses.

Mr. Ring reported the status of levee drainage improvements around Harvest Green, Phase I and recommended the Board approve Pay Request No. 1 in the amount of \$59,170.75, payable to ClearPave. He also requested authorization to begin design of Levee Drainage Improvements around Harvest Green, Phase II.

Mr. Ring discussed the status of flap gate installation at the South Pump Station and recommended that the Board approve Pay Estimate No. 2 and Final in the amount of \$10,623, payable to Lonnie Lischka, LP.

Ms. Humphries reviewed a proposed Agreement for Construction and Maintenance with MUD No. 140 to install a flap gate on the outfall at FM 359 and Jones Creek.

After review and discussion, and based upon Odyssey's recommendation, Director Crow moved to (1) approve the engineer's report; (2) authorize Odyssey to design proposed modifications to culverts on Mayweather Lane, proposed modifications to the Main Channel Rehabilitation at Jones Creek and for Levee Drainage Improvements around Harvest Green, Phase II; (3) authorize Odyssey to solicit bids for grout filling for Main Channel Rehabilitation at Jones Creek for an amount not to exceed \$75,000; (4) award a contract for drainage improvements on Bent Creek Court in the amount of \$49,600, based upon Odyssey's recommendation and subject to approval of the payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor; (5) authorize Odyssey to advertise for bids for construction of the mixing system at the surface water treatment plant and the MCC at Water Plant No. 2; (6) award a contract for surge protection at the surface water treatment plant in the amount of \$35,500, based upon Odyssey's recommendation and subject to approval of the payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor; (7) approve Pay Request No. 1 in the amount of \$59,170.75, payable to ClearPave for levee drainage improvements around Harvest Green, Phase I; (8) approve Pay Estimate No. 2 and Final in the amount of \$10,623, payable to Lonnie Lischka, LP for flap gate installation at the South Pump Station; and (9) approve a proposed Agreement for Construction and Maintenance of a with MUD No. 140 to install a flap gate on the outfall at FM 359 and Jones Creek. Director Bertrand seconded the motion, which passed by unanimous vote.

DISTRICT WEBSITE AND NEWSLETTER

Mr. Willett updated the Board regarding public information distributions and preparation for an upcoming open house to provide information regarding an upcoming District bond election.

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

There was no additional discussion for this agenda item.

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)



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	3
operations report	3
engineering report	5