

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

April 30, 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 30<sup>th</sup> day of April, 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; Breah Campbell and Cheryl Shafer of Environmental Development Partners, LLC ("EDP"); Karen Sears of Storm Water Solutions, LLC; Trey Sawyer of CDC Unlimited, LLC; Deputy Watkins of the Fort Bend County Sherriff's Department; Chief Joe Woolley of Pecan Grove Volunteer Fire Department; Justin Ring, Megan Crutcher and Phillip Huseman of Odyssey Engineering ("Odyssey"); Kathy Cruthirds of Tax Tech, Inc.; Marcus Campbell of Time & Season; Michael Willett of Touchstone District Services; Greg Lentz of Masterson Advisors LLC; Christina Perry of Myrtle Cruz, Inc.; David Ciarella of Enhanced Energy Services of America, LLC; Scott Burdine of Burdine Wynne LLP; Britton Harris of Harris Hilburn, LLP; 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

Mr. Ciarella reported on current energy market conditions and savings accomplished by the District as a load participant in the ERCOT Nodal Market. He also asked the Board for authorization to use the District's savings achieved information as part of a presentation at the Association of Water Board Director's ("AWBD") summer conference.

## 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(d). 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. Perry reviewed proposed budget amendments for the fiscal year ending September 30, 2019, including amendments to Gulf Coast Water Authority, distribution system and election expenses and addition of the Bent Creek Court Drainage improvements to construction projects. Following discussion and review of the proposed amendments, Director Kluppel moved to approve amendment of the budget for the fiscal year ending September 30, 2019, as discussed. Director Crow seconded the motion, which passed unanimously.

## 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 and said market conditions improved significantly which will result in a net present value savings of 11.29% yielding an overall \$3,900,000 savings to the District. He said the bonds will price tomorrow.

## ADDITIONAL BOOKKEEPING ITEMS

Ms. Perry reviewed an 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 issue a final payment to MAC in the amount of \$6,772.68. Following review and discussion, Director Crow moved to issue a final payment to MAC, as recommended by the District auditor. Director Gobar seconded the motion, which passed unanimously.

Ms. Crutcher reported recent deposits received from the Federal Emergency Management Agency ("FEMA") in the amount of \$330,000 and recommended that the budget for the fiscal year ending September 30, 2019 be amended to include those deposits as revenue. Upon a motion by Director Crow and a second by Director Kluppel, the Board voted unanimously to amend the budget to include FEMA revenue, as recommended.

## SECURITY AND PUBLIC SAFETY MATTERS

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

Deputy Watkins discussed security patrol in the District.

## 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. The Board discussed, but determined to defer repair of 60 mini bollards on the levee between the detention basin and golf course that need to be sanded and repainted. Ms. Crutcher said the bollards may be affected in the Mason Road levee improvement project.

Ms. Walker requested use of the Pecan Grove Park on Pitts Road and the levee trail for a running club group. The Board concurred to consent to use of the park and trail as a public facility, but reminded Ms. Walker that the group must comply with District park rules and regulations.

Director Yokubaitis said a Girl Scout group will attend the May, 2019 regular Board meeting to make a presentation regarding installing butterfly garden at Memorial Park.

Mr. Campbell presented a request from a District resident requesting placement of a memorial bench for public use in Memorial Park. The Board concurred to authorize Mr. Campbell to meet with the resident to determine a location for installation of the memorial bench at a location acceptable to the District and at the expense of the resident requesting placement.

Ms. Sears reviewed Storm Water Solutions' report, a copy of which is attached, regarding ongoing efforts to resolve electrical supply to aerator issues in Bullhead Slough and maintenance and repairs in Bullhead Slough. She provided an update regarding removal of dead vegetation from Bullhead Slough and presented a proposal in the amount of \$3,304 to replace the motor on aerator no. 4. Following review and discussion, Director Crow moved to (1) approve Storm Water Solutions' report; and (2) authorize repair of aerator no. 4 for an amount not to exceed \$3,304. Director Gobar seconded the motion, which passed unanimously. Additional discussion regarding herbiciding schedules ensued. Director Yokubaitis requested that ABHR add a separate agenda item beginning in May, 2019 for Storm Water Solutions to report to the Board.

## 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 April, 2019.

Ms. Campbell next discussed the status of previously approved repair and maintenance items and requested authorization to replace 6 analog/ obsolete emergency radios in advance of hurricane season for an estimated cost of \$1,358 per radio. Following review and discussion, Director Crow moved to authorize replacement of the emergency radios, as recommended, subject to confirmation that the radios proposed are compatible with the PGVFD radio equipment. Director Gobar seconded the motion, which passed unanimously.

Ms. Campbell also discussed options for posting the 2018 Consumer Confidence Report electronically. She said that a hard copy of the CCR will be provided to multi-family customers.

Following review and discussion and upon the recommendation of EDP, Director Crow moved to (1) approve the operator's report; and (2) authorize electronic posting of the 2018 CCR with a hyperlink to the report in monthly customer water bills. Director Bertrand seconded the motion which passed unanimously.

Ms. Campbell distributed and reviewed an annual report on the District's Identity Theft Prevention Program ("Program") reflecting the effectiveness of the Program in addressing identity theft risk. She noted that EDP is required to prepare an annual report as Program Administrator. Ms. Campbell stated the annual report indicates no significant incidents of Identity Theft detection and she does not recommend any changes to the Program at this time.

## 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 Bertrand seconded the motion, which passed unanimously.

### WATER CONSERVATION

Ms. Brook 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. The District's operator reviewed the Water Conservation Plan Annual Report and Five-Year Implementation Report on the Water Conservation Plan with the Board. Ms. Brook reviewed an Amended and Restated Water Conservation Plan with the Board. After review and discussion, Director Crow moved to (1) approve the Water Conservation Annual Report and Five-Year Implementation Report, direct that the reports be filed appropriately and retained in the District's official records, and authorize the District's Operator to submit the reports to the appropriate government agencies; and (2) adopt an Order Adopting Amended and Restated Water Conservation Plan, direct that the Order be filed appropriately and retained in the District's official records, and authorize the District Operator to submit the Amended and Restated Water Conservation Plan to the appropriate government agencies. Director Gobar seconded the motion, which passed by unanimous vote.

The Board took no action to amend the District's Rate Order.

### ODYSSEY ENGINEERING MATTERS

Mr. Crutcher 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 Ms. Crutcher provided an update regarding ongoing engineering and construction projects.

Ms. Crutcher first discussed a recent Fort Bend County Table Top Emergency Exercise for drainage and levee improvement districts and requested an agenda item on the June, 2019 regular meeting agenda to discuss amendment of the District's Emergency Action Plan to address items identified by Odyssey during the exercise.

Ms. Crutcher next discussed plans to update the motor control center ("MCC") at water plant no. 2 and requested authorization to advertise for bids.

Mr. Ring discussed a hypothetical schedule for ability to deliver reclaimed water. Discussion ensued regarding necessary connector pipes to bring reclaimed service to the Pecan Grove Plantation Country Club golf course (the "Club") north and south detention ponds. Mr. Ring said the Club estimates the expense to connect service to the north and

south detention ponds at \$350,000. Mr. Ring discussed optional designs and associated costs and an option to extend reclaimed service to irrigate Pecan Grove Memorial Park.

Director Bertrand commented regarding resident complaints regarding the construction debris associated with levee drainage improvements around Harvest Green, Phase I.

Mr. Ring requested authorization for CDC to clear access to the south bank for Main Channel Rehabilitation at Jones Creek for an estimated \$1,100.

After review and discussion, and based upon Odyssey's recommendation, Director Crow moved to (1) approve the engineer's report; (2) authorize Odyssey to advertise for bids to update the MCC at water plant no. 2; and (3) authorize CDC to clear access to the south bank for Main Channel Rehabilitation at Jones Creek for an estimated \$1,100. Director Kluppel seconded the motion, which passed by unanimous vote.

#### DISTRICT WEBSITE AND NEWSLETTER

Discussion ensued regarding options to make information regarding upcoming and ongoing District matters easier for the public to access. The Board requested that Odyssey work with the District website administrator to update construction projects on the District website.

The Board concurred to post notice of a special meeting on May 10, 2019 at 10:00 a.m. to canvass the votes from the May 4, 2019 District election.

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

Ms. Brook and Director Kluppel updated the Board regarding a pending request to assign the District's 700-acre feet of water to the Gulf Coast Water Authority ("GCWA"). Ms. Brook said Ivan Langford with GCWA responded that the Brazos River Authority has made additional water available for purchase and therefore the GCWA does not need the water the District has available for lease.

Discussion ensued regarding the property tax exemptions that the District currently offers.

Directors Crow and Yokubaitis commented on a recent open house hosted by the District to offer residents an opportunity to learn about current and future District infrastructure needs and funding of same. Director Yokubaitis said information presented at the open house has been posted to the District website, along with additional information.

ATTORNEY'S REPORT

There was no additional discussion for this agenda item.

Mr. Burdine and Mr. Harris arrived at 6:45 p.m. and Director Yokubaitis announced that the Board would take a brief recess before convening in executive session.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

Director Yokubaitis announced the Board would reconvene in executive session at 7:04 p.m. to conduct a private consultation with the District's attorneys regarding litigation. ABHR and Odyssey were present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 8:11 p.m. The Board took no action following executive session.

There being no additional business to consider, the meeting was adjourned at 8:14 p.m.

(SEAL)



  
Secretary, Board of Directors

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