

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

May 28, 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 28th day of May, 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, Russell Piper and Cheryl Shafer of Environmental Development Partners, LLC ("EDP"); Karen Sears of Storm Water Solutions, LLC; Pat Naff of CDC Unlimited, LLC; 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; Greg Lentz of Masterson Advisors LLC; Shannon Waugh of Off Cinco; 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 public meeting at 5:30 p.m. and welcomed attendees.

COMMENTS FROM THE PUBLIC

Girl Scout Troop No. 152043 gave a presentation regarding a proposed installation/construction of a Monarch Weigh Station in Plantation Memorial Park.

Ms. Bergalia commented that the Pecan Grove Property Owner's Association (the "POA") is interested in transferring title for the POA park at the intersection of Windmill Drive and Plantation Drive to the District, subject to confirmation by election from members of the POA.

Ms. Bench requested the support of the Board and invited residents to attend a meeting of the Pecan Grove Homeowner's Association (the "HOA") and Fort Bend County Commission, Precinct 3, Andy Meyers, on July 18, 2019 at 7:00 p.m. at the PGVFD fire station on Pitts Road to discuss mobility and accessibility on streets in the District.

#### CONSENT AGENDA

Director Yokubaitis offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Crow moved to approve all items on the consent agenda. Director Bertrand 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

No items were removed from the consent agenda for discussion or action.

#### ADDITIONAL BOOKKEEPING ITEMS

Ms. Perry presented additional handwritten check no. 5114, made payable to the Texas Commission on Environmental Quality ("TCEQ") in the amount of \$500. Director Crow moved to approve the additional check. Director Bertrand seconded the motion, which passed by unanimous vote.

#### SECURITY AND PUBLIC SAFETY MATTERS

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

#### DEVELOPMENT AND MAINTENANCE OF PARKS

Discussion ensued regarding coordinating additional requirements for the proposed Monarch Weigh Station in Plantation Memorial Park. Following discussion, Director Yokubaitis moved to authorize installation by Troop No. 152043, subject to coordination of all details through Mr. Campbell. Director Gobar seconded the motion, which passed unanimously.

Mr. Campbell reviewed a written parks report, a copy of which is attached.

Director Yokubaitis requested that Ms. Bergalia work with the Parks Committee to fully define the tracts the POA wants to convey to the District. He also requested that Mr. Campbell prepare an inventory of improvements needed in the park and a proposed maintenance schedule.

## STORMWATER SOLUTIONS REPORT

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 replacement of the motor on aerator no. 4. She reported that aerator no. 1 is still in operable and estimated a cost of \$778 to replace the power chord. Following review and discussion, Director Crow moved to (1) approve Storm Water Solutions' report; and (2) authorize replacement of the power chord to aerator no. 1 for an amount not to exceed \$778. Director Kluppel seconded the motion, which passed unanimously. Additional discussion regarding options for anchoring the aerators ensued.

## 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 May, 2019 and discussed ongoing investigation of line leaks in The Terrace and repair of tap line leaks on Old Dixie Road.

Mr. Piper next discussed the status of previously approved repair and maintenance items and requested authorization to make the following repairs/replacements:

1. Replacement of the auto sampler at the wastewater treatment plant for an estimated cost of \$6,600;
2. Replacement of the raw water sample pump at the surface water treatment plant for an estimated cost of \$3,300; and
3. Replacement of the raw water tank no. 2 level indicator at the surface water treatment plant for an estimated cost of \$3,200.

Director Crow requested that EDP get a proposal for shade over the raw water sample pump and the clear well at the surface water treatment plant.

Following review and discussion and upon the recommendation of EDP, Director Kluppel moved to (1) approve the operator's report; and (2) approve repairs and replacements listed above, as discussed. Director Crow seconded the motion which passed unanimously.

Discussion ensued regarding automating the operation of the south pump station and repair of booster pumps across from the school.

## 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.

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

Mr. Ring discussed estimated costs to extend reclaimed water service to a northern "take point" for Pecan Grove Plantation Country Club (the "Club"), which includes cost to increase the size of the pumps as part of proposed phase I. He said Odyssey is working on cost estimated to deliver reclaimed water service to District parks. Mr. Ring said that the current permit for delivery of reclaimed water covers the Club only and that delivery to any other area will require a permit amendment. Following review and discussion, the Board concurred to authorize Odyssey to begin work on amendment of the permit to allow additional distributions, as discussed. Discussion ensued regarding proposed terms and conditions of a possible Reclaimed Water User Agreement with the Club.

Mr. Ring next updated the Board regarding installation of diesel tanks at the South Pump Station and recommended that the Board approve Pay Estimate No. 2 and Final in the amount of \$3,115, payable to Total Energy Solutions.

Mr. Ring next updated the Board regarding design of Jones Creek Slope Rehabilitation and requested authorization to advertise for bids for construction.

Ms. Crutcher next reported regarding proposed improvements to the levee along Mason Road and recommended that the Board approve the proposed revised scope of work to meeting the drainage study elevation recommendations plus freeboard requirements. He said Odyssey will coordinate with Fort Bend County regarding right-of-way adjustments on Farmer Road. Director Crow requested that Odyssey coordinate with the Club regarding levee/easement access for golf cart maintenance equipment.

Mr. Ring stated that bids were received for construction of improvements to the raw water mixing system at the surface water treatment plant. Mr. Ring recommended that the Board award the contract to DN Tanks in the amount of \$573,700. The Board concurred that, in its judgment, DN Tanks 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.

Ms. Crutcher updated the Board regarding proposed levee drainage improvements around Harvest Green, Phase II and requested authorization to advertise for bids for construction. Director Kluppel requested that Odyssey follow up regarding complaints from property owners near the levee improvements made during Phase I.

Mr. Ring discussed proposed drainage improvements to serve Victorian Gardens Drive and requested authorization to begin design of the proposed improvements.

Ms. Crutcher next discussed proposed North Pump Station Improvements and requested authorization to begin design of the proposed improvements. She added that the proposed improvements include automation and possible adjustment to the intake system to pump down the amenity portion of Bullhead Bayou for additional detention storage, if needed.

Mr. Ring discussed proposed improvements for South Pump Station Automation and requested authorization to begin design of the proposed improvements.

Mr. Ring next reported the status of improvements and rehabilitation of Lift Station No. 4 and recommended that the Board approve Pay Estimate No. 1 in the amount of \$11,306.70, payable to Sustanite Support Services, LLC.

Ms. Crutcher next discussed maintenance of the Pecan Lakes detention basin and recommended that the Board approve reimbursement of additional costs for roll-off containers in the amount of \$2,100.

After review and discussion, and based upon Odyssey's recommendation, Director Kluppel moved to (1) approve the engineer's report; (2) authorize Odyssey to file for amendment of the District's reclaimed water use permit to allow additional distributions, as discussed; (3) approve a revised scope of work for proposed improvements to the levee along Mason Road, as discussed; (4) authorize Odyssey to design drainage improvements to serve Victorian Gardens Drive, North Pump Station Improvements and improvements for South Pump Station Automation; (5) authorize Odyssey to advertise for bids for construction of Jones Creek Slope Rehabilitation and levee drainage improvements around Harvest Green, Phase II; (6) approve all pay estimated listed above, as discussed; (7) approve reimbursement of additional costs for roll-off containers in the amount of \$2,100 for maintenance of the pond in Pecan Lakes;

and (8) award the contract for construction of improvements to the raw water mixing system at the surface water treatment plant to DN Tanks in the amount of \$573,700, based upon Odyssey's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Crow seconded the motion, which passed by unanimous vote.

#### UNLIMITED TAX REFUNDING BOND SALE, SERIES 2019

Mr. Lentz updated the Board regarding the final financial analysis of savings created by the District's refunding bond issue resulting in a net present value savings of \$3,900,000.

#### DISTRICT WEBSITE AND NEWSLETTER

Ms. Waugh reviewed a revised monthly fee proposal for website administration services and discussed optional services available. Following review and discussion, Director Crow moved to (1) approve a revised Services Agreement with Off Cinco with the revised proposal as an exhibit attachment; and (2) approve the construction summary and update prepared by Odyssey and authorize posting of same. The motion was seconded by Director Gobar and passed unanimously.

#### EMERGENCY WATER SUPPLY AGREEMENT

The Board concurred to defer discussion until the July, 2019 Board meeting.

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

Ms. Brook updated the Board regarding a pending request to assign the District's 700-acre feet of water to the Gulf Coast Water Authority ("GCWA").

#### ATTORNEY'S REPORT

There was no additional discussion for this agenda item.

At 7:28 p.m., 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 7:39 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 7:49 p.m. The Board took no action following executive session.

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

  
Secretary, Board of Directors



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