

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

July 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 30th day of July, 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: Jim Ashmore, John Minchew, Cheryl Minchew, Robert Barta, James Waltz, Elizabeth Waltz, Craig Menning, Robert Ewing, Paula Gibson, Ariana Beck, Wendy Hale-Erich, David Ciarella, Paul Metcalf and Tomalea Bench, residents of the District; Mike Ammel, Breah Campbell and Russell Piper of Environmental Development Partners, LLC ("EDP"); Steve Bonjonia of PAS Property Acquisition Services, LLC; David Beyer of Storm Water Solutions, LLC; Pat Naff of CDC Unlimited, LLC; Chief Joe Woolley of Pecan Grove Volunteer Fire Department; Deputy Watkins of the Fort Bend County Sherriff's Department ("FBCSO"); Justin Ring, Megan Crutcher, Phillip Hussemann and Sara Abrams of Odyssey Engineering ("Odyssey"); Kathy Cruthirds of Tax Tech, Inc.; Marcus Campbell of Time & Season; Tracey Weare 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

Ms. Bench commented regarding options presented by Fort Bend County Commissioner, Precinct 3, Andy Meyers, at a recent meeting of the Pecan Grove Homeowner's Association on July 18, 2019 at the PGVFD fire station on Pitts Road to discuss Fort Bend County's (the "County") plans to improve mobility and accessibility on streets in the District.

Mr. Metcalf asked about the status of posting project updates on the District website since the last meeting. He also asked why the height of the Mason Road levee was not raised as part of previously approved levee projects.

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 no. 3(c). 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

The Board next considered casting the District's votes for the Fort Bend County Appraisal District's Board of Directors election. Following review and discussion, Director Kluppel moved to approve a Resolution Voting for Water District Nominee for the Election of the Board of Directors of the Fort Bend Central Appraisal District casting the District's 20 votes in favor of Mike Rozell. Director Crow seconded the motion, which passed unanimously.

ADDITIONAL BOOKKEEPING ITEMS

Ms. Perry presented check no. 1339 in the amount of \$119,593.80 payable to Sustanite Support Services, LLC for Pay Request No. 2 for improvements at lift station no. 4. Following review and discussion, Director Crow moved to approve the additional check. Director Gobar 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 presented a proposal from CDC in the amount of \$4,900 to extend the back driveway curve at Pecan Grove Park. Following review and discussion, Director Crow moved to approve (1) the parks report; and (2) a proposal in the amount of \$4,900 to extend the back driveway curve at Pecan Grove Park. Director Kluppel 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 commented that the PGVFD has not yet used the Timothy Lane entrance to Harvest Green. Ms. Brook reported a City of Richmond increase for fire service in Pecan Lakes, effective October 1, 2019.

Deputy Watkins reported regarding District patrol and security since the last Board meeting. Mr. Waltz commented regarding FBCSO's response to his previous complaint that patrol did not respond to an alarm at his home while he was on vacation.

STORMWATER SOLUTIONS REPORT

Mr. Beyer reviewed Storm Water Solutions' report, a copy of which is attached, and reported regarding ongoing efforts to resolve electrical supply issues in Bullhead Slough and maintenance and repairs in Bullhead Slough. He reported that aerator no. 5 is still not operational and presented a proposal in the amount of \$5,535.35 to remove, repair and re-install aerator no. 5. He also reported continued electrical issues in aerators nos. 7 and 8 and requested authorization to pull aerator no. 7 for assessment and bring a proposal to the August, 2019 Board meeting to repair aerator no. 7.

Mr. Beyer also discussed plans to re-anchor aerators in Bullhead Slough with a secondary anchor system to keep aerators from pulling away from the slough bank. Following discussion, the Board requested that Mr. Beyer work with Odyssey to identify a different anchoring system rather than a secondary. Mr. Ring discussed possibly including an alternative anchoring system in the scope of work for future dredging of Bullhead Bayou when funds are available.

Following review and discussion, Director Kluppel moved to (1) approve the Storm Water Solutions' report; and (2) approve a proposal in the amount of \$5,535.35 to remove, repair and re-install aerator no. 5. Director Bertrand seconded the motion, which passed unanimously.

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

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

1. Repair the surface water treatment plant high service pump no. 2 for an estimated cost of \$12,800;
2. Repair the surface water treatment plant forklift for an estimated cost of \$4,200;
3. Replacement of booster pump no. 4 at water plant no. 2 for an estimated cost of \$6,400;
4. Replacement of motor no. 2 for the booster pump at water plant no. 1 for an estimated cost of \$18,200; and

5. Replacement of the pump guide rails at lift station no. 6 for an estimated cost of \$3,700.

Ms. Campbell also requested authorization to write off 39 delinquent accounts as uncollectable.

Following review and discussion and upon the recommendation of EDP, Director Kluppel moved to (1) approve the operator's report; (2) approve the purchase, repairs and replacements listed above, as discussed; and (3) authorize EDP to write off 39 delinquent accounts as uncollectable. Director Crow 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. 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 updated the Board regarding Odyssey's meeting with Fort Bend County to discuss the proposed alignment of the proposed extension of Old Dixie Road and any potential impact construction of the extension might have on the District's levee.

Mr. Ring stated that bids were received for culvert improvements on Mayweather Lane and recommended that the Board award the contract to PM Construction ("PM") in the amount of \$274,775. Following review and discussion, the Board concurred to table discussion until the special budget workshop meeting on August 12, 2019.

Mr. Ring next discussed planned improvements to the levee along Mason Road and requested that the Board approve a proposal in the amount of \$26,700 to engage Ninyo & Moore for a geotechnical investigation. Discussion ensued regarding freeboard

requirements from Mason Road to Old Dixie Drive. Mr. Ring reported that Odyssey is working with Fort Bend County regarding potential donation of excess Fort Bend County right-of-way at Farmer Road and Mason Road for levee improvements along Mason Road.

Ms. Crutcher stated that bids were received for MCC update on Water Plant No. 2. Following discussion, the Board concurred to reject the bids received and table discussion pending a review of surplus water funds available to fund the update.

Mr. Ring stated that bids were received for construction of levee drainage improvements around Harvest Green, Phase II. Mr. Ring recommended that the Board award the contract to Millis Equipment, LLC ("Millis") in the amount of \$372,565.73. The Board concurred that, in its judgment, Millis 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 next updated the Board regarding proposed drainage improvements around Victoria Gardens Drive and requested authorization to advertise for bids for construction.

Mr. Ring next discussed the status of improvements to lift station no. 4 and recommended that the Board approve Pay Request No. 2 in the amount of \$119,593.80, payable to Sustanite Support Services, LLC.

Mr. Ring discussed the status of levee drainage improvements around Harvest Green, Phase I and recommended that the Board approve payment of Pay Estimate No. 2 and Final in the amount of \$5,614.25, payable to ClearPave.

Ms. Crutcher presented an Emergency Action Plan ("EAP") amendment and requested authorization to submit the EAP to Fort Bend County.

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 \$26,700 to engage Ninyo & Moore for a geotechnical investigation of the levee along Mason Road; (3) reject the bids received for MCC updates at Water Plant No. 2; (4) award the contract for construction of construction of levee drainage improvements around Harvest Green, Phase II to Millis in the amount of \$372,565.73, based upon the engineer'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; (5) authorize the District bookkeeper to transfer any balance remaining from Phase I; (6) authorize Odyssey to request \$400,000 in additional funds from Fort Bend County Municipal Utility District No. 134D to cover construction costs for levee drainage improvements around Harvest Green, Phase II; (7) authorize Odyssey to

advertise for bids for construction of proposed drainage improvements around Victoria Gardens Drive; (8) approve Pay Request No. 2 in the amount of \$119,593.80, payable to Sustanite Support Services, LLC for improvements at lift station no.4; (9) approve Pay Estimate No. 2 and Final in the amount of \$5,614.25, payable to ClearPave for levee drainage improvements around Harvest Green, Phase I; and (10) authorize Odyssey to submit the EAP to Fort Bend County. The motion was seconded by Director Kluppel and pass unanimously.

DISTRICT WEBSITE AND NEWSLETTER

Ms. Ware reviewed website usage reports. Discussion ensued regarding posting a survey from Commissioner Andy Meyers on the District website.

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

Ms. Brook updated the Board regarding preparation of an assignment of the District's 700-acre feet of water to the Gulf Coast Water Authority ("GCWA") for the benefit of TreadStone Energy.

ATTORNEY'S REPORT

Discussion ensued regarding the status of resolving existing encumbrances on the Windmill Park property and the Pecan Grove Property Owner's Association's (the "POA") pending request that the District take title to the park at the intersection of Plantation Drive and Windmill Drive.

At 7:13 p.m., Director Yokubaitis announced that the Board would take a brief recess before convening in executive session.

EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE

Director Yokubaitis announced the Board would reconvene in executive session at 7:21 p.m. to deliberate the purchase of real property. ABHR and Mr. Bonjonia were present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 7:32 p.m. Following discussion in executive session, Director Crow moved to engage Mr. Bonjonia. Director Yokubaitis seconded the motion, which passed unanimously.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

Director Yokubaitis announced the Board would reconvene in executive session at 7:33 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 7:42 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

(SEAL)



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