

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

August 12, 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 12th day of August, 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: Breah Campbell and Russell Piper of Environmental Development Partners, LLC ("EDP"); Justin Ring, Philip Huseman and Megan Crutcher of Odyssey Engineering ("Odyssey"); Kathy Cruthirds of Tax Tech, Inc.; Greg Lentz and Chase Wolf of Masterson Advisors, LLC; Christina Perry of Myrtle Cruz, Inc.; and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson

2019 TAX RATE

Mr. Lentz recommended a 2019 tax rate of \$0.635 per \$100 of assessed valuation, \$0.27 for maintenance and operations and \$0.365 for debt service. Discussion ensued regarding taxable property values in the District. The Board delayed taking action on the tax rate until after the budget discussion. A copy of the tax rate analysis is attached.

AUTHORIZE FINANCIAL ADVISOR TO PREPARE OFFERING DOCUMENTS FOR SERIES 2019 BOND SALE

Mr. Lentz discussed a proposed schedule to sell bonds and Mr. Ring updated the Board regarding the District's bond application pending at the Texas Commission on Environmental Quality ("TCEQ"). Following discussion, Director Kluppel moved to authorize Mr. Lentz to prepare the Preliminary Official Statement for the August 27, 2019 Board meeting. The motion was seconded by Director Crow and passed unanimously.

BUDGET WORKSHOP

Mr. Ring reviewed proposed special engineering projects for the fiscal year ending September 30, 2020, including proposed modifications to the Mason Road levee, improvements at lift stations nos. 4 and 7, drainage and slope rehabilitation at Bullhead Slough and Pecan Lakes Protection System and Mayweather culverts, some of which are included in the District's current bond application pending with the TCEQ. Following discussion, the Board concurred to remove budgeted operating funds for (1) raising the levee at Farmer Road and proposed Mason Road levee modifications, including associated engineering expenses, because authorization to fund the project with bonds is pending at the TCEQ; and (2) proposed modifications to lift station no. 4, including associated engineering expenses. The Board also concurred to allocate \$250,000 to desilt Bullhead Bayou.

The Board reviewed revenue and expense line items in the proposed budget, and commented and made adjustments.

Discussion ensued regarding potential park expenses if the District acquires Windmill Park from the Pecan Grove Property Owner's Association's (the "POA"), as requested. Ms. Humphries provided an update on the status of resolving existing encumbrances on the property.

The Board next reviewed an amended Exhibit D to the District's Cost Sharing Agreement through the West Fort Bend Management District for maintenance of FM 359 (mowing from River Trace Drive to Mason Road CVS Pharmacy). Following review and discussion, Director Bertrand moved to approve Exhibit D. The motion was seconded by Director Crow, which passed unanimously.

AMEND RATE ORDER

The Board next considered amending the District's Rate Order to (1) increase the charge per connection for City of Richmond (the "City") fire protection services to Pecan Lakes residents from \$11.85 to \$12.05 due to the City's fee increase; (2) increase the sewer base rate from \$12.72 to \$13.19 per connection; (3) include a commercial plan review fee in the amount of \$1,000; (4) include a \$50 grease trap monthly inspection fee; (5) increase the deposit fee to \$125 with an additional \$100 deposit charges per disconnection up to a maximum of \$600; (6) increase the reconnection fee to \$75; and (7) add charges of \$10 each for delinquent letters and termination tags delivered to the customer. Following review and discussion, Director Crow moved to amend the District's Rate Order, as discussed, to become effective on October 1, 2019. The motion was seconded by Director Gobar and passed unanimously.

After review and discussion, Director Crow moved to approve a proposed 2019 tax rate of \$0.635 per \$100 of assessed valuation, to authorize the tax assessor/collector to publish notice in the Fort Bend Herald of the 2019 tax rate hearing on August 27, 2019, where the Board will adopt the tax rate and to authorize the District's website administrator to post notice of the 2019 tax rate hearing on the District's website. Director Gobar seconded the motion, which passed unanimously.

REPORTS FROM DIRECTORS AND CONSULTANTS

Director Yokubaitis updated the Board regarding proposed Fort Bend County road projects as they impact the District's levee.

At 5:05 PM, Director Yokubaitis announced that the Board would take a short break 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 5:12 p.m. to conduct a private consultation with the District's attorneys regarding litigation. Ms. Humphries was present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 5:32 p.m. Following discussion, Director Crow moved to authorize Britton Haris to designate the expert and to authorize Scott Burdine to file suit, both as discussed in executive session. Director Kluppel seconded the motion, which passed unanimously.

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


Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

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