

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

September 26, 2017

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in special session, open to the public, on the 26<sup>th</sup> day of September, 2017 at the Pecan Grove Country Club, Richmond, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

Chad Howard	President
Ryan Yokubaitis	Vice President
G.E. "Buddy" Kluppel	Secretary
Stephen D. Crow	Assistant Secretary/ Assistant Vice President
Charles D. Bertrand	Assistant Vice President/ Assistant Secretary

and all of the above were present, except Director Bertrand, thus constituting a quorum.

Also present at the meeting were residents of the District listed on Exhibit A attached hereto; Tobin Synatschk, Bob Aylward and Grady Turner of Jones & Carter, Inc. ("J&C"); Marcus Campbell of Time & Season Property Management; Pat Naff of CDC Unlimited LLC("CDC"); Mike Ammel, Brea Campbell, Clayton Gallaway and Tracy Butcher of Environmental Development Partners, LLC ("EDP"); Sergeant William Bennett of the Fort Bend County Sheriff's Department; Melvin Moore of WCA Waste Corporation of Texas ("WCA"); Chief Joe Woolley of the Pecan Grove Volunteer Fire Department ("PGVFD"); Kathy Cruthirds of Tax Tech, Inc.; Mary Lutz of McLennan & Associates, L.P. ("M&A"); and Lynne Humphries, Hannah Brook and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REMARKS FROM THE BOARD PRESIDENT

Director Howard opened the meeting at 5:32 p.m., welcomed attendees, updated residents regarding the status of LJA Engineering, Inc.'s ("LJA") third party analysis of the drainage system in Plantation, Sections 4 & 5 and said LJA's final drainage analysis report will be posted to the District website no later than next Friday, October 6, which is within the 30 days promised by the Board at the special meeting on September 8, 2017.

HURRICANE HARVEY AFTERMATH RELATED MATTERS

Ms. Humphries discussed the process for reappraisal of flood damaged property by the Fort Bend County Appraisal District ("FBCAD"). Following review and discussion, Director Kluppel moved to authorize execution of a letter to the FBCAD

requesting a special appraisal of property in the District the FBCAD determines was damaged by Hurricane Harvey at the District's expense. Director Crow seconded the motion, which passed unanimously.

Mr. Campbell discussed inspection and cleanup of District drainage and levee facilities.

Director Yokubaitis requested residents who still have flood debris send a message through the District website requesting debris removal in order for the District to notify Fort Bend County Office of Emergency Management ("OEM").

PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ORDER LEVYING TAXES, AND AMENDMENT TO INFORMATION FORM

Ms. Cruthirds stated Tax Tech, Inc. published a Notice of Public Hearing in the Fort Bend Herald notifying that the District anticipates levying a \$0.615 tax rate at this meeting. Director Howard then opened the public hearing for public comments.

Mr. Metcalf requested historical information regarding the District's tax rate and asked what would happen to values in the District overall when and if flood damaged homes are reappraised.

No other members of the public came forward to make comments. Director Howard then closed the public hearing.

Ms. Humphries presented to the Board an Order Levying Taxes for 2017 reflecting a total \$0.615 tax rate, comprised of \$0.365 for debt service and \$0.25 for operations and maintenance. She then presented to the Board an Amendment to Information Form reflecting the 2017 tax rate. Following review and discussion, Director Kluppel moved to adopt the Order Levying Taxes as presented, approve and authorize execution of the Amendment to the Information Form, and direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Crow seconded the motion, which passed unanimously.

SECURITY AND PUBLIC SAFETY MATTERS

Sgt. Bennett reviewed District patrol statistics and responded to security and patrol questions from District residents regarding truck traffic on Plantation Drive and speeding.

Chief Woolley discussed PGVFD operations during Hurricane Harvey.

The Board next discussed an Interlocal Agreement with Fort Bend County Sheriff's Department for patrol during the District's 2017-2018 fiscal year and separate agreements with the Pecan Grove Property Owner's Association ("POA"), the Pecan Grove Community Improvement Association ("CIA") and the Pecan Grove Homeowner's Association ("HOA") to share the cost of law enforcement services. Upon a motion by Director Yokubaitis and a second by Director Kluppel, the Board voted unanimously to (1) approve the Interlocal Agreement with Fort Bend County Sheriff's Department; and (2) approve the cost sharing agreements with the POA, HOA and CIA for their share of law enforcement services.

#### COMMENTS FROM THE PUBLIC

Mr. Metcalf requested a response to his prior inquiry regarding the capacity of storm water pumps in the District and submitted his inquiry in writing, a copy of which is attached.

Mr. Collins thanked the Board for keeping water from reaching his home and commented regarding the pond in Plantation, Sections 4 & 5.

Ms. Hewing thanked the Board for working hard and for good communication during Hurricane Harvey. She asked who represents the interest of Pecan Grove with regard to development around the District.

Ms. Bench thanked the Board for making sound decisions during Hurricane Harvey and reported unauthorized motor vehicle traffic on the levees during Hurricane Harvey.

#### CONSENT AGENDA

Director Howard offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Yokubaitis moved to approve all items on the consent agenda. Director Crow seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached, including the bookkeeper's report and the tax assessor collector's report.

#### ITEMS REMOVED FROM CONSENT AGENDA

There was no discussion for this agenda item.

#### ADDITIONAL BOOKKEEPING MATTERS AND BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2018

Ms. Lutz confirmed that all Board and consultant comment/revisions to the 2018 fiscal year budget discussed at the budget workshop were incorporated. Following

review and discussion, Director Yokubaitis moved to approve the proposed budget for the District's fiscal year ending September 30, 2018. The motion, which was seconded by Director Crow, passed unanimously.

#### DEVELOPMENT AND MAINTENANCE OF PARKS

Mr. Campbell reviewed a parks report, a copy of which is attached, and updated the Board on park reservations, maintenance and repairs in District parks.

Mr. Campbell updated the Board regarding uprighting of the aerators in Bullhead Bayou following Hurricane Harvey and said that Storm Water Solutions, LLC will attend the October meeting to recommend repairs. Director Howard requested that J&C investigate options for deepening Bullhead Bayou.

The Board next reviewed a rendering of playground equipment for Pecan Grove Park and chose the equipment color. Director Crow requested that Time & Season have the bathroom doors at Pecan Grove Park painted.

Director Crow next discussed partnering with the Grove Community Improvement Association (the "Grove") to plant ligustrum bushes on the west side of Pitts Road from Winston Homestead to Landsdowne Drive and presented a proposal from Watt Landscaping in the amount of \$11,400. Following review and discussion, Director Crow moved to accept the proposal of Watts Landscaping and approve a contract with Watt Landscaping for an amount not to exceed \$11,400. Director Yokubaitis seconded the motion which passed unanimously.

#### OPERATIONS OF DISTRICT FACILITIES

Mr. Ammel reviewed the EDP operations report, a copy of which is attached, and which was provided in advance to the Board. Ms. Campbell discussed routine repairs completed and requested authorization to make the following repairs/replacements:

1. Replace the communication between the surface water plant and ground water plants from radio to Virtual Private Network ("VPN") for an estimated cost of \$24,800;
2. Replace the power monitor at the surface water plant for an estimated cost of \$9,995;
3. Replace the elbow mounting brackets on lift pump no. 3 at the wastewater treatment plant for an estimated cost of \$14,650;
4. Repair storm water pump no. 2 for an estimated cost of \$21,716.46 through All-Pump Equipment; and
5. Purchase a bypass pump and trailer for emergencies for an estimated cost of \$36,325 through Garmin.

Mr. Ammel commented regarding the extraordinary work/assistance of Director Yokubaitis during Hurricane Harvey. Mr. Ammel said EDP is working on ways to improve emergency response. In response to Mr. Metcalf's inquiry, Mr. Ammel said the District never utilized all of the District's storm water capacity during Hurricane Harvey. He explained how storm water is moved from streets to the storm sewer and then into drainage channels and how the drainage system was overloaded because of continuous heavy rain during Hurricane Harvey over a short period of time. Director Yokubaitis said the District would follow up regarding reports of high water and the speed of draining.

Ms. Campbell presented a request from Van Sandler requesting reimbursement in the amount of \$266.12 for a tire damaged by rebar from a sewer drain. She stated the protruding rebar was on a District facility. Following review and discussion, upon a motion by Director Crow and a second by Director Yokubaitis, the Board voted unanimously to authorize reimbursement to Van Sandler in the amount requested.

Ms. Campbell next reviewed an appeal from District customer, Alfred Aprea requesting an investigation of his water meter and requesting to have his water meter replaced. Ms. Campbell reviewed Mr. Aprea's historical usage information and confirmed that EDP pulled and bench tested the meter and found no issues. The Board did not grant Mr. Aprea's request as the meter tested as accurate.

Following review and discussion, upon a motion by Director Yokubaitis and a second by Director Kluppel, the Board voted unanimously to (1) approve the operator's report; and (2) approve the repairs/replacements, as discussed above.

#### 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. In response to a question from the Board, Ms. Campbell confirmed there were no water terminations or penalties imposed during the storm event. 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 Kluppel seconded the motion, which passed unanimously.

## ENGINEERING MATTERS

Mr. Synatschk introduced himself and Mr. Aylward.

Mr. Turner reviewed the engineering report, a copy of which is attached and was distributed to the Directors in advance of the meeting.

Mr. Turner first discussed the ongoing reliability assessment at the surface water treatment plant ("SWTP") and presented a proposal from Cibor, Inc. in the amount of \$8,200 to take a 35-foot boring near the low lift pump station to determine the degree of settlement and potential for more settlement at the pump station slab.

Mr. Turner and Ms. Humphries discussed a request from the Jones Creek Business Park to modify the existing 50-foot access easement. Ms. Humphries said J&C will ask the landowner to modify and resubmit plans because the proposed modification would block and interfere with the District's access.

Mr. Turner reported the status of water plant no. 1 MCC Replacement and recommended the Board approve Pay Estimate No. 5 and Final in the amount of \$28,212.11, payable to McDonald Electric. Discussion ensued regarding the contract completion date and concurred to defer discussion until executive session.

Mr. Turner said the contractor for installation of a floodgate on FM 359 expects to complete the north gate on October 17 and the south gate by October 24.

Mr. Turner reported on the status of construction of drainage improvements in Plantation, Section 7 and recommended the Board approve Pay Estimate No. 9 in the amount of \$56,579.99. Discussion ensued regarding the Pecan Grove Golf Club (the "Club") work and J&C confirmed that J&C will be onsite for the Club's final inspection to confirm that the full scope of work in the contract is completed.

Mr. Turner updated the Board regarding Jones Creek Slope Repairs and the District's application for reimbursement pending with the Natural Resources Conservation Service ("NRCS") and said there is a slight alteration in the slope area following the storm which may result in reduced funding amounts from NRCS.

Director Crow requested J&C follow up with Union Pacific regarding regarding large amounts of debris caught in their new bridge structure over the Brazos river in Richmond.

Discussion ensued regarding Fort Bend County oversight of new development and its impact on existing drainage in the District. Ms. Humphries added that Commissioner Morales said the Fort Bend County Drainage District is planning to do a comprehensive drainage plan and update and has requested input from Fort Bend

County districts to identify needed erosion repair projects. Mr. Turner said he would work with EDP to identify and submit projects for consideration.

Following review and discussion, upon a motion by Director Kluppel and a second by Director Crow, the Board voted unanimously to (1) approve the engineer's report; and (2) approve Pay Estimate No. 9 for drainage improvements in Plantation, Section 7 in the amount of \$56,579.99, as recommended by J&C.

#### DISTRICT WEBSITE AND NEWSLETTER

Director Yokubaitis updated the Board regarding the fall newsletter. Following discussion, the Board concurred to authorize posting of annual energy usage information to the District's website.

#### REPORTS FROM DIRECTORS, COMMITTEES AND DISTRICT CONSULTANTS

There was no discussion for this agenda item.

#### ATTORNEY'S REPORT

There was no discussion for this agenda item.

Director Howard announced that the Board would take a short recess at 7:05 p.m.

#### EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

Director Howard announced the Board would convene in executive session at 7:15 p.m. to conduct a private consultation with the District's attorney. ABHR and Mr. Harris were present during executive session.

#### RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 7:45 p.m. Following discussion in executive session, Director Kluppel moved to authorize J&C to offer McDonald Electric \$43,500 as settlement of liquidated damages and to final the contract. Director Yokubaitis seconded the motion, which passed unanimously.

There being no additional business to consider, the meeting was adjourned at 7:53 p.m.

  
Secretary, Board of Directors

(SEAL)





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