

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

May 15, 2012

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in special session, open to the public, on the 15th day of May, 2012, at the Pecan Grove Customer Service office, 2035 FM 359, Suite 13, Richmond, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

Joe Taylor	President
Richard Stolleis	Vice President
G. E. Kluppel	Secretary
John Minchew	Assistant Vice President/ Assistant Secretary
Kevin Krahn	Assistant Vice President/ Assistant Secretary

and all of the above were present except Directors Stolleis and Krahn, thus constituting a quorum.

Also present at the meeting were Kirk Boyd, Mary Ann Boyd, Steve Crow, Chad Howard and Randy Vance, District residents; Jason Kirby of Jones & Carter, Inc.; Doug Owen of Environmental Development Partners, L.L.C. ("EDP"); Hermann Myers of LEM Construction Co., Inc. ("LEM Construction"); and Jane Miller and Hannah Brook of Allen Boone Humphries Robinson LLP ("ABHR").

CONVERSION TO SURFACE WATER INCLUDING APPROVE PAY ESTIMATE AND  
CHANGE ORDER FOR CONSTRUCTION OF SURFACE WATER TREATMENT  
PLANT

The Board reviewed Pay Estimate No. 22a in the amount of \$1,080,103.11 and Pay Estimate No. 22b in the amount of \$125,806.25, both payable to LEM Construction for construction of the surface water treatment plant. Ms. Brook stated that Mr. Kennedy of Arcadis U.S., Inc. has recommended approval of Pay Estimate Nos. 22a and 22b. After review and discussion, Director Kluppel moved to approve Pay Estimate No. 22a in the amount of \$1,080,103.11 and Pay Estimate No. 22b in the amount of \$125,806.25, based upon Mr. Kennedy's recommendation, with the release of Pay Estimate No. 22b being contingent upon the Texas Commission on Environmental Quality's ("TCEQ") approval of the change order made the basis of Pay Estimate No. 22b. Director Minchew seconded the motion, which passed unanimously.

ORDER CANVASSING RETURNS AND DECLARING RESULTS OF DIRECTORS  
ELECTION

Director Taylor reviewed the returns of the May 12, 2012 directors election and stated the following votes were cast in the election: Randy Vance - 389 votes, Kirk Boyd - 347 votes, Steve Crow - 257 votes, Joe Taylor - 236 votes, Charles "Chuck"

Bertrand - 293 votes, and Chad Howard - 317 votes. Ms. Brook reviewed an Order Canvassing Returns and Declaring Results of Directors Election. After review and discussion, Director Kluppel moved to adopt the Order Canvassing Returns and Declaring Results of Directors Election, reflecting that Randy Vance, Kirk Boyd, and Chad Howard have been elected to the Board of Directors to serve a four-year term, and direct that the Order be filed appropriately and retained in the District's official records. Director Minchew seconded the motion, which passed by unanimous vote.

#### CERTIFICATE OF ELECTION AND DISTRIBUTE TO EACH NEWLY ELECTED BOARD MEMBER

Ms. Brook reviewed a Certificate of Election reflecting that Randy Vance, Kirk Boyd, and Chad Howard have been elected to the Board of Directors for a four-year term. She then distributed the Certificate of Election to Randy Vance, Kirk Boyd, and Chad Howard. After review and discussion, Director Kluppel moved to approve the Certificate of Election and direct that the Certificate be filed appropriately and retained in the District's official records. Director Minchew seconded the motion, which passed by unanimous vote.

#### APPROVE DIRECTOR'S SWORN STATEMENTS, BONDS AND OATHS OF OFFICE

Director Kluppel moved to approve the Sworn Statements, Bonds and Oaths of Office for Directors Randy Vance, Kirk Boyd, and Chad Howard, authorize the attorney to file the Oaths of Office with the Secretary of State, and direct that the Statements, Bonds and Oaths be filed appropriately and retained in the District's official records. Director Minchew seconded the motion, which passed by unanimous vote.

Director Taylor left the meeting.

#### REORGANIZE THE BOARD AND ELECT OFFICERS

The Board discussed reorganization. After discussion, Director Minchew moved to approve the following slate of officers to serve on the Board:

Chad Howard	President
Randy Vance	Vice President
Buddy Kluppel	Secretary
Kirk Boyd	Assistant Vice President/ Assistant Secretary
John Minchew	Assistant Vice President/ Assistant Secretary

Director Kluppel seconded the motion, which passed by unanimous vote.

#### DISTRICT REGISTRATION FORM

The Board next considered authorizing execution of a District Registration Form reflecting the new Board of Directors and terms of office. Ms. Brook stated that the District Registration Form will be filed with the TCEQ. After review and discussion,

Director Boyd moved to authorize the execution and filing of the District Registration Form with the TCEQ, and direct that the Form be filed appropriately and retained in the District's official records. Director Vance seconded the motion, which passed unanimously.

There being no further business to come before the Board, the meeting was adjourned.



  
Secretary, Board of Directors