

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

February 12, 2015

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 February, 2015, at the Pecan Grove MUD 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:

Chad Howard	President
Ryan Yokubaitis	Vice President
Buddy Kluppel	Secretary
Randy Vance	Assistant Vice President/ Assistant Secretary
Kirk Boyd	Assistant Vice President/ Assistant Secretary

and all of the above were present.

Also present at the meeting were residents of the District listed on Exhibit A attached hereto and Kevin Teague, Trevor Atkinson and Chief Mike Youngblood of the City of Richmond Fire Department ("FD"); Kathy Golden of the Pecan Grove Volunteer Fire Department ("PGVFD"); Chuck Bertrand, President of the PGVFD Board; Fred Ross of the Pecan Grove Property Owners Association; Charles McFarland of McFarland, PLLC; and Lynne Humphries of Allen Boone Humphries Robinson LLP ("ABHR").

PROPOSED FIRE PROTECTION SERVICES AGREEMENT WITH PECAN GROVE VOLUNTEER FIRE DEPARTMENT AND FIRE PLAN

The Board reviewed a draft Fire Protection Services Agreement and possible fire plan prepared by the PGVFD, and reviewed and revised by the District's Fire Committee comprised of Directors Yokubaitis and Boyd after a joint meeting with representatives of the PGVFD. Director Kluppel asked a series of questions. It was noted that Pecan Lakes currently receives fire service from the FD Station No. 3 (on Mason Road), at the request of the Pecan Lakes Homeowners Association. Discussion ensued regarding current fire protection services offered by both the FD and PGVFD to District residents, and back up in place. In response to a question from Director Kluppel, Chief Youngblood said the FD was interested in serving the entire District or just Pecan Lakes. He discussed FD stations, proposed staffing changes that would allow the FD to serve the District, and call capacity of the Mason Road station. Chief Youngblood also discussed the City's ISO rating of 2, which is better than the 3 rating received by the PGVFD. He said possibly PGVFD firefighters could be incorporated

into the City firefighting force to serve the District. Discussion ensued. Director Kluppel said he would not support a fire plan that called for the District to be entirely served by one department nor for disruption of current services provided to Pecan Lakes residents by the FD. Additional discussion regarding available service options ensued.

Ms. Golden then distributed the most recent PGVFD budget, a copy of which is attached. Mr. Bertrand said PGVFD is not in favor of any merger or joinder with the FD. The Board concurred to request Chief Youngblood ask the City if the City could contract with PGVFD for all or part of service to Pecan Grove or consent to the creation of an emergency services district, so the Board can determine the best options for the community. The Board also requested clarification regarding the status of an emergency services district if land in the District is annexed by the City.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO (1) SEEK ADVICE ON PENDING OR CONTEMPLATED LITIGATION, INCLUDING CONDEMNATION PROCEEDINGS, AND (2) MATTERS IN WHICH THE DUTY OF THE ATTORNEY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT CONFLICT WITH CHAPTER 551 TEXAS GOVERNMENT CODE AND SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO (1) SEEK ADVICE ON PENDING OR CONTEMPLATED LITIGATION, INCLUDING CONDEMNATION PROCEEDINGS, AND (2) MATTERS IN WHICH THE DUTY OF THE ATTORNEY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT CONFLICT WITH CHAPTER 551 TEXAS GOVERNMENT CODE

Director Howard announced that the Board would convene in executive session at 9:27 a.m. to conduct a private consultation with the District's attorney, Charles McFarland, to seek advice on litigation matters.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 9:52 a.m. No action was taken.


EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES

The Board determined it was not necessary to convene in executive session.

PROPOSED FIRE PROTECTION SERVICES AGREEMENT WITH PECAN GROVE
VOLUNTEER FIRE DEPARTMENT AND FIRE PLAN (Continued)

Additional discussion ensued regarding proposed service areas and a proposed fire plan and how Waterside Estates, which also is currently served by the PGVFD, would share its pro rata share of VFD costs if the District adopted a fire plan.

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


Secretary, Board of Directors

(SEAL)

