

MINUTES  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

January 22, 2009

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in special session, open to the public, on the 22nd day of January, 2009, 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:

Joe Taylor	President
Stephen Crow	Vice President
G.E. Kluppel	Secretary
Richard Stolleis	Assistant Vice President/ Assistant Secretary
John Minchew	Assistant Vice President/ Assistant Secretary

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

Also present at the meeting were Cheryl Minchew, Conley Shepherd, Susan Denkowski, Fred Ross, and Lawson Cook, residents of the District; Ken Campbell of Burns Anderson Jury & Brenner, L.L.P.; Marquita Griffin of the Fort Bend Herald; and Lynne B. Humphries of Allen Boone Humphries Robinson LLP ("ABHR").

Director Taylor called the meeting to order.

PRESENTATION BY KEN CAMPBELL RELATING TO PROVISION OF FIRE AND EMERGENCY SERVICES BY POLITICAL SUBDIVISIONS, PROVISION OF FIRE AND EMERGENCY SERVICES WITHIN THE TERRITORIAL LIMITS OF THE DISTRICT, AND ATTORNEY RESPONSIBILITIES RELATED TO PROVISION OF FIRE AND EMERGENCY SERVICES WITHIN THE DISTRICT, INCLUDING POSSIBLE ADOPTION OF FIRE PLAN OR OTHER METHODS TO PROVIDE SERVICES TO THE DISTRICT

Mr. Campbell made a presentation regarding fire and emergency services by political subdivisions. He reviewed his background, and stated that he is an attorney in Austin, serves on the Board of Directors of Emergency Service Districts ("ESDs") through appointment by the Travis County Commissioners Court, represents ESDs and fire departments, is an assistant chief and lieutenant at two fire stations, and has been working in the fire protection services business for 17 years. Mr. Campbell stated that Municipal Utility Districts have the power to provide fire protection through a fire plan, after approval of Texas Commission on Environmental Quality ("TCEQ") and an election. He described fire plan procedures.

Ms. Denkowski stated she was newly elected to the Board of the Pecan Grove Volunteer Fire Department (the "VFD"). She reviewed the new Bylaws and stated that the new Board was elected by non-paid members of the VFD. Mr. Campbell stated his opinion is that paid staff should not be voting members.

Ms. Humphries stated that the Board requested that Mr. Campbell attend the meeting to get an objective recommendation on fire protection services for the District and whether to prepare a fire plan. Director Stolleis said Mr. Campbell also will assist the Board in determining what questions to ask in evaluating the District's options for fire protection. Director Minchew said his thoughts of engaging an objective fire consultant started with the VFD requesting a fire plan.

Director Taylor stated that if the District engages Mr. Campbell's firm to prepare a fire plan, the Board can stop the process at any point before TCEQ approval. He added that the Board wants to know the best way to provide fire protection services to the community. Director Taylor said the Board really wants an objective recommendation on how, or if, to proceed, and he clarified with Mr. Campbell that the Board has no preconceived notion as to which way to proceed.

There were then questions and discussions of ISO ratings of the VFD and the City of Richmond Fire Department ("RFD"). Ms. Humphries said she thought it would be helpful if Mr. Campbell prepared an analysis of the pros and cons of doing a fire plan versus not doing a fire plan. Director Taylor stated he wanted Mr. Campbell to identify service providers available and give the District ideas and information so the Board can rely upon objective information to come to the best decision. Director Stolleis agreed he was interested in an analysis of the pros and cons of providing a fire plan which the Board can use to help determine which direction is best. Director Crow agreed the Board needs an objective frame work.

Mr. Campbell summarized what he believes is his charge from the Board. He stated that he is to objectively assess available options for fire protection that would be responsive to the community and evaluate the resources of those options. Director Stolleis said he thinks the first step is the assessment of available options before doing the evaluation of the actual options. Director Kluppel said he wanted to know whether District participation even brings value to fire services and is helpful to the community. He stated that whether the District brings value to fire services should be answered before the District evaluates particulars of alternatives. Director Stolleis said the Fort Bend County Fire Marshall has recently re-done mutual aid areas based on the Pecan Lakes recent move to RFD for fire protection. Mr. Campbell stated he thinks it will take about 10 hours of time for the first phase, which is assessment of available options for fire protection

Director Crow then left the meeting at 1:00 p.m.

Director Stolleis asked about whether a fire department is required to have its ISO rating re-rated when there are changes. Mr. Campbell said there is no regulation to notify or request a re-rating of an ISO rating due to changes. He said many insurance companies do not use ISO ratings when they insure a home. He said ISO is not really a good grade of actual service.

In response to a question from Director Minchew, Mr. Campbell said only government employees have to be certified by the State as firemen. He stated that if you are a volunteer fire department, you are not required to be certified. Mr. Campbell said in his opinion the VFD is required to give out names of firemen because of the Texas Public Information Act, since they receive public funds from Fort Bend County. He said his evaluation of the options to the District will include determining the certifications held by firemen of the each of the two departments currently serving the Pecan Grove community.

The Board concurred that Mr. Campbell should continue his Phase 1 services to the District as discussed, and write letters requesting information on the two fire departments currently serving the community. Mr. Campbell estimated that Phase 1 would take 10 additional hours, plus the 8 hours spent to date, including today. Director Stolleis said the District should notify Fort Bend County Municipal Utility District No. 118 and the Waterside Estates Home Owners Association that the District has undertaken this study.

CONVENE EXECUTIVE SESSION TO CONDUCT PRIVATE CONSULTATION WITH ATTORNEY PURSUANT TO CHAPTER 551.071, TEXAS GOVERNMENT CODE ON THE PROVISION OF FIRE OR OTHER EMERGENCY SERVICES WITHIN THE DISTRICT AND RELATED ISSUES IN WHICH THE ATTORNEY TO THE DISTRICT UNDER THE TEXAS RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICT WITH THE PROVISIONS OF CHAPTER 551, TEXAS GOVERNMENT CODE AND TO DISCUSS PENDING OR CONTEMPLATED LITIGATION

At 1:30 p.m., Director Taylor announced that the Board would convene in executive session to discuss the provision of fire or other emergency services within the District and related issues in which the duty of the attorney to the District under the Texas Rules of Professional Conduct of the State Bar of Texas clearly conflict with the provisions of Chapter 551, Texas Government Code and to discuss pending or contemplated litigation.

RE-CONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE PROVISION OF FIRE AND OTHER EMERGENCY SERVICES, RELATED ISSUES PERTAINING TO THE DUTIES OF THE ATTORNEY FOR THE DISTRICT AND PENDING OR CONTEMPLATED LITIGATION

At 2:47 p.m., Director Taylor announced that the Board would reconvene in open session. After discussion, Director Kluppel moved to authorize Ms. Humphries to meet with David Stone, attorney for the VFD, and to send a letter to Waterside Estates Homeowners Association and Fort Bend County Municipal Utility District No. 118 regarding the District's engagement of Burns Anderson Jury & Brenner, L.L.P. to evaluate fire services for the District. Director Stolleis seconded the motion, which carried unanimously.

CONVENE EXECUTIVE SESSION PURSUANT TO CHAPTER 551.072, TEXAS GOVERNMENT CODE TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board did not convene in executive session to discuss the purchase of real property. Ms. Humphries stated that a contract has been executed for the District's purchase of land for a surface water plant site and Mr. Kirby is preparing a schedule for completion of plans for access to the site and platting of the property.

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

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Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

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