

MINUTES OF SPECIAL MEETING  
BOARD OF DIRECTORS  
PECAN GROVE MUNICIPAL UTILITY DISTRICT

May 16, 2007

The Board of Directors of Pecan Grove Municipal Utility District met in special session, open to the public, at 5:30 p.m. on Wednesday, May 16, 2007, outside the boundaries of the District at the Pecan Grove MUD Customer Service Office, 1421 FM 359, Suite D, Richmond, Texas 77469, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Joe Taylor	President
Stephen Crow	Vice President
G.E. Kluppel	Secretary
Charles Bertrand	Investment Officer
John Minchew	Assistant Vice President/ Assistant Secretary

and all of said directors were present, thus constituting a quorum.

Also present were the following: Jason Kirby and Tobin Syntschk of Jones & Carter, Inc. ("J&C"); Sunil Kommineni; Trent Slovak and Jay Mishra of Malcolm Pirnie, Inc.; Michael Ammel and Andrew Phelps of Environmental Development Partners, LLC; and Mary Carter of Blackburn & Carter, PC.

CONDUCT WORKSHOP MEETING ON SURFACE WATER STUDY

The Board conducted a workshop on the surface water study. The Board received a report from representatives of Malcolm Pirnie, Inc. After discussion, Director Crow moved that the Board authorize commencement of the source water monitoring plan as presented. Director Kluppel seconded the motion, which passed unanimously.

RECEIVE REPORTS FROM BOARD MEMBERS AND CONSULTANTS AND AUTHORIZE APPROPRIATE ACTION

Director Taylor reported on a meeting of the Brazos River Authority stakeholders, representatives of the City of Richmond and the City of Rosenberg and members of Fort Bend County Municipal Utility District No. 25.

CONVENE IN EXECUTIVE SESSION PURSUANT TO THE CHAPTER 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ITS ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION

At 7:58 p.m., Director Taylor announced that the Board would convene in executive session.

RE-CONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION PENDING OR CONTEMPLATED LITIGATION

Director Taylor announced the Board would reconvene in open session at 8:55 p.m. After discussion, Director Crow moved that the Board authorize the President to execute a letter agreement with Blackburn & Carter, PC. Director Kluppel seconded the motion, which passed unanimously.

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

Minutes  
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None