

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

June 25, 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 Monday, June 25, 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
John Minchew	Assistant Vice President/ Assistant Secretary
Richard Stolleis	Assistant Vice President/ Assistant Secretary

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

Also present were the following: Jason Kirby, Bobby Jones and Scott Sanger of Jones & Carter, Inc.; Les Newton and Glenn Howard of Pecan Crossing Development; Andrew Phelps of Environmental Development Partners, L.L.C. ("EDP").

DISCUSS RENEWAL OF OPERATIONS CONTRACT AND AUTHORIZE APPROPRIATE ACTION

The Board discussed the renewal of the contract with EDP. After review and discussion, Director Crow moved that the Board authorize renewal of a contract with EDP for operation services. Director Kluppel seconded the motion, which passed unanimously.

RECEIVE REPORTS FROM DISTRICT CONSULTANTS

Mr. Kirby and Mr. Sanger discussed the status of the District's input to the committee of engineers established by Fort Bend County to study the Michael Baker Base Flood Elevation Findings and Levee Re-Certification.

DISCUSS SURFACE WATER ISSUES AND AUTHORIZE APPROPRIATE ACTION

The Board discussed the proposed Agreement for Purchase of Over-Conversion Credits between the District and the City of Richmond. The Board also discussed the proposed Letter of Understanding regarding the conveyance of water from the Gulf

Coast Water Authority ("Authority") that will be submitted with the District's Groundwater Reduction Plan. The Board requested that ABHR prepare a Letter of Understanding between the District and the Authority. The Board concurred that the installation of a real time chloride monitor should be pursued.

RECEIVE REPORTS FROM BOARD MEMBERS AND AUTHORIZE APPROPRIATE ACTION

Director Crow reported on the status of real estate evaluations. The Board discussed the possible participation in the U.S. Army Corps of Engineers Levee Repair and Inspection Program.

CONVENE IN EXECUTIVE SESSION PURSUANT TO THE 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.

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

The Board did not convene in executive session to discuss contemplated litigation.

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

Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

Minutes
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None