

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

November 18, 2013

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in special session, open to the public, on the 18th day of November, at the Pecan Grove Baptist Church, 1727 FM 359, Richmond, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

Randy Vance	President
Kirk Boyd	Vice President
Buddy Kluppel	Secretary
John Minchew	Assistant Secretary
Chad Howard	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; Bethany Miller, Bryan Jordan and Grady Turner of Jones & Carter, Inc. ("J&C"); Breah Campbell of Environmental Development Partners, L.L.C. ("EDP"); and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

DROUGHT CONTINGENCY PLAN

The Board reviewed proposed modifications to the District's current Drought Contingency Plan, prepared by J&C, including proposed modifications to trigger conditions and response measures. Mr. Jordan discussed types of rain events that would trigger implementation and Ms. Humphries discussed Governor Perry's Proclamation Extending Drought Emergency. Ms. Humphries noted that EDP has placed a water conservation message on the water bill making the District compliant with Governor Perry's proclamation and order. The Board suggested revisions to the proposed modifications and concurred to request that J&C modify the plan for review at the November regular meeting.

DRAINAGE IMPROVEMENTS PROJECTS

Ms. B. Miller and Mr. Jordan reviewed a summary of preliminary costs for four proposed drainage improvement projects: miscellaneous inlet replacement and improvements; Plantation 7 improvements; Plantation 4/5 improvements; and The Grove 4/5 improvements. Mr. Jordan noted Plantation 7 improvements are the most difficult, involve taking title to property where water will flow and involves

modification of portions of the Pecan Grove County Club course. He also noted that improvements to Plantation 4/5 will improve drainage problems on Deerfield Drive and Plantation Drive, but include purchase of land. Discussion ensued regarding recent flooding events in Plantation 4/5, and proposed reductions of storm water.

Ms. Humphries discussed unallocated construction fund balances available to construct the proposed projects and bonds issued and remaining authorized by unissues. Discussed ensued regarding possible purchase of golf course property for use as drainage and Ms. Humphries discussed tax and Texas Commission on Environmental Quality ("TCEQ") implications associated with ownership and/or recreational uses of District property.

Following discussion and review of proposed projects and possible funding, Director Kluppel moved to authorize the District engineer to proceed with design and preparation of plans and specifications for miscellaneous inlet replacement and improvements and The Grove 4/5 improvements. Director Boyd seconded the motion, which passed unanimously.

PECAN LAKES FLOOD PROTECTION SYSTEM AND PECAN LAKES PUMP STATION

Ms. B. Miller next discussed the status of construction of the Pecan Lakes Flood Protection System and the Pecan Lakes Pump Station.

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

At 6:00 p.m., Director Vance announced that the Board would convene in executive session to authorize appropriate action regarding the purchase, exchange, lease, or value of real property.

RECONVENE IN OPEN SESSION and authorize appropriate action regarding THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board reconvened in open session at 6:53 p.m. Following discussion in executive session, Director Howard moved to decline the offer discussed in executive session and authorize the District engineer to notify the landowner that the District is working to reduce the taking. Director Minchew seconded the motion, which passed unanimously.

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

Col E. Kuppel

Secretary, Board of Directors

(SEAL)

