

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

December 4, 2007

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in special session, open to the public, on the 4th day of December, 2007, 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 except Director Minchew, thus constituting a quorum.

Also present at the meeting were Jason Kirby and Tobin Synatschk of Jones of Jones & Carter, Inc. ("J&C"); Andrew Phelps of Environmental Development Partners, LLC; Trent Slovak, Bill Schlafer, and Gary Rabalais of Malcolm Pirnie, Inc.; Mr. C.K. Dickenson, a resident of the District; and Cliff Kavanaugh of First Southwest Company.

CLASS 4 COST ESTIMATE WORKSHOP FOR SURFACE WATER PLANT

Mr. Rabalais presented a workshop on the Class 4 Cost Estimate for the surface water plant. The Board concurred that no action is necessary.

SURFACE WATER PILOT PROJECT TOURS

The Board discussed the plans for surface water pilot project tours scheduled for December 6 and 8, 2007.

TXU POWER ISSUES

Mr. Kirby updated the Board on his communications with TXU on electricity issues at the wastewater treatment plant.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Mr. Kavanaugh reviewed cash flow projections for a future bond issue. Mr. Kirby discussed the levee recertification. The Board requested

that the engineer prepare an estimate of the cost to comply with Federal Emergency Management Agency recertification requirements based on the last draft of the base flood elevations.

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

At 8:44 p.m., Director Taylor announced that the Board would convene in executive session to discuss the purchase of real property.

RE-CONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

Director Taylor announced the Board would reconvene in open session at 9:03 p.m.

The Board took no further action.

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

Secretary, Board of Directors

(SEAL)