

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

October 19, 2006

The Board of Directors of Pecan Grove Municipal Utility District met in special session, open to the public, at 5:30 p.m., on Thursday, October 19, 2006, outside the boundaries of the District at The Pecan Grove Municipal Utility District 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
Holly E. Zarate	Assistant Vice President/ Assistant Secretary

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

Also present were the following: Matthew May of WCA Waste Corporation of Texas ("WCA"); Mike Ammel and Andy Phelps of Environmental Development Partners ("EDP"); and Adam Lambert of Jones & Carter, Inc.

ADOPT RESOLUTION ESTABLISHING ADDITIONAL OUT OF DISTRICT MEETING PLACES OF THE BOARD OF DIRECTORS

The Board discussed establishing meeting places at Sugar Land City Hall, The Rosenberg Civic and Convention Center, and the Golf Club at Cinco Ranch. After review and discussion, Director Kluppel moved that the Board adopt a Resolution Establishing Additional Out of District Meeting Places of the Board of Directors reflecting new out of District meeting places at Sugar Land City Hall, 2700 Town Center Blvd. North, Sugar Land, Texas, 77479, The Rosenberg Civic and Convention Center, 3520 Highway 36, Rosenberg, Texas, 77471, and the Golf Club at Cinco Ranch, 23030 Cinco Ranch Boulevard, Katy, Texas 77450. Director Bertrand seconded the motion, which passed unanimously.

CONDUCT ANNUAL REVIEW OF GARBAGE COLLECTION SERVICES CONTRACT

Mr. May and the Board discussed the garbage collection services contract. Mr. May discussed the Consumer Price Index increase for garbage collection services. After review and discussion, Director Zarate moved that the Board approve an increase in the

fee to be paid to WCA for garbage collection to \$12.52 per customer. Director Kluppel seconded the motion, which passed by unanimous vote.

DISCUSS OPERATION SERVICES AND WATER AND SEWER RATES AND AUTHORIZE APPROPRIATE ACTION

The Board discussed amending the Amended Rate Order and Rules and Regulations Regarding District System, Parks and Connections to increase the rate for the single family residential sewer charge to \$24.50 to cover the \$0.62 increase in garbage collection costs. After review and discussion, Director Zarate moved that the Board adopt an Amended Rate Order and Rules and Regulations Regarding District System, Parks and Connections reflecting a single family residential sewer charge of \$24.50. Director Kluppel seconded the motion, which passed unanimously. The Board requested that the operator implement the \$24.50 sewer fee on the November bill.

The Board discussed the performance of EDP as the District's operator. The Board commended EDP on a smooth transition and for effectively working with District customers. The Board appointed a water and sewer rate committee consisting of Directors Zarate and Bertrand.

RECEIVE REPORTS FROM BOARD MEMBERS AND AUTHORIZE APPROPRIATE ACTION

Director Zarate reported on a stakeholder meeting with the Brazos River Authority on October 19, 2006. Director Taylor reported on a meeting of the Fort Bend Subsidence District scheduled for October 23, 2006 at the City of Sugar Land City Hall.

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