

MINUTES  
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 89

June 4, 2015

The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 89 (the "District") met in regular session, open to the public, on the 4th day of June, 2015, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas 77027, outside the boundaries of the District, and the roll was called of the duly appointed members of the Board, to-wit:

Gregory Grant	President
Paul Cote	Vice President
Robert Veasey, III	Secretary
Robert Ayre	Director
Shawn Goodman	Assistant Secretary

and all of the above were present except Director Veasey, thus constituting a quorum.

Also present at the meeting were: Aimee Raley of Best Trash; Eric Garrington of the Legends Ranch Property Owners Association ("POA"); Martin Murdock and Justin Abshire of Jones & Carter, Inc. ("J&C"); John Montgomery of Municipal Operations & Consulting, Inc. ("MOC"); Christina Garcia of Myrtle Cruz, Inc. ("Myrtle Cruz"); Johnny Williams of Champions Hydro-Lawn, Inc. ("Champions"); and Tim Austin and Cathy Campbell of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board reviewed the minutes of the May 7, 2015, regular meeting. Mr. Garrington requested a revision to the minutes. Following review and discussion, Director Goodman moved to approve the minutes of the May 7, 2015, regular meeting, as revised. The motion was seconded by Director Ayre and passed by unanimous vote.

OPERATOR'S REPORT

Mr. Montgomery presented and reviewed with the Board a copy of the monthly operator's report for the month. He stated that the ratio of water billed versus produced for the period from April 15, 2015, to May 15, 2015, was 97%.

Mr. Montgomery reported that MOC held a meeting to demonstrate the aeration system at Spring Creek Utility District's ("SCUD") water well no. 3 and that he is working with J&C on the final design for the system. Mr. Montgomery reported that a storm sewer collapsed at Legends Ranch and Valley Center and the estimated cost to repair the storm sewer is \$10,000.

After review and discussion, Director Ayre moved to approve the operator's report. Director Cote seconded the motion, which carried by unanimous vote.

#### TERMINATION OF WATER SERVICE

Mr. Montgomery next presented a list of delinquent utility service accounts. Mr. Montgomery advised the Board that all of the accounts on the list had been given written notification, in accordance with the District's Rate Order, of the opportunity to appear before the District's Board of Directors, either in person or in writing, to explain, contest, or correct their bills and to show why utility service should not be terminated for reason of nonpayment. Mr. Montgomery noted that the accounts in question had neither contacted his office nor had appeared at the Board meeting concerning their bills. Following discussion, Director Ayre moved to authorize termination of utility service to said accounts. This motion was seconded by Director Cote and carried unanimously. A copy of the list of delinquent utility service accounts is attached.

#### DISCUSS SIDEWALK AND SECURITY PATROL

Mr. Montgomery reviewed a drawing to install sidewalk from Lake 3 to connect to sidewalk along Legends Ridge, Section 1, a copy of which is attached. Mr. Montgomery stated that last month the Board asked him to check the area for District facilities and that, although District facilities are in the area, the sidewalk can be installed. Mr. Montgomery estimated that District's share of the sidewalk installation to be \$6,230.00. Mr. Garrington reviewed a proposal from AMP to install the District's portion of the sidewalk in the amount of \$3,300.00. The Board discussed issues with the sidewalk installed by the POA in the past and requested that the POA confirm that the appropriate infrastructure for the sidewalk is installed and that the project is done correctly. After discussion, Director Ayre moved to approve a payment to the POA in the amount of \$3,300.00 in consideration of the POA installation of the sidewalk designated as Section 1 on the attachment. Director Cote seconded the motion, which carried by unanimous vote. Mr. Austin sd he would send a letter with the check.

Mr. Garrington requested that the Board consider funding security patrols. Mr. Garrington reported that the POA is working with the Constable's Office, other property owners associations in the area, and the Sheriff's Office to devise a plan for security patrols in the area.

#### LAKE MAINTENANCE

Mr. Montgomery reported that he also investigated the stagnant water in Lake 1 and reported that the lakes are working as designed and does not recommend any changes at this time.

## QUARTERLY REPORT FROM BEST TRASH

Ms. Raley requested feedback on trash service in the District.

## BOOKKEEPER'S AND TAX ACCOUNT REPORT

Ms. Garcia presented the bookkeeper's report, including information on the tax account, and submitted the bills for the Board's review. Ms. Garcia also reviewed a draft budget for the District's August 31, 2016, fiscal year end. The Board agreed to include streetlight expenses in the draft budget for discussion purposes. After review, Director Ayre moved to approve the bookkeeper's report, the tax account report, and the checks presented for payment. Director Goodman seconded the motion, which carried by unanimous vote. The report is attached.

## REPORT ON DRAINAGE CHANNEL MAINTENANCE

Mr. Williams reviewed a drainage channel report prepared by Champions, a copy of which is attached.

## DEEDS AND EASEMENTS

Mr. Austin stated that the deed conveying KB Homes' portion of the pipeline easement to the District has been recorded. The Board reviewed a map showing tracts of land owned by Land Tejas. After discussion, Director Ayre moved to authorize J&C to prepare metes and bounds for the tracts owned by Land Tejas and Elan of the pipeline easement. Director Goodman seconded the motion, which carried by unanimous vote.

The Board discussed ownership of the perimeter of the District along Elan Boulevard. Mr. Austin stated that the Board may request Montgomery County to maintain the area. Director Cote moved to accept ownership and maintain the perimeter areas if Montgomery County declines to maintain the perimeter areas. The motion failed because it did not receive a second. Mr. Garrington stated that the POA is not interested in owning and maintaining the perimeter areas of the District, but the POA mows the area now. Mr. Murdock stated that Jeffus maintains the District's facility sites. After discussion, the Board agreed to get proposals to maintain the perimeter areas of the District from the POA, Champions, and Jeffus.

## ENGINEER'S REPORT

Mr. Abshire distributed the engineer's report, a copy of which is attached, and reviewed it with the Board. He updated the Board on the expansion of the Legends Ranch Water Plant No. 2 and water well no. 3 ("No. 3"). Mr. Abshire stated that the pilot aeration system successfully reduced odor issues and that J&C is waiting for SCUD to authorize design of the permanent aeration system.

## STATUS OF DESIGN OF WASTEWATER TREATMENT PLANT ("WWTP")

Mr. Abshire reported that J&C is preparing the plans for the permanent WWTP. Mr. Abshire reviewed the total engineering fees for design and construction of the WWTP in the amount of \$381,335, a copy of which is included in the engineer's report. Director Grant discussed budget over-runs if the project is delayed. Director Cote requested that Ms. Garcia include the WWTP expenses in her report and to include the amount of reserve operating funds on the first page. The Board agreed to review security vendors at the Association of Water Board Directors conference in June.

## STATUS OF TPDES PERMIT APPLICATION

Mr. Abshire reported that the TPDES permit application is under review by the Texas Commission on Environmental Quality ("TCEQ").

## LONG-TERM PLAN

Mr. Abshire reviewed an updated Long-Term Plan, a copy of which is included in the engineer's report.

## PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE, IF APPROPRIATE, FOR HYDROPNEUMATIC TANK NO. 3 AT WATER PLANT NO. 1

Mr. Abshire stated that Schier Construction Company, Inc., did not submit any pay estimates for construction of water plant no. 1 improvements, including hydropneumatic tank no. 3.

## PHASE II MS4 PERMIT APPLICATION

Mr. Abshire reported on the MS4 Permit training sessions held at J&C's offices. Mr. Abshire stated that the District does not yet have anyone scheduled to install the inlet markers.

## RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTOR ELECTION FOR MONTGOMERY CENTRAL APPRAISAL DISTRICT

After discussion, Director Ayre moved to adopt the Resolution Nominating a Candidate for the Board of Director Election for Montgomery Central Appraisal District, nominating Director Grant. Director Cote seconded the motion, which carried by unanimous vote.

REPORT ON IMPLEMENTATION OF GROUNDWATER REDUCTION PLAN AGREEMENT

Mr. Austin reviewed a letter from San Jacinto River Authority requesting nomination to its Board of Directors, and the Board agreed to discuss submitting Director Veasey's name at the next meeting.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)

  
Secretary, Board of Directors



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