

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 89

October 1, 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 1st day of October, 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 Cote, thus constituting a quorum.

Also present at the meeting were 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 September 3, 2015, regular meeting. Following review and discussion, Director Ayre moved to approve the minutes of the September 3, 2015 minutes, as presented. The motion was seconded by Director Veasey and passed by unanimous vote.

QUARTERLY REPORT FROM BEST TRASH, LLC

The Board did not receive a quarterly report from Best Trash, LLC.

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. After review, Director Goodman moved to approve the bookkeeper's report, the tax account report, and the checks presented for payment. Director Veasey 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. Mr. Williams also reviewed revised proposals for maintenance of (1) the joint drainage channel facilities in the total amount of \$139,949.60 per year, noting that the District's share is 55.5%; and (2) the District's 17.5 acres in the amount of \$32,760.00 per year. Mr. Williams stated that Champions lowered the rates 10% effective October of 2015. After discussion, Director Veasey moved to approve the joint drainage channel facilities proposal and the District's proposal. Director Goodman seconded the motion, which carried by unanimous vote.

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 water well no. 3 and stated that J&C completed the preliminary construction plans for the permanent aeration solution for Spring Creek Utility District ("SCUD"). He reported that the plans are expected to be advertised in October.

Mr. Abshire reported that Lance Monger closed on the 1.5 acres tract just outside the District, but he has not heard anything else from Mr. Monger regarding development plans.

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

Mr. Abshire reviewed the status of the WWTP plans. He stated that the final approval of the construction plans by the governmental agencies will not occur until the TPDES permit has been issued by the Texas Commission on Environmental Quality ("TCEQ").

STATUS OF TPDES PERMIT APPLICATION

Mr. Abshire reported that the TPDES permit application is under review by the TCEQ and that the approved permit is expected to be received in December.

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 reviewed and recommended that the Board approve Pay Estimate No. 4 in the amount of \$8,820.00 to Schier Construction Company, Inc., for construction of

water plant no. 1 improvements, including hydropneumatic tank no. 3. After discussion, Director Veasey moved to approve Pay Estimate No. 4 to Schier Construction Company, Inc., for construction of water plant no. 1 improvements, including hydropneumatic tank no. 3, based on the engineer's recommendation. Director Ayre seconded the motion, which carried by unanimous vote.

PHASE II MS4 PERMIT APPLICATION

Mr. Abshire reported that the Annual Report on the MS4 Permit is due to the TCEQ by the end of November and stated that a draft report is included in the engineer's report for the Board to review.

DEEDS AND EASEMENTS

The Board did not receive any deeds or easements for review.

REPORT ON BOND APPLICATION NO. 8

Mr. Abshire stated that bond application no. 8 will be submitted to the District's consultants for review next week and that the bond application will not be submitted to the TCEQ for review until the WWTP plans have been approved.

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 August 13, 2015, to September 15, 2015, was 97%.

Mr. Montgomery reported that the smoke testing is complete and he will send the video tapes to J&C for review.

After review and discussion, Director Goodman moved to approve the operator's report. Director Ayre 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 Goodman moved to authorize termination of utility service to said

accounts. This motion was seconded by Director Ayre and carried unanimously. A copy of the list of delinquent utility service accounts is attached.

REPORT ON IMPLEMENTATION OF GROUNDWATER REDUCTION PLAN AGREEMENT

The Board did not receive a report on the implementation of Groundwater Reduction Plan Agreement.

DISCUSS SIDEWALK AND SECURITY PATROL

Director Grant updated the Board on discussion related to the Legends Ranch Property Owners' Association's requests for cost-sharing projects with the District.

REVIEW CONSULTANT CONTRACTS

The Board deferred this item.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE INCLUDING REVIEW OF DISCLOSURE FORMS ADOPTED BY THE TEXAS ETHICS COMMISSION AND LIST OF LOCAL GOVERNMENT OFFICERS

Mr. Austin reviewed a Memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission, a copy of which is attached. Mr. Austin stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. Mr. Austin reviewed the List of Local Government Officers. After review and discussion, Director Veasey moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Goodman seconded the motion, which passed by unanimous vote.

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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