

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 89

March 27, 2017

The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 89 (the "District") met in special session, open to the public, on March 27, 2017, at 27316 Spectrum Way, Oak Ridge North, TX 77385, 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
Bredawn Riley	Assistant Vice President
Shawn Goodman	Assistant Secretary

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

Also present at the meeting were members of the Board of Directors constituting a quorum of Montgomery County Municipal Utility District No. 88 ("MC MUD 88"); members of the Board of Directors constituting a quorum of Spring Creek Utility District ("SCUD"); David Warner and Justin Abshire of Jones & Carter, Inc. ("J&C"); John Montgomery of Municipal Operations & Consulting, Inc.; Tim Austin of Allen Boone Humphries Robinson LLP ("ABHR"); and Jonathan Roach, and Frank Mitchell of Roach & Mitchell, PLLC.

Director Grant called the meeting to order and opened discussion regarding the joint water and drainage facilities shared by the District, MC MUD 88 and SCUD (together, the "Districts"). Director Grant raised the issue of the application of the proceeds of the TXDoT taking of a portion of the access drive to the joint detention facilities for Grand Parkway construction. Mr. Austin described the course of the condemnation, stating that the proceeds represented the value of assets taken by TxDoT that were owned by SCUD on behalf of the three Districts, except for a small settlement compensating MC MUD 88 for its loss of an access easement for its wastewater plant. SCUD directors asserted that the proceeds were offset for the most part by legal and other expenses incurred by SCUD in the prosecution of the lawsuit. After much discussion, Director Goodman moved that the various Districts' consultants determine the extent of SCUD's expenses, and bring the result to the Districts' Boards for consideration. The motion was seconded by Director Riley, and passed unanimously.

Mr. Roach stated that FEMA has provided input regarding their pending approval of weir and gate improvements. SCUD representatives stated that they will proceed with such improvements, while working toward FEMA funding approval.

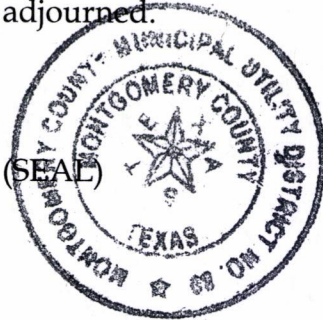
Mr. Roach stated that, with regard to the access road improvements to the joint detention facilities, SCUD will proceed with the road without regard to the receipt of a share of the costs from the District. Mr. Goodman reiterated the fact that the District's Board has not finally agreed to the funding, and recommended that the District take the issue up at its April regular meeting, with more information regarding the condemnation expenses.

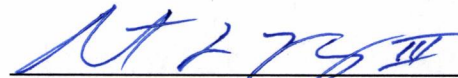
Further discussion ensued regarding regional projects in various stages of review. Mr. Cote described the recent study relating to nonpotable options for irrigation. SCUD directors discussed an ongoing study looking for alternatives to being part of the San Jacinto River Authority's groundwater reduction plan.

Mr. Warner and Mr. Abshire presented material relating to the reallocation of cost sharing for water facilities, including a possible allocation under which MC MUD 88 purchases capacity from the other Districts to meet its growth needs. Mr. Montgomery described a proposed amendment to the water agreements that will document the current understanding relating to operating cost allocation. The consultants agreed that they would continue to work on this matter, and will provide documents in the near future.

There was no presentation regarding the transportation task force.

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




Secretary, Board of Directors