

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 89

March 7, 2019

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 7th day of March, 2019, 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:

Paul Cote	President
Robert Veasey, III	Vice President
Bredawn Riley	Secretary
Shawn Goodman	Assistant Vice President
Fred C. Colston, III	Assistant Secretary

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

Also present at the meeting were Lenny Hardoin of Champions Hydro-Lawn, Inc. ("Champions"); Justin Abshire of Jones & Carter, Inc. ("J&C"); John Montgomery of Municipal Operations & Consulting, Inc. ("MOC"); Erin Garcia of Myrtle Cruz, Inc. ("Myrtle Cruz"); and Jennifer Ziman, and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board reviewed the minutes of the February 7, 2019, regular meeting. Following review and discussion, Director Veasey moved to approve the minutes, as presented. The motion was seconded by Director Riley and passed by unanimous vote.

LEGENDS RANCH PROPERTY OWNERS ASSOCIATION ("POA")

Mr. Abshire updated the Board regarding the POPA matters and stated no work was completed due to weather.

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. Copies of the bookkeeper's report and tax account report are attached. Ms. Garcia confirmed check no. 6273 to Badger Meters reflect a 2% discount, as previously discussed. Following review and discussion, Director Veasey moved to approve the bookkeeper's report. Director Goodman seconded the motion, which carried by unanimous vote.

REPORT ON DRAINAGE CHANNEL MAINTENANCE

Mr. Hardoin presented and reviewed a report from Champions, a copy of which is attached.

ENGINEER'S REPORT

Mr. Abshire presented and reviewed with the Board the engineer's report, a copy of which is attached.

Mr. Abshire stated CFG Industries has completed Water Plant Nos. 1 Improvements projects. He recommended acceptance of the project and approval of Final Pay Estimate No. 1 in the amount of \$27,050.00 to CFG Industries, Inc.

PROFESSIONAL SERVICES AGREEMENT WITH JONES & CARTER, INC.

Mr. Abshire presented the agreement with Jones & Carter to the Board. After review and discussion, Director Goodman moved to approve the Professional Services Agreement with Jones & Carter, Inc. Director Veasley seconded the motion, which passed unanimously.

POTENTIAL DEVELOPMENT OF 3.09-ACRE TRACT

Mr. Abshire updated the Board on the potential development of a 3.09-acre tract of land with the District. He stated that there was no new development in the matter.

LONG TERM PLAN

Mr. Abshire presented and reviewed a copy of the current five-year Capital Improvements plan, a copy of which was included in his report.

STORM WATER PERMITTING MATTERS

Mr. Abshire updated the Board on Storm Water Permitting Matters. He stated the Permit Year 4 Annual Report was submitted in November 2018 and approved by the Texas Commission on Environmental Quality ("TCEQ").

TRANSPORTATION IMPROVEMENT PROGRAM

Mr. Abshire updated the Board on the Transportation Improvement Program application for sidewalk extensions along Birnham Woods Drive. He stated there was no further development in this matter and that the Technical Advisory Committee is still reviewing the Harris Galveston Subsidence District's recommendations.

Following review and discussion, Director Veasey made a motion to approve the engineer's report, and based on the engineer's recommendation, to accept the project and approve Final Pay Estimate No. 1 in the amount of \$27,050.00 to CFG Industries, Inc. for

the Water Plant Nos. 1 & 2 Improvements. Director Goodman seconded the motion, which carried unanimously.

OPERATOR'S REPORT

Mr. Montgomery presented and reviewed with the Board a copy of the monthly operator's report for the month of February 2019, a copy of which is attached. He stated that the ratio of water billed versus produced for the period from January 10, 2019, to February 11, 2019, was 95%. Mr. Montgomery then presented seven accounts requested to be written off as uncollectable.

Mr. Montgomery stated that he submitted Tier II Emergency and Hazardous Chemical Inventory.

Director Riley inquired about water being disconnected at the splash pad and asked if the meter was pulled. Mr. Montgomery stated that it may have been pulled and reset after payment.

Discussion ensued regarding after-hours calls and the District's responsibility to pay the invoice for service if it isn't a District issue. The Board requested that the operator pull invoices for last year regarding calls that were after-hours so that the Board could discuss it at the next month's meeting to make a decision.

The Board discussed amending the Rate Order to add an exhibit informing residents of an option to sign up for text alerts and smart meter issues. Discussion ensued regarding possibly amending Rate Order to include monthly meter charge. They concurred to defer until the next meeting.

Following discussion, Director Veasey moved to approve (1) the operator's report, including the seven accounts to be written off as uncollectible; and (2) to amend the Rate Order to add a text notification exhibit. The motion was seconded by Director Cote and carried unanimously.

AUTOMATED SMART WATER METER REPLACEMENT PROGRAM

Mr. Montgomery stated that the project will begin the following week. Mr. Montgomery updated the Board that door tags will go out regarding installation. The Board concurred to review draft before posting.

TERMINATION OF WATER SERVICE

Mr. Montgomery presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated

for reason of non-payment. Following review and discussion, Director Goodman moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Cote and passed by unanimous vote.

REPORT ON SAN JACINTO RIVER AUTHORITY ("SJRA") MATTERS

There was no discussion on the matter.

REPORT FROM BEST TRASH

There was no update regarding Best Trash.

REPORT FROM ELECTRICITY BROKER AND AUTHORIZE APPROPRIATE ACTION

There was no discussion regarding this matter.

REVIEW WATER CONSERVATION PLAN; APPROVE ANNUAL REPORT AND WATER CONSERVATION IMPLEMENTATION REPORT; ADOPT ORDER ADOPTING AMENDED AND RESTATED WATER CONSERVATION PLAN

The Board concurred to table the matter until the next meeting.

REVIEW DROUGHT CONTINGENCY PLAN AND ADOPT ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

The Board concurred to table the matter until the next meeting.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.087, TEXAS GOVERNMENT CODE, TO DISCUSS OR DELIBERATE REGARDING THE OFFER OF A FINANCIAL OR OTHER INCENTIVE TO A BUSINESS PROSPECT

The Board convened in executive session at 12:29 p.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE OFFER OF A FINANCIAL OR OTHER INCENTIVE TO A BUSINESS PROSPECT

The Board reconvened in open session at 12:48 p.m.

Mr. Abshire left the meeting.

Mr. Austin entered proceeding the open session.

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

(SEAL)



Secretary, Board of Directors

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