

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 89

November 12, 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 12th day of November, 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(s) Cote and Goodman, 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"); Bredawn Riley, a resident of the District; and Tim Austin and Amy Block of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

Director Ayre stated the sale of his home in the District will be finalized within the next few weeks and as a result, he will no longer be eligible to serve as a Board member. He presented a resignation letter, a copy of which is filed in the District's official records, and noted his resignation will be effective upon the Board's acceptance. The Board then thanked Director Ayre for his long term service to the District. Director Ayre introduced Mr. Riley to the Board for consideration of appointment to the Board.

The Board reviewed the minutes of the October 1, 2015, regular meeting. Following review and discussion, Director Veasey moved to approve the minutes of the October 1, 2015, minutes as presented. The motion was seconded by Director Grant 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 of October, 2015, a copy of which is attached. He stated that the ratio of water billed versus produced for the period from September 15, 2015, to October 14, 2015, was 97%.

Mr. Montgomery next discussed with the Board a Storm water educational flyer (the "Flyer") with request for the Flyer to be mailed out to residents through the District's December water bills.

After review and discussion, Director Ayre moved to (1) approve the operator's report; and (2) authorize the operator to mail out the Flyers to residents in the District's December water bills. Director Veasey seconded the motion, which passed 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 Veasey and carried unanimously. A copy of the list of delinquent utility service accounts is attached.

REVIEW SMOKE TESTING RESULTS AND PROPOSALS FOR REPAIRS

Mr. Montgomery stated that the smoke testing results are still currently under review. The Board took no action on this matter.

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. Director Grant inquired on the District's Water Plant budgeted costs for the fiscal year ending August 31, 2016. Discussion ensued regarding the month's actual month to date Water Plant costs as well as the accuracy of the annual budgeted amount for the Water Plant costs for the fiscal year ending August 31, 2016. Mr. Abshire stated he would look into the matters. The Board next discussed the District's Joint Facilities budgeted costs for the fiscal year ending August 31, 2016, including the actual month to date San Jacinto River Authority Groundwater Reduction Plan fee.

Mr. Austin next presented and reviewed with the Board a letter from the Montgomery County Tax Assessor/Collector (the "Letter"), a copy of which is attached. He stated that according to the Letter, the District's collection fee for the 2015 tax year is \$291.00.

After review and discussion, Director Veasey moved to approve the bookkeeper's report, the tax account report, and the checks presented for payment. Director Ayre seconded the motion, which carried by unanimous vote.

REPORT ON DRAINAGE CHANNEL MAINTENANCE

Mr. Williams presented and reviewed a Detention and Drainage Facilities Report, a copy of which is attached. He reported that reconnaissance was performed on the District and that all of the Legends Detention and Drainage facilities are sound.

Mr. Williams next stated that November mowing and handwork has been scheduled and noted that December is a no service month.

ENGINEER'S REPORT

Mr. Abshire presented and reviewed with the Board the engineer's report, a copy of which is attached. He updated the Board on that status of water well no. 3 within Spring Creek Utility District.

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

Mr. Abshire reviewed the status of the WWTP plans. He stated that J&C is awaiting receipt of the final TPDES discharge permit (the "Permit") from the Texas Commission on Environmental Quality ("TCEQ") prior to submitting the Permit to governmental agencies for final plan approval.

STATUS OF TPDES PERMIT APPLICATION

Mr. Abshire reported that J&C anticipates the TCEQ to approve and issue the final TPDES Permit in mid-November.

LONG-TERM PLAN

Mr. Abshire reviewed with the Board 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 construction of water plant no. 1 improvements, including hydropneumatic tank no. 3 is complete. He presented and recommended approval of final Pay Estimate No. 5 in the amount of \$21,390.00 payable to Schier Construction Company, Inc., and final acceptance of the contract. After review and discussion, and based on the engineer's recommendation, Director Ayre moved to approve final Pay Estimate No. 5 in the amount of \$21,390.00 to Schier Construction Company, Inc., and final acceptance of the contract for construction of water plant no. 1 improvements, including hydropneumatic tank no. 3. Director Veasey seconded the motion, which carried by unanimous vote.

PHASE II MS4 PERMIT APPLICATION

Mr. Abshire reported that J&C commenced with administration services in accordance with Permit Year Two of the Storm Water Management Program ("SWMMP"). He noted that J&C has completed the Annual Report for Permit Year One (the "Report") of the SWMMP. Mr. Abshire stated that J&C will submit the Report to the TCEQ by the end of November.

DEEDS AND EASEMENTS

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

REPORT ON BOND APPLICATION NO. 8 INCLUDING ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TCEQ

Mr. Abshire reported that J&C addressed all consultant comments on Bond Application no. 8 (the "Application"). He stated that the Application will not be submitted to the TCEQ for review until the WWTP Replacement project plans have been approved.

Mr. Austin next reviewed with the Board a Resolution Authorizing Application to the TCEQ for Approval of Project and Bonds. After discussion, Director Ayre moved to adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records. Director Veasey seconded the motion, which carried by unanimous vote.

ADOPT RESOLUTION CASTING VOTES FOR CANDIDATE ELECTION OF THE MONTGOMERY CENTRAL APPRAISAL DISTRICT ("MCAD") BOARD OF DIRECTORS

The Board considered casting the District's votes for a candidate for the Board of Director's election of the MCAD. After discussion, the Board took no action on this matter.

DISCUSS SIDEWALK AND SECURITY PATROL

Director Veasey updated the Board on discussion related to the Legends Ranch Property Owners' Association's requests for cost-sharing projects with the District including utilities and security patrol.

REPORT ON IMPLEMENTATION OF GROUNDWATER REDUCTION PLAN AGREEMENT

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

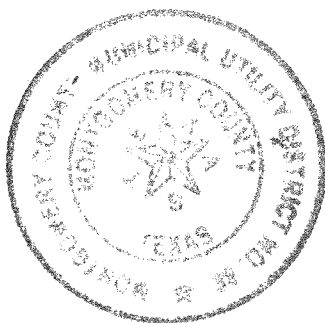
Mr. Riley next introduced himself to the Board. He then distributed and reviewed with the Board his biography, a copy of which is attached. He discussed with the Board his background and interest in potential appointment to the Board. After discussion, the Board thanked Mr. Riley for his interest in potential appointment to the Board.

Mr. Austin next discussed with the Board standard procedures regarding Board meeting processes.

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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