

MINUTES  
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 89

November 3, 2016

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 3rd day of November, 2016, 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
Bredawn Riley	Assistant Vice President
Shawn Goodman	Assistant Secretary

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

Also present at the meeting were Fred C. Colston III, a resident of the District; Don Dulin of MyWaterBoard.com ("MWB"); Shannon Waugh of Off Cinco; Stacey Wagner of Champions Hydro-Lawn, Inc. ("Champions"); Anthea Moran of FirstSouthwest, a Division of Hilltop Securities ("FirstSouthwest"); 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"); and Tim Austin and Ashley Ramos of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board reviewed the minutes of the October 6, 2016, regular meeting. Following review and discussion, Director Goodman moved to approve the minutes of the October 6, 2016, regular meeting. The motion was seconded by Director Veasey and passed by unanimous vote.

DISCUSS WEBSITE, SOCIAL MEDIA, AND NEWSLETTER, INCLUDING RECEIVE WEBSITE PROPOSALS AND AUTHORIZE APPROPRIATE ACTION

Mr. Dulin presented and reviewed a proposal for the development of a potential District website and discussed the services MyWaterBoard could provide the District with, a copy of which is attached.

Ms. Waugh presented and reviewed a proposal for the development of a potential District website and discussed the services Off Cinco could provide the District with, a copy of which is attached.

Discussion ensued by the Board regarding the proposals. The Board requested additional information from MyWaterBoard and deferred action to the next Board meeting pending the additional information and review of the proposals from Off Cinco and MyWaterBoard.

GARBAGE COLLECTION SERVICES, INCLUDING APPROVE AMENDED CONTRACT WITH BEST TRASH

The Board approved the amended contract with Best Trash at the last meeting. There was no report on garbage collection services.

UNLIMITED TAX REFUNDING BONDS, SERIES 2016A

Ms. Moran reported on the Unlimited Tax Refunding Bonds, Series 2016A ("Series 2016A Refunding Bonds"). She presented and reviewed the Sources and Uses of Funds report regarding the final and verified numbers for the Series 2016A Refunding Bonds, a copy of which is attached. Ms. Moran stated the Series 2016A Refunding Bonds issue will close on November 30, 2016.

LEGENDS RANCH PROPERTY OWNERS ASSOCIATION ("POA")

Director Grant updated the Board on POA matters. The Board discussed drainage issues where the dog park will be located and steps the POA should take to comply with Montgomery County drainage requirements.

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. Following review and discussion, Director Cote moved to approve the bookkeeper's report. Director Riley seconded the motion, which carried by unanimous vote.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board reviewed the District's Investment Policy to determine if any amendments were necessary. After discussion, the Board determined not to make any amendments to its Investment Policy. Director Grant moved to adopt a Resolution Regarding Annual Review of Investment Policy reflecting that no amendments were

necessary to the Investment Policy at this time, and direct that the Resolution be filed appropriately and retained in the District's official records. The motion was seconded by Director Veasey and carried by unanimous vote.

#### REPORT ON DRAINAGE CHANNEL MAINTENANCE

Ms. Wagner 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 reported on the Water Plant No. 1 rework. He stated J&C has prepared the bid package to begin public advertisement and requests Board authorization to advertise for bids for the Water Plant No. 1 rework. Following review and discussion, Director Goodman moved to authorize J&C to advertise for bids for the Water Plant No. 1 rework. Director Riley seconded the motion, which carried by unanimous vote.

Mr. Abshire reported on the preparation of the reclaimed water feasibility analysis. He stated J&C anticipates presenting the completed analysis at the January Board meeting.

#### PAY ESTIMATES, CHANGE ORDERS, AND FINAL ACCEPTANCE FOR WASTEWATER TREATMENT PLANT ("WWTP")

Mr. Abshire recommended approval of Pay Estimate No. 6 in the amount of \$223,258.50 to Bryan Construction Co. Following review and discussion, Director Goodman moved to approve Pay Estimate No. 6 in the amount of \$223,258.50 to Bryan Construction Co. Director Riley seconded the motion, which carried by unanimous vote.

#### 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.

#### STORM WATER PERMITTING MATTERS

Mr. Abshire reported that J&C has continued with administration services in accordance with Permit Year 3 of the Storm Water Management Plan. He presented and reviewed the Year 2 Annual Report for approval by the Board. Following review

and discussion, Director Goodman moved to approve the Year 2 Annual Report. Director Riley seconded the motion, which carried 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, 2016, a copy of which is attached. He stated that the ratio of water billed versus produced for the period from September 19, 2016, to October 18, 2016, was 98%. Following discussion, Director Veasey moved to approve the operator's report, including the four accounts to be written off as uncollectible. The motion was seconded by Director Riley and carried unanimously.

Mr. Montgomery discussed uncollectible accounts and potentially increasing the renter deposit from \$150 to \$200. The Board agreed to increase the renter deposit to \$200. He presented and reviewed with the Board an Agreement with Collections Unlimited of Texas, Inc. ("Collections Unlimited") for the collections of accounts. Mr. Montgomery stated the Rate Order will need to be amended to reflect the renter deposit increase from \$150 to \$200. Following review and discussion, Director Veasey moved to (1) approve the renter deposit increase to \$200; (2) approve the Agreement with Collections Unlimited; and (3) amend the Rate Order. Director Riley seconded the motion, which carried by unanimous vote.

Mr. Montgomery presented and reviewed the District's Water participation report. Discussion ensued regarding the Board's participation in Water Smart activities for the Water Smart program. After review and discussion, Director Veasey moved to approve the District's Water Smart participation report. Director Riley seconded the motion, which carried unanimously.

The Board discussed the W.I.S.E. Guys conservation program, which evaluates residential irrigation systems.

### TERMINATION OF WATER SERVICE

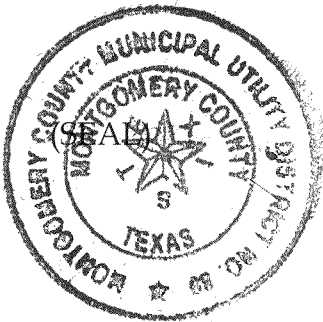
Mr. Montgomery presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before 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 Veasey 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 Riley and passed by unanimous vote.

REPORT FROM ADVISORY BOARD

Directors Cote and Riley reported on the advisory Board meeting and discussed the potential engagement of J&C for improvements to the regional detention facilities.

The Board reviewed a letter from the engineer of Montgomery County Municipal Utility District No. 88 regarding a participation contribution from the District for a shared access permanent driveway at the Wastewater Treatment Plant and Legends Ranch Central Pump Station facility, a copy of the letter is included in the engineer's report. Discussion ensued by the Board regarding the requested participation contribution. The Board took no action.

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



  
Secretary, Board of Directors

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