

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 89

December 1, 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 1st day of December, 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, except Directors Cote and Veasey, thus constituting a quorum.

Also present at the meeting were Fred C. Colston III, a resident of the District; Jill Henze of Breedlove & Co., P.C. ("Breedlove"); Stacey Wagner of Champions Hydro-Lawn, Inc. ("Champions"); 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 November 3, 2016, regular meeting, the October 11, 2016, tour of District facilities, and the September 2, 2016, special meeting. Following review and discussion, Director Goodman moved to approve the minutes as presented. The motion was seconded by Director Riley and passed by unanimous vote.

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

There was no discussion on this agenda item.

APPROVE AUDIT FOR THE FISCAL YEAR ENDING AUGUST 31, 2015

Ms. Henze reviewed the audit for the fiscal year ending August 31, 2016, with the Board. Ms. Henze responded to questions from the Board. After discussion, Director Grant moved to approve the audit for the fiscal year ending August 31, 2016,

subject to final review by the Board and the District's consultants. Director Goodman seconded the motion, which carried by unanimous vote.

EMINENT DOMAIN REPORT

Mr. Austin reported ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812.

LEGENDS RANCH PROPERTY OWNERS ASSOCIATION ("POA")

The Board discussed POA matters. There was no update regarding drainage issues where the dog park will be located and steps the POA should take to comply with Montgomery County drainage requirements.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

Mr. Austin reviewed the District's Travel Reimbursement Guidelines previously adopted by the Board for the Association of Water Board Directors winter conference.

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 noted check no. 5539 to Breedlove stating there is no budget line item for the audit on the joint facility side and that the cost to audit the joint facilities will be transferred from the joint facility account to the MUD account. Following review and discussion, Director Goodman moved to approve the bookkeeper's report. Director Riley seconded the motion, which carried by unanimous vote.

REPORT ON DRAINAGE CHANNEL MAINTENANCE

Ms. Wagner reported on drainage channel maintenance.

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 following public advertisement for bids for the Water Plant No. 1 rework, J&C received three bids on November 22, 2016. He stated J&C recommends the award of contract to Weisinger, Inc., the low bidder, in the initial amount of \$110,894.00. Mr. Abshire noted the District's pro rata share for Water Plant No. 1 is \$48,793.36. Following review and

discussion, Director Riley moved to award the contract to the low bidder, Wiesinger, Inc., for the Water Plant No. 1 rework. Director Goodman 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. 7 in the amount of \$331,943.58 to Bryan Construction Co. Following review and discussion, Director Goodman moved to approve Pay Estimate No. 7 in the amount of \$331,943.58 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.

AGREEMENT REGARDING ALLOCATION OF WATER CAPACITY AND JOINT FACILITIES

Discussion regarding this agenda item was deferred to the report from the advisory Board section of the agenda.

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.

OPERATOR'S REPORT

Mr. Montgomery presented and reviewed with the Board a copy of the monthly operator's report for the month of November, 2016, a copy of which is attached. He stated that the ratio of water billed versus produced for the period from October 18, 2016, to November 16, 2016, was 97.0%. He reported on the chromium levels at the water plants. Following discussion, Director Goodman moved to approve the operator's report. The motion was seconded by Director Riley and carried unanimously.

TERMINATION OF WATER SERVICE

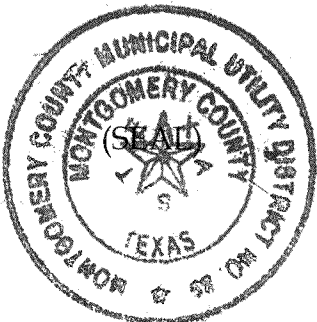
Mr. Montgomery presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before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

REPORT FROM ADVISORY BOARD

Mr. Austin reported on the joint meeting held November 18, 2016 and stated the District's pro rata share in the potential shared access permanent driveway at the Wastewater Treatment Plant and Legends Ranch Central Pump Station facility is approximately \$17,000 eminent domain funds will be utilized to offset costs and will be funded to the joint account. The Board discussed the District's contribution to the shared access permanent driveway. Following review and discussion, Director Grant moved to approve the District's pro rata share of the permanent driveway. Director Riley seconded the motion, which carried by unanimous vote.

The Board discussed J&C's services related to improvements to the regional facilities and a potential agreement regarding allocation of water capacity and joint facilities. Mr. Abshire presented and reviewed overall water system exhibits and water capacity reallocations for the District, MUD 88, and Spring Creek Utility District ("SCUD"), copies of which are attached. He stated that the proposal is to keep the wells separate and share all other facilities between the District, MUD 88, and SCUD. Discussion related to an agreement regarding allocation of water capacity and joint facilities was deferred to the next meeting.

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




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Travel Reimbursement Guidelines.....	2
Bookkeeper's report and tax account report.....	2
Engineer's report.....	2
Monthly operator's report	3
Overall Water System Exhibits and Water Capacity Reallocations for the District, MUD 88, and Spring Creek Utility District.....	4