

MINUTES  
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 89

January 4, 2018

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 4th day of January, 2018, 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, thus constituting a quorum.

Also present at the meeting were Lance Malmgren of Spring Farm, LLC; Stacey Wagner of Champions Hydro-Lawn, Inc. ("Champions"); Justin Abshire and Martin Murdock of Jones & Carter, Inc. ("J&C"); John Montgomery of Municipal Operations & Consulting, Inc. ("MOC"); Erin 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 December 7, 2017, regular meeting. Following review and discussion, Director Colston moved to approve the minutes. The motion was seconded by Director Veasey and passed by unanimous vote.

LEGENDS RANCH PROPERTY OWNERS ASSOCIATION ("POA")

There was no report on this agenda item.

ARBITRAGE REBATE REPORT FOR THE SERIES 2012 BONDS

The Board reviewed a report from Omnicap, LLC concluding that there were no excess earnings in the District's Series 2012 Bonds and that no rebate for cumulative yield restriction liability is due to the Internal Revenue Service at the computation date for the Series 2012 bond series.

## ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Austin reported on the District's compliance activities during the prior calendar year related to bond financings. Mr. Austin stated that no corrective action is required at this time.

## 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. The Board discussed amending the budget at the next meeting to increase the capital projects fund line item to budget for the potential Legends Ranch sign replacement project. Following review and discussion, Director Veasey moved to approve the bookkeeper's report. Director Colston seconded the motion, which carried by unanimous vote.

## ACCEPT ANNUAL DISCLOSURE STATEMENTS OF THE BOOKKEEPER AND INVESTMENT OFFICER

Mr. Austin explained that the annual disclosure statements required by the Public Funds Investment Act disclose relationships between the District's Investment Officer and bookkeeper with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. He also explained that the statements would be filed in the District's permanent records and with the Texas Ethics Commission. Following discussion, Director Colston moved to accept the disclosure statements and authorize filing of the disclosure statements with the Texas Ethics Commission. Director Veasey seconded the motion, which carried unanimously.

## 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 construction of the 1.5 acre Aldine Westfield Tract for the proposed early childhood development center, The Learning Experience, and a medical clinic.

Mr. Abshire reported on the joint/central drainage facility weir and stormwater pump station grate improvements. He stated Lindsey Construction, Inc. is substantially complete with the project and a final inspection is scheduled for January 3, 2018. Mr. Abshire stated J&C is continuing to work with FEMA regarding the notice received from FEMA on November 27, 2017 denying the claim, deeming the project ineligible

due to preexisting damages they've concluded via historical google images. He stated J&C is in the process of appealing the decision from FEMA as the response was inconsistent with previous correspondence with various FEMA representative assigned to the claim. Mr. Abshire reported that heavy equipment was being driven over the weir to get to the pump station, which could cause damage to the weir. He recommended the Board authorize MOC to create a path to the pump station to prevent damaging the weir. Following review and discussion, the Board authorized MOC to create a path to the pump station.

Mr. Abshire updated the Board regarding the 2017 annual water plant inspection of Water Plant Nos. 1 and 2.

Mr. Abshire reported on the central drainage channel access driveway adjacent to the Montgomery County Municipal Utility District No. 88 ("MUD 88") wastewater treatment plant and the Legends Ranch pump station and MUD 88's request for financial participation from the District. The Board deferred discussion of this item to executive session.

Mr. Abshire reviewed a schedule of hourly rates and reimbursable expenses from J&C, effective January 1, 2018. A copy of which is attached to the engineer's report.

Mr. Malmgren introduced himself to the Board and discussed potential plans for developing an approximate 3-acre commercial reserve into a swim school. Discussion ensued.

#### DISCUSS WATER CAPACITY REQUEST FROM MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 88

Mr. Austin updated the Board regarding MUD 88's request for water capacity from the District and SCUD.

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

Mr. Abshire reported on WWTP matters.

#### 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 updated the Board regarding storm water permitting matters stating J&C is continuing with year 4 administrative services.

## OPERATOR'S REPORT

Mr. Montgomery presented and reviewed with the Board a copy of the monthly operator's report for the month of December 2017, a copy of which is attached. He stated that the ratio of water billed versus produced for the period from November 13, 2017, to December 13, 2017, was 93%. Mr. Montgomery then presented five accounts requested to be written off as uncollectable. Following discussion, Director Goodman moved to approve the operator's report, including the five accounts to be written off as uncollectible. The motion was seconded by Director Riley and carried unanimously.

## AMEND RATE ORDER

This item was deferred until the next meeting.

## 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

There was no discussion on this agenda item.

## 2018 DIRECTORS ELECTION

Mr. Austin discussed procedures related to the 2018 Directors Election. He reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2018 Directors Election Period. Following review and discussion, Director Colston moved to adopt a Resolution Designating an Agent of the Secretary of the Board During the 2018 Directors Election Period appointing Ashley Ramos as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Riley seconded the motion, which was approved by unanimous vote.

Mr. Austin reported on requirements to file a Notice of Deadline to File Applications for Place on the Ballot for the 2018 Directors Election. Following

discussion, Director Colston moved to authorize the Secretary's agent to post the notice as required. Director Riley seconded the motion, which was approved by unanimous vote.

Mr. Austin discussed exemptions from using electronic voting systems during the 2018 Directors Election. Following discussion, the Board deferred action on this item to the next meeting.

Mr. Austin stated that the District may contract with Montgomery County (the "County") to conduct the District's 2018 Directors Election. Following discussion, the Board deferred action on this item to the next meeting.

#### DISCUSS MEETING LOCATION

The Board discussed scheduling a town hall meeting within the District annually in the fall.

#### CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION OR A SETTLEMENT OFFER

The Board convened in executive session at 12:18 p.m.

#### RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 1:13 p.m. The Board took no action.

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>
Bookkeeper's report and tax account report.....	2
Engineer's report.....	2
Monthly operator's report .....	4



1/4/2018



CASH



78

**MONTGOMERY COUNTY MUD #89**

## Summary for Cash Report of January 4, 2018

	Debt Service	Tax Account	Capital Projects
PREVIOUS CASH BALANCE	0.00	16,030.44	60,458.98
CASH RECEIPTS	0.00	141,458.85	0.00
INTEREST (less service/chg)	0.00	0.00	0.00
TRANSFERS	0.00	(48,520.32)	0.00
DISBURSEMENTS	0.00	(450.00)	0.00
ENDING CASH BALANCE	0.00	108,518.97	60,458.98
PREVIOUS INVESTMENTS	1,786,168.50	0.00	84,976.40
DEPOSITS/ Trf from Tax Acct	0.00	0.00	0.00
INTEREST	626.10	0.00	74.70
TRANSFERS	(5,500.00)	0.00	0.00
ENDING INVESTMENTS	1,781,294.60	0.00	85,051.10
CURRENT BALANCE	1,781,294.60	108,518.97	145,510.08

**83%**  
of 2018 debt service

	Operating Account	Deposit Refund (Operating)	Jt. Water Plants
PREVIOUS CASH BALANCE	66,594.07	109.52	58,296.26
CASH RECEIPTS	140,600.38	0.00	93,942.44
INTEREST (less service/chg)	0.00	0.00	0.00
TRANSFERS	51,520.32	2,000.00	0.00
DISBURSEMENTS	(189,421.74)	(1,908.72)	(51,285.89)
ENDING CASH BALANCE	69,293.03	200.80	100,952.81
PREVIOUS INVESTMENTS	5,468,258.01	0.00	0.00
DEPOSITS/ Trf from Tax Acct	0.00	0.00	0.00
INTEREST	2,638.64	0.00	0.00
TRANSFERS	0.00	0.00	0.00
ENDING INVESTMENTS	5,470,896.65	0.00	0.00
CURRENT BALANCE	5,540,189.68	200.80	100,952.81

Combined Operating Balance **5,540,390.48**  
Less RESERVE **(2,085,585.50)** (allocated non -recurring projects 2017 budget)  
Operating funds available **3,454,804.98**

percentage of annual budgeted expenses **165.65%**  
(recurring expenses)

MONTGOMERY COUNTY MUD #89

Cash Report for Meeting of January 4th, 2018 Page : 2

DEBT SERVICE (078BF) : NO ACTIVE CHECKING

Previous cash balance, December 7th, 2017 0.00

TIME DEPOSIT INVESTMENTS:

Texan Bank; 2/2 due 2/2/18 @.75%.....	100,895.04
Austin Capital Bank; 2/3 due 2/3/18 @.80%.....	240,000.00
3rd Coast Bank; 8/6 due 8/6/18 @1.00%.....	244,707.82
Independent Bank; 8/6 due 8/6/18 @.90%.....	244,839.39
Green Bank; 10/25 due 10/25/18 @1.10%.....	243,856.32

DEMAND DEPOSIT INVESTMENTS:

COMPASS Bank; #74229.....	1,607.17
previous balance	7,107.17
trf oa/arbitrage	5,000.00-
fiscal agent fee	500.00-
Texstar ; #2568133330.....	705,388.86
balance last report	704,762.76
11/30 Int. earned	626.10

previous investments	1,786,168.50	
interest	626.10	
withdrawals	< 5,500.00 >	
ending investments		1,781,294.60

DEBT SERVICE FUNDS AVAILABLE January 4th, 2018 \$1,781,294.60

Debt Service payment for 2018....\$2,138,192.50  
due at:                   3/1/18                   9/1/18                   Paying Agent  
                          \$424,096.25       \$1,714,096.25

#2



MONTGOMERY COUNTY MUD #89

Cash Report for Meeting of January 4th, 2018 Page : 9

TAX ACCOUNT (078TX) : COMPASS BANK 2530962922

Previous cash balance, December 7th, 2017		16,030.44
plus: 4320: property taxes.....		141,458.85
plus: 12/2 Int. earned.....		3.03
Total Deposits :		141,461.88
less: 12/15 service charge.....		3.03
less: 1/4 trf maint tx to operating.....		48,520.32
Beginning cash balance, January 4th, 2018		108,968.97
less checks to be presented at this meeting :		
1090 Myrtle Cruz, Inc.; December.....		450.00
12/15-12/15 previous cash balance	16,030.44	
2 receipts	141,461.88	
1 current checks	< 450.00 >	
other disbursements	< 48,523.35 >	
ending cash balance		108,518.97
TAX ACCOUNT FUNDS AVAILABLE January 4th, 2018		<u><u>\$108,518.97</u></u>

13

MONTGOMERY COUNTY MUD #89

Cash Report for Meeting of January 4th, 2018 Page : 3

CAPITAL PROJECTS (078CA) : COMPASS BANK 6722396055

Previous cash balance, December 7th, 2017	60,458.98
plus: 11/2 Int. earned.....	13.72
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Total Deposits :	13.72
less: 11/15 service charge.....	13.72
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Beginning cash balance, January 4th, 2018	60,458.98

previous cash balance	60,458.98	
1 receipts	13.72	
other disbursements	13.72	<
ending cash balance		>
		60,458.98

DEMAND DEPOSIT INVESTMENTS:

Texstar; #25681 44440.....	85,051.10
previous balance	84,976.40
11/30 Int. earned	74.70

previous investments	84,976.40	
interest	74.70	
ending investments		85,051.10

CAPITAL PROJECTS FUNDS AVAILABLE January 4th, 2018	=====
	\$145,510.08
	=====

ALL REMAINING FUNDS ARE SURPLUS

#4

MONTGOMERY COUNTY MUD #89

Cash Report for Meeting of January 4th, 2018

GENERAL OPERATING (0780P) : COMPASS BANK 68031

Previous cash balance, December 7th, 2017	66,594.07
plus: 1150: water & sewer revenue.....	87,215.80
plus: 2161: customer meter deposits.....	4,575.00
plus: 4300: reg wtr auth revenue.....	39,761.25
plus: 4330: penalties & interest-svc accts.....	1,552.88
plus: 6340: office expenses.....	47.54-
plus: 11/2 Int. earned.....	7.76
plus: 12/15 MC #88; share of sjra ww#3.....	7,542.99
plus: 1/4 maint tx transfer.....	48,520.32
plus: 1/4 trf from Debt Serv for arbitrage.....	5,000.00

Total Deposits :	194,128.46
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less: 11/15 service charge.....	7.76
less: 12/31 wire to IRS/payroll tx.....	833.98
less: 1/4 trf to Dep.Refund @ compass.....	2,000.00

less checks completed at or after last meeting :

5876 Mont Cty MUD #89 / jt plant; nov expenses.....	42,563.70
4101 wtr plant r/m	9,117.00
6328 sjra nov pumpage	29,305.03
6326 sjra fee quarterly	4,141.67

5877 Paul Cote;.....	277.05
6310 director fees	300.00
6514 payroll taxes	22.95-

5878 Robert Veasey;.....	138.52
6310 director fees	150.00
6514 payroll taxes	11.48-

5879 Bredawn Riley;.....	277.05
6310 director fees	300.00
6514 payroll taxes	22.95-

5880 void not used.....	0.00
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5881 void not used.....	0.00
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5882 Fred Colston;.....	138.53
6310 director fees	150.00
6514 payroll taxes	11.47-

5883 Legends Ranch POA; reimb tap @ 5840 legends ranch.....	7,425.00
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Beginning cash balance, January 4th, 2018	207,060.94
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less checks to be presented at this meeting :

5884 Paul Cote; director fee 1/4.....	193.02
6310 director fees	150.00
6514 payroll taxes	11.48-
6354 mileage mtg	54.50

5885 Robert Veasey III; director fee 1/4.....	163.03
6310 director fees	150.00
6514 payroll taxes	41.47-
6354 travel expense	54.50

5886 Shawn Goodman; director fee 1/4/18.....	193.02
6310 director fees	150.00
6514 payroll taxes	11.48-
6354 travel expense	54.50

5887 Fred Colston; 1/4 dir fee.....	193.02
6310 director fees	150.00
6514 payroll taxes	11.48-
6354 travel expense	54.50

5888 Myrtle Cruz, Inc.; Dec bookkeeping.....	1,850.00
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5889 Allen Boone Humphries Robinson LLP; 92645.....	6,013.61
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5890 Municipal Operations & Consulting, Inc.; Dec operations.....	54,931.37
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6332 district operations	5,138.00
6340 office expenses	3,413.65
6180 reconnection expense	760.00
6335 r/m wwtp	2,132.37

MONTGOMERY COUNTY MUD #89

Cash Report for Meeting of January 4th, 2018

6335	r/m wtr distributn	5,100.41	
6335	r/m lift station	1,609.09	
6335	r/m sanitary swr cl	2,521.68	
6324	laboratory expenses	476.78	
6335	r/m sod repairs	173.98	
6332	hourly operator chg	608.75	
4100	delinquent letter fe	25.00	
4610	tap connection expen	31,880.00	
6335	r/m concrete repairs	811.86	
7395	storm water educatio	279.80	
5891	DXI Industries, Inc.; 55019177.....		336.31
5892	Accurate Meter & Backflow; #27332/27329/27289 (3 @ \$30).....		90.00
5893	North Water District Lab; #180-7553.....		1,547.50
5894	SourcePoint Solutions LLC; #54216.....		3,435.00
5895	DXI Industries; 55020369.....		448.41
5896	Chlorinator Maint Co, Inc.; #33326.....		1,347.90
5897	STP Services; #21664.....		350.00
5898	R & C Joy, Inc.; #6977.....		248.00
5899	Harco Insurance Services; balance prop coverage / wind.....		257.00
5900	Spring Creek UD-Jt.Drainage Facility; Oct/Nov billing.....		9,754.08
	6335 pump station	5,890.65	
	6335 detention maint	1,780.33	
	6335 fema reimb tx day	34,236.81-	
	5391 interest earned	4.96-	
	6335 pump station	34,544.54	
	6335 detention	1,780.33	
5901	Jeffus Unlimited, Inc.; /923.....		280.00
5902	Best Trash; Dec. 1548 @\$15.15.....		23,452.20
5903	Off Cinco; web design / hosting #3788.....		200.00
5904	M.C.MUD #89 Jt Facilities; wp Billing December.....		24,952.44
	6100 wtr plt #1/2	2,473.85	
	6328 sjra fee ww#1/ww#2	22,478.59	
5905	Omni Cap ; arbitrage #Q417086.....		5,000.00
5906	Nathan T. Newnam; bal of feasibility deposit.....		2,532.00
5907	T.C.E.Q.; Regulatory Assessment Fee FY17.....		
5908	Center Point Energy; 3 billings.....		
5909	Reliant Energy; 29726 1/2 legends ridge.....		
5910	WCA Waste Corp of Texas ; dumpster 27922 1/2 legend ridge...		
5911	Engie Resources; billing.....		
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01/04-01/04	previous cash balance	66,594.07	
	5 receipts	194,128.46	
	28 current checks	< 137,767.91 >	
	other disbursements	< 53,661.59 >	
	ending cash balance		69,293.03

TIME DEPOSIT INVESTMENTS:

Allegiance Bank; 3/16 due 3/16/2018 @ .75%.....	240,000.00
Texas Exchange Bank; 3/17 due 3/17/18 @1.16%.....	240,000.00
Business Bank of Tx; 3/22 due 3/22/18 @1.00%.....	240,000.00
Central Bank; 10/18 due 04/18/18 @1.25%.....	242,777.86
Icon Bank /Augusta pines branch; 6/24 due 6/24/18 @.90%.....	246,928.06
Compass Bank; 7/13/17 due 7/13/18 @ 1.27%.....	1,000,000.00

DEMAND DEPOSIT INVESTMENTS:

Texstar; #2568122220.....	2,952,456.77
previous balance	2,949,863.67
11/30 Int.earned	2,593.10
Compass Bank; #72801.....	308,733.96
previous balance	308,688.42
11/1 Int. earned	63.54

#6

MONTGOMERY COUNTY MUD #89

Cash Report for Meeting of January 4th, 2018

serv charge 18.00-

previous investments 5,468,258.01  
interest 2,656.64  
withdrawals < 18.00 >  
ending investments

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5,470,896.65

GENERAL OPERATING FUNDS AVAILABLE January 4th, 2018

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\$5,540,189.68
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Customers Deposits @12/15/17 \$172,605.00

#7

MONTGOMERY COUNTY MUD #89

Cash Report for Meeting of January 4th, 2018

DEPOSIT REFUND ACCT (07800) : COMPASS BANK 2530957716

Previous cash balance, December 7th, 2017	109.52
plus: 11/2 Int. earned.....	0.21
plus: 1/4 trf from operating @ compass.....	2,000.00
Total Deposits :	2,000.21
less: 11/15 service charge.....	0.21
less: Stale dated ck#1914/1929 clearing bank.....	73.24
Beginning cash balance, January 4th, 2018	2,036.28
less checks to be presented at this meeting :	
2078 Enrique Bustinzar; 3631 Standing Rock Dr, dep. ref.....	37.90
2161 customer meter depos	75.00
1150 less final bill	37.10-
2079 Robert Cranmer-Brown; 29714 Buffalo Canyon Dr, dep. ref.....	164.25
2161 customer meter depos	225.00
1150 less final bill	60.75-
2080 Debbie Tracy; 29716 Buffalo Canyon Dr, dep. ref.....	99.36
2161 customer meter depos	150.00
1150 less final bill	50.64-
2081 Kelly Hardwick; 3110 Legends Mist, dep. ref.....	100.15
2161 customer meter depos	150.00
1150 less final bill	49.85-
2082 Brandon Stubblefield; 3227 Legends Mist Dr, dep. ref.....	35.33
2161 customer meter depos	75.00
1150 less final bill	39.67-
2083 Frederic Medidas; 3327 Linder Green Dr, dep. ref.....	15.67
2161 customer meter depos	125.00
1150 less final bill	109.33-
2084 Brett Blackwell; 30418 Avera Creek Dr, dep. ref.....	14.44
2161 customer meter depos	75.00
1150 less final bill	60.56-
2085 John Thompson; 3307 Meline Fields Dr, dep. ref.....	118.29
2161 customer meter depos	175.00
1150 less final bill	56.71-
2086 Kesi Goffney; 30518 Mystic Canyon Dr, dep. ref.....	152.19
2161 customer meter depos	175.00
1150 less final bill	22.81-
2087 Gail Amanda Marks; 30314 Mesa Valley Dr, dep. ref.....	103.01
2161 customer meter depos	200.00
1150 less final bill	96.99-
2088 Derrick Cuenca; 29822 Buffalo Canyon Dr, dep. ref.....	21.72
2161 customer meter depos	75.00
1150 less final bill	53.28-
2089 Xue Ning; 29719 Sullivan Oaks Dr, dep. ref.....	39.87
2161 customer meter depos	75.00
1150 less final bill	35.13-
2090 Lifeng Wu; 3627 Palomar Valley Dr, dep. ref.....	18.14
2161 customer meter depos	75.00
1150 less final bill	56.86-
2091 Tanya Buck; 3627 Palomar Valley Dr, dep. ref.....	89.44
2161 customer meter depos	150.00
1150 less final bill	60.56-
2092 Mark D Pierson; 30415 Tynham Springs Dr, dep. ref.....	1.13
2161 customer meter depos	75.00
1150 less final bill	73.87-
2093 Chris Lane; 3111 Rosholt Dr, dep. ref.....	49.38
2161 customer meter depos	75.00
1150 less final bill	25.62-
2094 Courtney Fleischman; 30423 Emerson Creek Dr, dep. ref.....	97.17
2161 customer meter depos	150.00
1150 less final bill	52.83-
2095 Andres Garcia; 30407 Emerson Creek Dr, dep. ref.....	155.31

#8

MONTGOMERY COUNTY MUD #89

Cash Report for Meeting of January 4th, 2018

2161	customer meter depos	225.00	
1150	less final bill	69.69-	
2096	Jennifer Garrison; 3207 Burton Ridge Dr, dep. ref.....		49.86
2161	customer meter depos	75.00	
1150	less final bill	25.14-	
2097	Nancy Brooks; 2826 Legends Crest Dr, dep. ref.....		35.42
2161	customer meter depos	100.00	
1150	less final bill	64.58-	
2098	Kanwar Partap Singh Lobana; 30515 Riverstone Springs Dr, D/R		62.16
2161	customer meter depos	125.00	
1150	less final bill	62.84-	
2099	Chad Baumgarte; 3519 Cactus Creek Dr, dep. ref.....		142.78
2161	customer meter depos	200.00	
1150	less final bill	57.22-	
2100	Kimberly Fudge; 3426 Cactus Creek Dr, dep. ref.....		32.51
2161	customer meter depos	75.00	
1150	less final bill	42.49-	
2101	Jesse C Moore; 3426 Cactus Creek Dr, dep. ref.....		200.00
	previous cash balance	109.52	
	2 receipts	2,000.21	
	24 current checks	< 1,835.48 >	
	other disbursements	< 73.45 >	
	ending cash balance		200.80

DEPOSIT REFUND ACCTS AVAILABLE January 4th, 2018

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\$200.80

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**MONTGOMERY COUNTY M.U.D. #89**  
**Budget for Fiscal Year Ending August 31, 2018**

**January 4, 2018**

Revenue :	1 month period		4 months		ANNUAL BUDGET	variance
	Actual MTD	Budget MTD	Actual YTD	Budget YTD		
Water Revenues	41,167.15	37,083.33	153,049.50	148,333.33	445,000.00	4,716.17
Sewer Revenues	47,214.93	47,083.33	186,995.41	188,333.33	565,000.00	-1,337.92
Penalties	1,552.88	1,666.67	5,928.59	6,666.67	20,000.00	-738.08
Groundwater Fees	39,761.25	39,583.33	173,172.08	158,333.33	475,000.00	14,838.75
Tap Fees	-7,425.00	0.00	85,145.00	0.00	0.00	85,145.00
Swr Inspection Fees	0.00	0.00	450.00	0.00	0.00	450.00
Maintenance Tax	48,520.32	50,000.00	53,171.75	55,000.00	1,072,690.00	-1,828.25
Interest Earnings	2,669.57	833.33	12,620.42	3,333.33	10,000.00	9,287.09
Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00
	<b>173,461.10</b>	<b>176,250.00</b>	<b>670,532.75</b>	<b>560,000.00</b>	<b>2,587,690.00</b>	<b>110,532.75</b>

Expenses :	1 month period		4 months		Annual Budget	variance
	Actual MTD	Budget MTD	Actual YTD	Budget YTD		
Water Plant Costs (Jt.Facilities)	11,590.85	16,534.38	28,501.95	66,137.50	198,412.50	37,635.55
SJRA FEES WW #1/ WW#2	51,783.62	32,500.00	110,991.37	130,000.00	390,000.00	19,008.63
SJRA FEES WW #3	-7,542.99	0.00	30,859.11	0.00	0.00	(30,859.11)
S.T.P Lease Payments **	0.00	0.00	0.00	0.00	157,325.00	0.00
Tap Connection Expenses	31,880.00	0.00	31,980.00	0.00	0.00	(31,980.00)
Sewer Inspection Expenses	0.00	416.67	0.00	1,666.67	5,000.00	1,666.67
Director Fees	1,500.00	1,250.00	4,200.00	5,000.00	15,000.00	800.00
Payroll Taxes	689.22	95.63	927.56	382.50	1,147.50	(545.06)
Legal Fees	6,013.61	6,250.00	21,434.70	25,000.00	75,000.00	3,565.30
Auditing Fees	0.00	0.00	12,078.89	15,000.00	15,000.00	2,921.11
Engineering	0.00	4,166.67	20,575.16	16,666.67	50,000.00	(3,908.49)
Lab Expenses	2,272.28	2,083.33	8,030.30	8,333.33	25,000.00	303.03
Permit Fees	4,141.67	4,000.00	10,286.73	7,500.00	7,500.00	(2,786.73)
Operator	5,746.75	5,000.00	22,022.65	20,000.00	60,000.00	(2,022.65)
Bookkeeping	1,850.00	2,083.33	8,262.50	8,333.33	25,000.00	70.83
Repairs/Maintenance	18,612.29	11,250.00	63,347.53	45,000.00	135,000.00	(18,347.53)
District Detention Pond Maint	0.00	4,166.67	13,020.00	16,666.67	50,000.00	3,646.67
Sludge Hauling	0.00	8,333.33	18,561.37	33,333.33	100,000.00	14,771.96
Joint Drainage S.C.U.D. maint	9,759.04	20,966.67	61,685.08	83,866.67	251,600.00	22,181.59
Garbage Collection	23,452.20	24,166.67	91,788.95	96,666.67	290,000.00	4,877.72
STORM WATER PERMITTING	279.80	1,250.00	4,861.05	5,000.00	15,000.00	138.95
Chemicals	784.72	833.33	3,182.37	3,333.33	10,000.00	150.96
Office Expenses	3,487.16	3,750.00	14,064.32	15,000.00	45,000.00	935.68
Utilities	0.00	6,500.00	19,122.41	26,000.00	78,000.00	6,877.59
Insurance	257.00	0.00	257.00	0.00	10,000.00	(257.00)
Travel Fees	218.00	0.00	1,652.01	3,333.33	10,000.00	1,681.32
Water /Sewer Assessment	0.00	0.00	0.00	0.00	6,000.00	0.00
Miscellaneous Expenses	200.00	416.67	996.91	1,666.67	5,000.00	669.76
Water Smart /Membership Materials	0.00	466.67	650.00	1,866.67	5,600.00	1,216.67
Annual HOA /% detention /sidewalk	0.00	4,166.67	0.00	16,666.67	50,000.00	16,666.67
<b>TOTAL EXPENSES</b>	<b>166,975.22</b>	<b>160,646.67</b>	<b>603,339.92</b>	<b>652,420.00</b>	<b>2,085,585.00</b>	<b>49,080.08</b>

CAPITAL / NON RECURRING Expenses	1 month period		4 months		ANNUAL BUDGET
	Actual MTD	Budget MTD	Actual YTD	Budget YTD	
Wastewater Permit Renewal	0.00	10,000.00	8,865.00	10,000.00	20,000.00
	<b>0.00</b>	<b>10,000.00</b>	<b>8,865.00</b>	<b>10,000.00</b>	<b>20,000.00</b>
Beginning Balance	5,534,961.60		5,461,844.60		482,105.00
Cust/Bldr Mtr Deposits	1,475.00		8,815.00		
Ins/ Sjra due from SCUD / MC #88	0.00		13,935.05		
Reimb Bal prior yr feasibility deposit	(2,532.00)		(2,532.00)		
Net Surplus or (Deficit)	6,485.88		58,327.83		
Funds Available as of					
January 4, 2018	5,540,390.48		5,540,390.48		
				Checking (comp) + investments	5,540,189.68
				Deposit Refund acct @ comp	200.80
				<b>TOTAL OPERATING FUNDS</b>	<b>5,540,390.48</b>

*#10*





# Myrtle Cruz, Inc.



1/4/2018



CASH



230

3401 Louisiana St, STE 400 . Houston, Tx 77002-9552 . (713)759-1368 . fax 759-1264 . email first\_last@mcr Cruz.com

## MONT CTY MUD #89-JT FACILITIES

Cash Report for Meeting of January 4th, 2018

### JT FACILITIES-OPERATING (2300P) : COMPASS BANK 75838

Previous cash balance, December 7th, 2017	58,296.29
plus: 11/2 Int. earned.....	13.58
plus: 12/15 Mont Cty MUD #88; share of expenses.....	26,337.99
plus: 12/18 Mont Cty MUD #89; share of expenses.....	42,563.70
plus: 12/20 Spring Creek UD;share of expenses.....	25,040.75
Total Deposits :	93,956.02
less: 11/15 service charge.....	13.58
less checks completed at or after last meeting : 2113 SJRA ; Nov grp fee.....	46,263.36
Beginning cash balance, January 4th, 2018	105,975.37
less checks to be presented at this meeting :	
2114 Myrtle Cruz, Inc.;Dec bookkeeping.....	500.00
2115 Municipal Operations & Consulting; Dec operations.....	3,069.85
6335 r/m wtr plants	2,130.60
6332 operator hourly	31.25
6332 operator's fees	908.00
2116 Jeffus Unlimited,Inc.; 920 wp#2(200)/wp#1(120).....	320.00
2117 DXI industries;DE05008624/55020368/55019178/55020370.....	934.71
6342 55020370	336.31
6342 DE05008624	150.00
6342 55020368	224.20
6342 55019178	224.20
2118 Water Utility Services, Inc ; #38415.....	198.00
2119 San Jacinto River Authority; quarterly assessment.....	
2120 Engie Resources; 2 billings.....	
previous cash balance	58,296.29
4 receipts	93,956.02
7 current checks	< 5,022.56 >
other disbursements	< 46,276.94 >
ending cash balance	100,952.81
JT FACILITIES-OPERATING FUNDS AVAILABLE January 4th, 2018	\$100,952.81

#11

**MONTGOMERY COUNTY MUD #89**  
**JOINT FACILITIES ( Water Plant #1 and #2)**  
**Budget for Fiscal Year Ending August 31st, 2018**

January 4, 2018

	1 month		4 months			v
Revenue :	Actual MTD	Budget MTD	Actual YTD	Budget YTD	Annual Budget	variance
M.C.MUD #89	42,563.70	43,433.25	174,151.97	173,733.00	521,199.00	418.97
Spring Crk U.D.	25,040.75	19,476.08	91,705.16	77,904.33	233,713.00	13,800.83
M.C.MUD #88	26,337.99	24,032.33	95,840.81	96,129.33	288,388.00	(288.52)
Interest earned	0.00	0.00	26.24	0.00	0.00	26.24
	<b>93,942.44</b>	<b>86,941.67</b>	<b>361,724.18</b>	<b>347,766.67</b>	<b>1,043,300.00</b>	13,957.51

Expenses :	Actual MTD	Budget MTD	Actual YTD	Budget YTD	Annual Budget	variance
Repairs & Maint (incl lab)	2,648.60	5,000.00	11,094.72	20,000.00	60,000.00	8,905.28
Engineering	0.00	416.67	192.75	1,666.67	5,000.00	1,473.92
Rebuild Booster Bump	0.00	0.00	0.00	0.00	25,000.00	0.00
Permit	0.00	0.00	11,193.70	15,000.00	25,000.00	3,806.30
Operator	939.25	958.33	3,843.00	3,833.33	11,500.00	(9.67)
Bookkeeping	500.00	500.00	2,075.00	0.00	6,000.00	(2,075.00)
Audit	0.00	0.00	2,500.00	2,500.00	2,500.00	0.00
Office Expense	0.00	75.00	202.65	300.00	900.00	97.35
Chemicals	934.71	1,000.00	3,213.98	4,000.00	12,000.00	786.02
Utilities	0.00	11,250.00	35,973.76	45,000.00	135,000.00	9,026.24
Insurance & Bonds	0.00	0.00	0.00	0.00	10,000.00	0.00
Telephone Expenses	0.00	33.33	0.00	133.33	400.00	133.33
San Jacinto River Authority GRP fee	46,263.36	62,500.00	233,386.92	250,000.00	750,000.00	16,613.08
	<b>51,285.92</b>	<b>81,733.33</b>	<b>303,676.48</b>	<b>342,433.33</b>	<b>1,043,300.00</b>	38,756.85

Previous Balance	58,296.29	42,905.11	
SCUD reimburse utilities prior yr	0.00	0.00	
MC #89/MC#88 SJRA fee WW#3	0.00	0.00	
Engineering & Const WW#1 Rework	0.00	0.00	
Net Profit or (Loss)	<b>42,656.52</b>	<b>58,047.70</b>	<b>0.00</b>
Cash Report Balance			
January 4, 2018	<b>100,952.81</b>	<b>100,952.81</b>	

Myrtle Cruz, Inc.; 3401 Louisiana, Suite 400, Houston, Texas 77002 (713) 759-1368 Fax (713) 759-1264

#12

## MONTGOMERY COUNTY MUD #89 ; JOINT WATER PLANTS

1/4/2018

Fixed Expenses @ Ownership

Variable Expenses @ Percentage of Total Usage      EVERYTHING ENTERED

FIXED EXPENSES:		Water Well #1	Total	M.C.MUD #89	SPRING CRK U.D.
CK#	Ownership		100.00%	44.00%	56.00%
2114	Bookkeeping (including int / service charge)		250.00	110.00	140.00
	Engineering WW #1 Rework		0.00	0.00	0.00
	Audit		0.00	0.00	0.00
2116	Mowing / Jeffus		120.00	52.80	67.20
	Engineering / general		0.00	0.00	0.00
	<b>Total Fixed Expenses</b>		<b>370.00</b>	<b>162.80</b>	<b>207.20</b>
				45%	30%
0	SJRA quarterly assessment		0.00	0.00	0.00
	less annual rebate				
	<b>Total groundwater reduction expenses</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
FIXED EXPENSES:		Water Well #2	Total	M.C.MUD #89	M.C.MUD #88
CK#	Ownership		100.00%	59.80%	40.20%
2114	Bookkeeping (including int / service charge)		250.00	149.50	100.50
	Engineering / general		0.00	0.00	0.00
	Audit		0.00	0.00	0.00
2116	Mowing		200.00	119.60	80.40
	<b>Total Fixed Expenses</b>		<b>450.00</b>	<b>269.10</b>	<b>180.90</b>
			<b>Total</b>	<b>M.C.MUD #89</b>	<b>M.C.MUD #88</b>
					25%
	San Jacinto River quarterly assessment		0.00	0.00	0.00
	less annual rebate		30,351,000	22,750,000	7,601,000
			100.00%	74.96%	25.04%
	Reimburse Spring Creek share of SJRA May		0.00	0.00	0.00
0	<b>Total groundwater reduction expenses</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Variable Expenses WW #1/ WW #2		Totals	Mont Cty MUD #89	Spring Creek UD	Mont Cty MUD #88
Usage		25,714,000	12,494,000	6,978,000	6,242,000
Percentage		100.00%	48.59%	27.14%	24.27%
Check #					
2115	Operator	939.25	456.37	254.88	228.00
2115	Repair /Maint Operator	2,130.60	1,035.22	578.18	517.20
	Engle	0.00	0.00	0.00	0.00
	Engle	0.00	0.00	0.00	0.00
2117	DXI Industries	934.71	454.16	253.65	226.90
	STP Services	0.00	0.00	0.00	0.00
2213	SJRA / Nov	46,263.36	22,478.59	12,554.47	11,230.30
2118	Water Utility Services	198.00	96.20	53.73	48.06
	GM Inspection Services	0.00	0.00	0.00	0.00
	Earned Interest less Service Charge	0.00	0.00	0.00	0.00
	<b>Total Variable Expenses</b>	<b>50,465.92</b>	<b>24,520.54</b>	<b>13,694.92</b>	<b>12,250.46</b>

<b>TOTAL DUE</b>	<b>51,285.92</b>	<b>24,952.44</b>	<b>13,902.12</b>	<b>12,431.36</b>
------------------	------------------	------------------	------------------	------------------

Make Check Payable to Mont Cty MUD #89 Joint Facilities

in care of Myrtle Cruz, Inc.

3401 Louisiana Suite 400, Houston, Texas 77002

Balance on cash report	100,952.81
Due from Mont Cty MUD #89	24,952.44
Overpayment MC #88	(2,238.73)
Due from SPRING CRK U.D	13,902.12
Due from Mont Cty MUD #88	12,431.36
<b>RESERVE BALANCE</b>	<b>150,000.00</b>

Reserve Balance	\$150,000.00
MC MUD #89	\$83,650.00 S.C.U.D. \$41,800.00
MC MUD #88	\$24,550.00

#13

114

Investment Pools		Rate	Beginning Value for Period		Interest earned this Period	Deposits or (Withdrawals)	Ending Value for Period			
#REF!			Book	N.A.V.	Market		Book	N.A.V.	Market	
BF	TEXSTAR	1.1764%	704,762.76	0.999932	704,714.84	626.10	0.00	705,388.86	0.999984	705,377.57
CA	TEXSTAR	1.1764%	84,976.40	0.999932	84,970.62	74.70	0.00	85,051.10	0.999984	85,049.77
OA	TEXSTAR	1.1764%	2,949,863.67	0.999932	2,949,663.08	2,593.10	0.00	2,952,456.77	0.999984	2,952,409.53
		1.1764%	3,739,602.83		3,739,348.54	3,293.90	0.00	3,742,896.73		2,952,409.53

Certificates of Deposits		Rate	Purchase Value	Term in Days	Begin Value for Period	Interest accrued this period	Deposits or (Withdrawals)	Ending Value for Period	Date of Purchase	Date of Maturity
fund										
BF	3rd Coast Bank	1.00%	244,707.82	365	245,492.23	207.83	0.00	245,700.06	8/6/2017	8/6/2018
BF	Green Bank	1.10%	243,856.32	365	244,128.24	227.82	0.00	244,356.06	10/25/2017	10/25/2018
BF	Independent (bnk houston)	0.90%	244,839.39	365	245,545.73	187.15	0.00	245,732.89	8/6/2017	8/6/2018
BF	Texan Bank	0.75%	100,895.04	365	101,521.14	64.27	0.00	101,585.41	2/2/2017	2/2/2018
BF	Austin Capital	0.80%	240,000.00	365	241,583.34	163.07	0.00	241,746.41	2/3/2017	2/3/2018
OA	Allegiance	0.75%	240,000.00	365	241,277.26	152.88	0.00	241,430.14	3/17/2017	3/17/2018
OA	Texas Exchange	1.16%	240,000.00	365	241,975.50	236.45	0.00	242,211.95	3/17/2017	3/17/2018
OA	Business Bank Texas	1.00%	240,000.00	365	241,670.14	203.84	0.00	241,873.97	3/22/2017	3/22/2018
OA	Compass Bank	1.27%	1,000,000.00	365	1,004,906.03	1,078.63	0.00	1,005,984.66	7/13/2017	7/13/2018
OA	ICON Bank	0.90%	246,928.06	365	247,902.24	188.75	0.00	248,090.99	6/24/2017	6/24/2018
OA	Central Bank	1.25%	242,777.86	183	243,152.00	257.74	0.00	243,409.75	10/17/2017	4/18/2018
		1.0643%	3,284,004.49	365	3,299,153.85	1,078.63	0.00	3,302,122.28		155

Federal Obligations		Simple APR	Purchase Value	Term in Days	Begin Period Market Value	Gain (Loss) to Market Value	Deposits or (Withdrawals)	Ending Period Market Value	Date of Purchase	Date of Maturity
fund										
			0.00	0	0.00	0.00	0.00	0.00		
		1.1174%	7,023,607.32	365	7,038,502.39	4,372.53	0.00	7,045,019.01		73
									wam:	

### Compliance Statement.

The investments (reported on above) for the Period are in compliance with the investment strategy expressed in the District's Investment Policy and the Public Funds Investment Act.

### Review.

This report and the District's Investment Policy are submitted to the Board for its review and to make any changes thereto as determined by the Board to be necessary and prudent for the management of District funds.

Investment Training: Mary Jarmon Sept 2017

### Signatures.

Investment Officer

(please sign & date)

Bookkeeper (Myrtle Cruz, Inc.)

PLEDGED

## Deposit / Collateral Report by District

### MONTGOMERY COUNTY MUD 89

Tax ID - Pledge: 760694651-20451  
 1st. Consultant: MCI-MYRTLE CRUZ, INC.  
 2nd. Consultant:

### BBVA Compass Bank

Pledge Date: 12/01/2017  
 Accounts Through: 11/30/2017 10:00 PM  
 Memo Posts Through: NO MEMO POSTS

### Deposits

#### Interest Account

<u>Acct No</u>	<u>Funds Type</u>	<u>Class</u>	<u>Balance</u>	<u>Interest</u>	<u>Total</u>
0000068031	Interest Account		\$67,456.53	\$0.00	\$67,456.53
0000072801	Interest Account		\$308,692.24	\$0.00	\$308,692.24
0000075838	Interest Account		\$107,347.86	\$0.00	\$107,347.86
2530957716	Interest Account		\$1,274.81	\$0.00	\$1,274.81
2530962922	Interest Account		\$26,816.05	\$0.00	\$26,816.05
6722396055	Interest Account		\$93,958.98	\$0.00	\$93,958.98
6726068745	Interest Account		\$168,670.25	\$0.00	\$168,670.25
6750675857	Interest Account		\$1,000,000.00	\$4,917.99	\$1,004,917.99
<b>Subtotal Interest Account</b>			<b>\$1,774,216.72</b>	<b>\$4,917.99</b>	<b>\$1,779,134.71</b>

#### Bond Fund

<u>Acct No</u>	<u>Funds Type</u>	<u>Class</u>	<u>Balance</u>	<u>Interest</u>	<u>Total</u>
0000074229	Bond Fund		\$7,107.17	\$0.00	\$7,107.17
<b>Subtotal Bond Fund</b>			<b>\$7,107.17</b>	<b>\$0.00</b>	<b>\$7,107.17</b>
<b>Total Deposits</b>			<b>\$1,781,323.89</b>	<b>\$4,917.99</b>	<b>\$1,786,241.88</b>

### Securities

<u>Agency</u>	<u>Custodian</u>	<u>CUSIP</u>	<u>Maturity Date</u>	<u>Date Pledged</u>	<u>Units Pledged</u>	<u>Market Value</u>
FHLB-A-LO	CH	112232	06/29/2018	10/20/2017 01:45 PM	2,700,000	\$2,700,000.00
<b>Total Securities Pledged</b>					<b>2,700,000</b>	<b>\$2,700,000.00</b>

### DEPOSIT / COLLATERAL POSITION CALCULATION

Subtotal Interest Deposits	\$1,779,134.71
Subtotal Non-Interest Deposits	\$0.00
Subtotal Bond Fund Deposits	\$7,107.17
<b>TOTAL DEPOSITS</b>	<b>\$1,786,241.88</b>
LESS APPLICABLE FDIC	
Subtotal Interest Deposits	\$250,000.00
Subtotal Non-Interest Deposits	\$0.00
Subtotal Bond Fund Deposits	\$7,107.17
Deposits Requiring Collateral	\$1,529,134.71
<b>TOTAL SECURITIES PLEDGED</b>	<b>\$2,700,000.00</b>
DEPOSIT COLLATERAL POSITION - 100%	\$1,170,865.29
DEPOSIT COLLATERAL POSITION - 105%	\$1,094,408.55
	<b>177%</b>

#15

# WATER UTILITY OPERATIONS

# MOC

**MUNICIPAL OPERATIONS & CONSULTING, INC.**

## MONTHLY OPERATIONS REPORT FOR MONTGOMERY COUNTY MUD NO. 89

**December, 2017**

**Billing Date** 11/13/17 - 12/13/17

REVENUE	Deposit	Water	Sewer	Misc.	Penalty	Grease	SJRA	LSGWCD	Total
	\$4,725.11	\$30,441.59	\$48,383.77	\$9,174.31	\$1,594.00	\$450.00	\$39,218.74	\$1,042.83	\$135,030.35

	Res. Occupied	Commercial	STP/LS	Irrigation	Rec/C/P	TOTAL
<b>Connections</b>	1,577	13	2	27	1	1,635
<b>Billed Consum.</b>	9,441,000	316,000	0	886,000	66,000	10,723,000

### WATER

	December, 2017
Gallons pumped from Well #1:	12,224,000
Gallons pumped from Well #2:	7,749,000
Gallons pumped from Well #3:	5,741,000
<b>Total Gallons Pumped:</b>	<b>25,714,000</b>
Gallons sold to MC 88	6,242,000
Gallons sold to SC	6,978,000
Total amount billed to MC 89 customers	10,723,000
Loss to Leaks and Flushing	5,000
<b>Total gallons accounted for</b>	<b>23,948,000</b>
Pumped versus billed percentage	93%
Total accountability including estimated leaks & flushing	93%
No. leaks repaired in District	2

### LONE STAR GROUND WATER PERMIT

Permit No.:	OP03-0043B
Permit Term:	01/01/16 THRU 12/31/16
Permitted Withdrawal:	422,240,000
December Withdrawal	22,329,000
Y-T-D Withdrawal:	264,461,000 63%
Amount Remaining:	157,779,000 37%

Well #1	860	Calculated Well GPM
	1,200	Design Well GPM
Well #2	1,000	Calculated Well GPM
	1,200	Design Well GPM

	# Taken	Results
Bacteriological samples:	6	Good

**Water Taps** December, 2017 - 3 Y-T-D - 3

### WASTEWATER TREATMENT PLANT AND LIFT STATIONS

Permit # TX0117706  
Permit expiration date: July 1, 2018

	Excursion	December-17
Average daily flow	NO	0.255
Average CBOD	NO	3.000
Average Total Suspended Solids	NO	2.070
Average Ammonia Nitrogen	NO	0.150
Average PH	NO	7.760
Maximum Chlorine Residual	NO	3.700
Minimum Chlorine Residual	NO	1.550
Average Dissolved Oxygen	NO	7.700
Average E. coli	NO	1.000

Sewer Treatment plant is currently operating at 67% of the permitted capacity

	Measured by:
Permitted Daily Flow	0.380 mgd
Permitted BOD	10 mg/l
Permitted T.S.S.	15 mg/l
Permitted Ammonia Nitrogen	3 mg/l
Permitted PH	6.00 - 9.00 STD UNIT
Permitted Chlorine Maximum	4.0 mg/l
Permitted Chlorine Minimum	1.0 mg/l
Permitted Dissolved Oxygen	6.0 mg/l
Permitted E. coli	126.0 mpn

### Arrears:

Delinquent Letters Date	12/21/2017
Number of Letters	119
Cut off Date	
Number of Actual Cut offs	
Deposits on file	\$172,605.00

Meter Read Date	12/13/2017
Billing Date	12/21/2017
Mailing Date	12/22/2017
Due Date	1/17/2018
ACH Pmts	326
Credit Card Pmts	326

Aged Receivables 30 Days - \$7,459.39; 60 Days - \$2,374.10; 90 Days - \$1,043.94; 120 Days - \$3,127.47

Notes:



1575 Sawdust Road, Suite 400  
The Woodlands, Texas 77380-3795  
Tel: 281.363.4039  
Fax: 281.363.3459  
[www.jonescarter.com](http://www.jonescarter.com)

January 3, 2018

Board of Directors  
Montgomery County Municipal Utility District No. 89  
c/o Allen Boone Humphries Robinson LLP  
3200 Southwest Freeway, Suite 2600  
Houston, Texas 77027

Re: Engineering Report  
Regular Board Meeting of January 4, 2018

Dear Directors:

The following items summarize our activities since your last meeting:

**Regular Agenda Items (Agenda Items Nos. 2, 8 – 12)**

1. **Legends Ranch Road Sign Replacement (Agenda Item No. 2)** – We are prepared to proceed with engineering services related to the Legends Ranch Sign Replacement project, upon notice of concurrence from both Legends Ranch POA and Legends Run HOA.

2. **Engineering Matters (Agenda Item No. 8)**

- a) 1.5 acre Aldine Westfield Tract: No Engineering Update.
- b) Joint/Central Drainage Facility Weir Repair: Lyndsey Construction, Inc. is substantially complete with the project, and a final inspection is scheduled for Wednesday, January 3<sup>rd</sup>.

We continue to coordinate with FEMA regarding their decision to deny the claim due to the project being ineligible due to pre-existing damages they've concluded via historical google images. We're in the process of appealing this decision from FEMA.

- d) Annual Water Plant Inspections: We completed the interior inspection of all tanks at Water Plant No. 2 on December 6<sup>th</sup>, but were unable to finish the inspection of both plants due to the weather. We are coordinating with the District's Operator to schedule the remainder of the inspection.
- e) MCMUD 88 WWTP/LR Central Drainage Channel Access Driveway: As a reminder, construction of the shared access driveway adjacent to the MCMUD No. 88 WWTP and the Legends Ranch Pump Station is complete. MCMUD No. 88 is requesting the financial participation by MCMUD No. 89 in the amount of \$18,919.86 for the access driveway, as presented at your December Board meeting. This amount is 40.8% of 50% of the total project cost of \$92,744.40.



Board of Directors  
Montgomery County Municipal Utility District No. 89  
Page 2  
January 4, 2018

3. **Water Capacity Request from MCMUD No. 88 (Agenda Item No. 9)** – At your December meeting, it was discussed to provide a counter offer to MCMUD 88 in the approximate amount of \$85,000. We have not received any further correspondence from MCMUD No. 88 regarding this matter.
4. **Pay Estimates, Change Orders, and final acceptance of WWTP (Agenda Item No. 10)** – No Engineering Update.
5. **TPDES Wastewater Treatment Plant Permit Renewal** – The WWTP TPDES Permit renewal application was submitted to the TCEQ in December and is currently undergoing administrative review by the TCEQ.
6. **Long Term Plan (Agenda Item No. 11)** – Enclosed is a copy of the current five-year Capital Improvements Plan.
7. **Storm Water Permitting Matters (Agenda Item No. 12)** – Jones|Carter continued with administrative services in accordance with Permit Year 4 of the Storm Water Management Program (SWMP).
8. **Jones|Carter Schedule of Hourly Rates and Reimbursable Expenses** – We recently updated our hourly rates and reimbursable expenses for 2018. Enclosed is a copy of the schedule of hourly rates and reimbursable expenses.

We look forward to meeting with you.

Sincerely,

A handwritten signature in blue ink that reads 'Justin Abshire'.

Justin Abshire, PE

JTA/kmv

K:\G0012\G0012-0900-00 General Consultation\Meeting Files\Status Reports\2018\Engineer's Report 1-4-18.doc

Enclosures:                      Five-year Capital Improvements Plan  
                                        Jones | Carter Schedule of Hourly Rates and Reimbursable Expenses for 2018

cc w/enc:                         Mr. Tim Austin – Allen Boone Humphries Robinson LLP



**CAPITAL IMPROVEMENT AND EQUIPMENT MAINTENANCE PLAN**  
**FOR WATER PLANT, WASTEWATER FACILITIES, WATER AND WASTEWATER UTILITIES**  
**MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 89**  
Fiscal Year Ends August 31<sup>st</sup>

FACILITY		CAPACITY	TYPE	YEAR				2017-2018		2018-2019		2019-2020		2020-2021		2021-2022	
				Constructed	Inspected	Reworked	Coated (Int./Ext.)										
Legends Ranch Water Plant No. 1 (MUD 89 = 44%)	ALL							Mech. Inspection; (JC Report)	\$1,500	Mech. Inspection; (TCEQ checklist)	\$750	Mech. Inspection; (TCEQ checklist)	\$750	Mech./Elec. Inspection; (JC Report)	\$2,400	Mech. Inspection; (TCEQ checklist)	\$750
	GST No. 1 (W)			212,000 gal	Bolted/Galv	2003	2016							Inspect Int.			
	GST No. 2 (E)			212,000 gal	Bolted/Galv	2003	2016							Inspect Int.			
	Hydro No. 1 (Middle) (44.0%)			15,000 gal	ASME	2003	2016							Inspect Int.			
	Hydro No. 2 (South) (44.0%)			15,000 gal	ASME	2003	2016					Inspect Int.					
	Hydro No. 3 (North) (100.0%)			15,000 gal	Holloway	2015	2016							Inspect Int.			
	Well No. 1 (depth=560')			1,050 gpm	(Evangeline)	2003	2016	2017									
	Control Building			20'X10' CMU			2016		2015								
	Booster Pumps (3 @ 960 gpm 1 Jock @ 480 gpm)			3,360 gpm		2003	2016		2015	Testing (All) at Bi-annual Well Performance Test		Testing (All) at Bi-annual Well Performance Test				Testing (All) at Bi-annual Well Performance Test	
	MCC					2003	-							Rehab			
Diesel Generator			715 kW		2003	2016			Load Bank Test		Load Bank Test		Load Bank Test		Load Bank Test		
Misc																	
Legends Ranch Water Plant No. 2 (MUD 89 = 59.8%)	ALL							Mech. Inspection; (JC Report)	\$1,500	Mech. Inspection; (TCEQ checklist)	\$750	Mech. Inspection; (TCEQ checklist)	\$750	Mech./Elec. Inspection; (JC Report)	\$2,400	Mech. Inspection; (J&C Report)	\$2,000
	GST No. 1 (W) (59.8%)			333,600 gal	Bolted/Galv	2006	2016					Inspect Int.					
	GST No. 2 € (0%)			100,400 gal	Bolted/Galv	2013	2016						Inspect Int.				
	Hydro (W) (59.8%)			15,000 gal	ASME	2006	2016					Recoat Int./Ext.	\$25,000				
	Hydro (M) (59.8%)			15,000 gal	ASME	2006	2016					Recoat Int./Ext.	\$25,000	Inspect Int.			
	Hydro € (0%)			15,000 gal	ASME	2013	2016										
	Well No. 2 (depth=680')			1,000 gpm	(Evangeline)	2006	2016	-				Rework	\$400,000				
	Control Building			20'X10' CMU		2006	2016					Blast/Recoat					
	Well No. 3 (depth=1,760')			1,200 gpm	(Jasper)	2013	2016	-									
	Booster Pumps (2 @ 825 gpm 2 @ 1,500 gpm 1 Jock @ 500 gpm)			5,150 gpm		2006 & 2013	2016		Testing (All) at Bi-annual Well Performance Test			Testing (All) at Bi-annual Well Performance Test				Testing (All) at Bi-annual Well Performance Test	
	MCC					2006	-							Rehab			
	Diesel Generator			900 kW		2006	2016		Load Bank Test		Load Bank Test		Load Bank Test		Load Bank Test		Load Bank Test
	Misc																
Water Distribution System	Hydrants			2003-2006	2016		2014			Paint Hydrants						Paint Hydrants	
	Valves			2003-2006												Valve Survey	
	Interconnect Meters			2003-2006				Calibrate Meters				Calibrate Meters				Calibrate Meters	
Water Facilities Subtotal									\$1,500	\$1,500	\$451,500	\$4,800	\$2,750				
FACILITY		CAPACITY	YEAR				2017-2018		2018-2019		2019-2020		2020-2021		2021-2022		
			Constructed	Expanded	Inspected	Rehabbed											
WWTP	ALL (Except On-Site Lift Station)		0.380 MGD			2013											
	Lift Station 1 (On WWTP site)					2013										Mech./Elec. Insp	
	Structure		2.20 MGD	2003		2013											
	Piping			2003		2013											
	Controls			2003		2013											
	Lift Pump 1 - 20 hp			2003		2013	2010										
	Lift Pump 2 - 20 hp			2003		2013	2012										
	Lift Pump 3 - 20 hp			2003		2013	2010										
	Misc					2013											
	Anoxic Basin		7,999 CF	2017													
	Aeration Basin		28,511 CF	2017													
	Clarifier		1,521 SF, 22' DIA.	2017													
	Chlorine Contact Chamber		4,356 CF	2017													
	NPWS			2017													
	RAS Pump			2017													
	Blower 1		2,100 scfm	2017													
	Blower 2		2,100 scfm	2017													
	Digester Basin 1		11,662 CF	2017													
	Digester Basin 2		11,662 CF	2017													
	Natural Gas Generator		450 kW	2010		2013		Load Bank Test		Load Bank Test		Load Bank Test		Load Bank Test		Load Bank Test	
MCC			2017									Rehab					
Permit		0.5 MGD	Next Renewal: July 2018				Permit Renewal	\$20,000									
Misc																	

CAPITAL IMPROVEMENT AND EQUIPMENT MAINTENANCE PLAN  
FOR WATER PLANT, WASTEWATER FACILITIES, WATER AND WASTEWATER UTILITIES  
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 89  
Fiscal Year Ends August 31<sup>st</sup>

FACILITY	CAPACITY	TYPE	YEAR				2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
			Constructed	Inspected	Reworked	Coated (Int./Ext.)					
Canyon Lakes Section 1 Lift Station (LS No. 2)	ALL							Mech./Elec. Insp	\$1,500		
	Structure		2004					Rehab			
	Piping		2004					Recoat			
	Controls		2004								
	Lift Pump 1 - 5 hp	0.382 MGD	2004			2012					
	Lift Pump 2 - 5 hp		2004			2012					
	Natural Gas Generator		2012			2012	Load Bank Test	Load Bank Test	Load Bank Test	Load Bank Test	Load Bank Test
Canyon Lakes Section 4 Lift Station (LS No. 3)	ALL							Mech./Elec. Insp	\$1,500		
	Structure		2005					Rehab			
	Piping		2005					Recoat			
	Controls		2005								
	Lift Pump 1 - 5 hp	0.374 MGD	2005								
	Lift Pump 2 - 5 hp		2005								
	Natural Gas Generator		2012				Load Bank Test	Load Bank Test	Load Bank Test	Load Bank Test	Load Bank Test
Sanitary Sewer Lines											
	Sewer Lines		2003-2006								
	Manholes		2003-2006								
Wastewater Facilities Subtotal							\$20,000	\$3,000	\$0	\$0	\$0
2016-2017							2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Total Estimated for Wastewater + Water Facilities							\$21,500	\$4,500	\$451,500	\$4,800	\$2,750

Note: Maintenance intervals were selected with the best preventative maintenance schedule in mind. Scheduled maintenance will be adjusted from time to time based on the conclusion of the annual inspections at the water plant, biennial inspections at the wastewater plant and lift stations, and feedback from the operator.

Assumptions

- 1) Mechanical inspections will be performed at the Water Plant annually with an electrical inspection every 5 years.
- 2) Ground storage tanks and hydro-tanks will be recoated on the the interior and exterior every 7 years.
- 3) Wells will be re-worked every 7 years. Re-works will ultimately be scheduled based on results from the bi-annual well performance tests.
- 4) All booster pumps will be tested for vibration and capacity every 2 years at the time of one of the bi-annual well performance tests.
- 5) Load bank tests will be performed annually on the generators at the Water Plant and Wastewater Treatment plant to simulate full-load.
- 6) Mechanical Inpections will be performed at the Wastewater Treatment Plant every 2 years with an electrical inspection approximately every 5 years.
- 7) All lift stations will be inspected for both mechanical and electrical defects every 5 years.
- 8) The fine screen will be rehabbed every 3 years. This will be adjusted based on inspections.
- 9) The aeration and digestor basins will be drained and cleaned of grit every 10 years.
- 10) The clarifier will be rehabbed and recoated every 20 years.
- 11) The blowers will be replaced every 20 years.
- 12) Motor Control Centers will be rehabbed 20 years.
- 13) Control and storage buildings will be blasted and recoated every 10 years.
- 14) Lift Stations will be rehabbed and recoated every 8-10 years.
- 15) Lift pumps will be replaced every 8-10 years.
- 16) Cleaning and televising of sanitary sewer lines will be every 25 years. Followed by sanitary sewer rehab.



## SCHEDULE OF HOURLY RATES

Effective January 2018 - Subject to Annual Revision in January 2019

Changes from 2017 Rates noted in Red

### ENGINEERING PERSONNEL

Engineer I	\$ 88
Engineer II	\$ 94
Engineer III	\$107
Engineer IV	\$115
Engineer V	\$130
Engineer VI	\$145
Engineer VII	\$160
Sr. Project Engineer	\$175
Sr. Project Manager	\$200
Division Manager	\$210
Senior Manager/Regional Manager/Practice Leader	\$225
Corporate Manager	\$250

### ELECTRICAL ENGINEERING PERSONNEL

Electrical Engineer I	\$ 94
Electrical Engineer II	\$105
Electrical Engineer III	\$120
Electrical Engineer IV	\$130
Electrical Engineer V	\$140
Electrical Engineer VI	\$155
Electrical Engineer VII	\$170
Sr. Electrical Project Engineer	\$190
Sr. Electrical Project Manager	\$220

### CONSTRUCTION PERSONNEL (Includes Mileage)

Project Representative I	\$ 53
Project Representative II	\$ 60
Project Representative III	\$ 70
Project Representative IV	\$ 85
Project Representative V	\$ 95
Project Representative Coordinator	\$100
*Project Representative I – Treatment Facilities	\$ 75
*Project Representative II – Treatment Facilities	\$ 85
*Project Representative III – Treatment Facilities	\$100
*Project Representative IV – Treatment Facilities	\$110
*Project Representative V – Treatment Facilities	\$125
*Project Representative VI – Treatment Facilities	\$135
*Project Representative VII – Treatment Facilities	\$150
Construction Manager I	\$ 88
Construction Manager II	\$ 94
Construction Manager III	\$107
Construction Manager IV	\$115
Construction Manager V	\$130
Construction Manager VI	\$145
Construction Manager VII	\$160

### OFFICE PERSONNEL

Office Assistant	\$ 35
Engineer's Assistant I	\$ 45
Engineer's Assistant II	\$ 60
Engineer's Assistant III	\$ 75
Engineer's Assistant IV	\$ 86
Admin I	\$ 40
Admin II	\$ 50
Admin III	\$ 65
Admin IV	\$ 73
Admin V	\$ 85

Staff Assistant	\$ 90
Assistant Controller/ Chief Accountant	\$100
Corporate/Project Acct. I	\$ 70
Corporate/Project Acct. II	\$ 85

### SURVEYING PERSONNEL

1-Person Field Crew	\$125
2-Person Field Crew	\$160
3-Person Field Crew	\$195
4-Person Field Crew	\$225
*Scanner Equipment	\$100
Survey Technician I	\$ 60
Survey Technician II	\$ 75
Survey Technician III	\$ 95
Project Surveyor I	\$ 67
Project Surveyor II	\$ 80
Project Surveyor III	\$ 95
Project Surveyor IV	\$108
Chief of Survey Crews	\$100
Registered Prof. Land Surveyor	\$150
Survey Manager	\$175

### DESIGNERS/DRAFTING PERSONNEL

CAD Operator I	\$ 44
CAD Operator II	\$ 52
CAD Operator III	\$ 62
CAD Operator IV	\$ 73
CAD Operator V	\$ 87
Designer I	\$ 84
Designer II	\$ 94
Designer III	\$100
Designer IV	\$110
Designer V	\$120
Designer VI	\$135
GIS Operator I	\$ 65
GIS Operator II	\$ 80
GIS Operator III	\$ 90
GIS Operator IV	\$110
GIS Operator V	\$125

### PLANNING PERSONNEL

Planner I	\$ 75
Planner II	\$ 90
Planner III	\$105
Planner IV	\$120
Planner V	\$150

\*\*Contract Coordinator  
 \*\*CAD Manager  
 \*\*Computer Tech  
 \*\*Computer Manager

\*New Positions

\*\*Removed Positions

### SCHEDULE OF REIMBURSABLE EXPENSES

Effective January 2018

Subject to Annual Revision in January 2019

1. Reproduction performed in office

<u>Size</u>	<u>Black &amp; White</u>	<u>Color</u>
8½ x 11 (single-sided)	\$0.05/page	\$ .50/page
8½ x 11 (double-sided)	\$0.15/page	\$ 1.00/page
8½ x 14	\$0.15/page	\$ .75/page
11 x 17	\$0.20/page	\$ 1.00/page
<u>Large Document Prints/Plots</u>	<u>Black &amp; White</u>	<u>Color</u>
Translucent Bond	\$0.30/sq ft	\$ 3.00/sq ft
Color Bond	\$0.35/sq ft	\$ 4.00/sq ft
Photographic Bond	\$4.00/sq ft	\$ 6.00/sq ft
Vellum	\$1.00/sq ft	N/A
Mylar (4 mil)	\$2.00/sq ft	N/A
<u>Aerial Backgrounds</u>		
All sizes	\$5.00/sheet (plus above sq. ft. cost)	

2. Transportation (mileage): \$0.54/mile

3. Subcontracts and all other outside expenses and fees: Actual cost plus 10% service charge

4. Surveying Expenses

- a. Crew Rates: Includes time charged portal to portal and the first 120 miles of transportation and standard survey equipment
- b. Special Rental Equipment: Actual cost plus 10%
- c. Stakes: Cost plus 10% service charge where an excessive number of wooden stakes or any special stakes are required
- d. Iron Rods and Pipes: Cost plus 10%
- e. All-Terrain Vehicle (ATV): \$150/day
- f. Overnight Stays: \$190/night
- g. Overtime Rates: Jobs requiring work on weekends or holidays billed at 1.5 times the standard rate
- h. Sales Tax: To be paid on boundary-related services.
- i. Deliveries, abstracting services, outside reproduction costs, and other reimbursable expenses charged at cost plus 10%

Final 2018  
Standard