

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 89

May 2, 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 2nd day of May, 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
Vacant	Assistant Secretary

and all of the above were present, 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"); Mike Harrington of American Enerpower, Inc.; Richard Rankel, resident of the District; and Jessica Holoubek and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board reviewed the minutes of the April 4, 2019, regular meeting. Following review and discussion, Director Goodman moved to approve the minutes, as amended. The motion was seconded by Director Veasey and passed by unanimous vote.

LEGENDS RANCH PROPERTY OWNERS ASSOCIATION ("POA")

Director Cote updated the Board regarding the POA matters.

APPROVE AGREEMENT WITH POA FOR ELECTRICITY SERVICES

Mr. Harrington discussed various options to include the POA on the District electricity contract. He noted he was unable to reach a POA representative to get specific meter and usage information. The Board concurred not to take action on the matter.

REPORT FROM ELECTRICITY BROKER AND AUTHORIZE APPROPRIATE ACTION

Mike Harrington presented and reviewed a chart regarding natural gas price trends, copies of which are attached. He stated the District's current electricity contract with Suez expires in August, 2020 and recommended the Board consider locking in a contract upon expiration. Following review and discussion, Director Cote moved to approve a 70-month contract extension beginning August, 2020 with ENGIE Resources LLC, in an amount not to exceed \$0.03896 per kWh and authorize to Director Riley to execute the electricity contract on the District's behalf. Director Goodman seconded the motion, which carried by unanimous vote.

DISCUSS POSSIBLE AMENDMENT TO AGREEMENT WITH SPRING CREEK UTILITY DISTRICT FOR DRAINAGE MAINTENANCE

The Board concurred to defer this item.

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 stated SCUD will receive a refund and Montgomery County Municipal Utility District No. 88 will be billed to reflect actuals for the water plant rehabilitation project. Following review and discussion, Director Goodman moved to approve the bookkeeper's report. Director Veasey 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. He updated the Board regarding repairs to Lake No. 3 and stated irrigation has been checked in the area.

ENGINEER'S REPORT

Mr. Abshire presented and reviewed with the Board the engineer's report, a copy of which is attached. He discussed jetting out the stormwater drainage pipe in the detention pond and noted it would cost approximately \$5,000.

Mr. Abshire stated the annual water plant inspection required by the Texas Commission on Environmental Quality ("TCEQ") will be conducted shortly. He stated in preparation for the inspection he recommends draining one of the water tanks at water plant no. 2 in the amount of \$2,400. Mr. Abshire noted this expense is included in the District's budget.

Mr. Abshire discussed the implementation of a "scope memo," which will be included in all new projects moving forward.

After review and discussion, Director Cote moved to: (1) approve the engineer's report; (2) approve jetting out the stormwater drainage pipe in the detention pond in an amount not to exceed \$5,000; and (3) authorize the engineer to drain one of the water tanks at water plant no. 2 in the amount of \$2,400. Director Veasey seconded the motion, which passed unanimously.

POTENTIAL DEVELOPMENT OF 3.09-ACRE TRACT

The Board discussed the potential development of a 3.09-acre tract of land with the District. Mr. Abshire stated he received a call from an engineer regarding possible plans to develop the tract, but no additional information has been provided. The Board concurred to defer any action regarding this matter until an entity presents plans and which point the Board will request a joint meeting with the District, POA and developing entity.

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. The Board concurred to authorize Directors Riley and Goodman to review and approve the plan on behalf of the District.

REPORT FROM ADVISORY BOARD, INCLUDING UPDATE ON TRANSPORTATION IMPROVEMENT PROGRAM APPLICATION FOR SIDEWALK EXTENSIONS ALONG BIRNHAM WOODS DRIVE

Mr. Abshire stated the District's application for sidewalk extensions was denied by the Advisory Board. The Board discussed various funding sources for the project and requested Mr. Abshire continue to research alternative funding sources.

OPERATOR'S REPORT

Mr. Montgomery presented and reviewed with the Board a copy of the monthly operator's report for the month of April 2019, a copy of which is attached. He stated that the ratio of water billed versus produced for the period from March 12, 2019, to April 11, 2019, was 98%. Mr. Montgomery then presented one account requested to be written off as uncollectable.

The Board discussed a notice that will be sent to residents and posted on the District's website as required by the TCEQ, a copy of which is attached.

The Board discussed the community event on Saturday, June 29, 2019 and concurred to set up an informational booth to provide residents with information regarding the transition to smart meters and Water Smart information.

Mr. Montgomery stated the TCEQ may require the District to do a model in order to remain compliant with its permit. He stated he will continue to follow up and present additional information next month.

The Board discussed the July meeting, noting it falls on the fourth of July. The Board concurred to move its regularly scheduled meeting to July 3, 2019 at 11:00 a.m. at ABHR.

Following discussion, Director Veasey moved to approve the operator's report, including the two accounts to be written off as uncollectible. The motion was seconded by Director Riley and carried unanimously.

APPROVE CONSUMER CONFIDENCE REPORT

The Board next considered approving the District's Consumer Confidence Report ("CCR") for the year 2018. Following discussion, Director Veasey moved to approve the 2018 CCR to be posted to the MOC website for residents to view and to authorize MOC to certify filing the CCR with the TCEQ by July 1, 2019. The motion was seconded by Director Riley and carried unanimously.

AUTOMATED SMART WATER METER REPLACEMENT PROGRAM

There was no discussion regarding this matter.

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 BEST TRASH

Ms. Cales reported Best Trash relayed they had no updates or any issues to report.

Director Cote discussed possible legislation which would require special districts to record meetings and inquired if the District would like to begin recording its meeting and posting it on the website. After discussion, the Board concurred to record its next meeting as a trial and make a determination of the recording policy after the June meeting.

The Board discussed the passing of Director Colston and the need to appoint a new director. Director Cote introduced Mr. Rankel and discussed his various experience in public service. The Board requested Mr. Rankel send a resume in for consideration. The Board concurred to submit resumes of any interested candidates to Ms. Cales for distribution prior to the 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 did not convene in this executive session.

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



A handwritten signature in blue ink, consisting of stylized initials and a surname, positioned above a horizontal line.

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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