

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 84

**Minutes of Meeting of Board of Directors
September 17, 2009**

The Board of Directors of Montgomery County Municipal Utility District No. 84 met in regular session, open to the public on September 17, 2009, and held at 1300 Post Oak Boulevard, Suite 1400, Houston, Harris County, Texas, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board of Directors, as follows:

David Jezierski, President
Scott Finger, Vice President
John Becker, Secretary
Candice H. Creekmore, Assistant Secretary
Edward J. Boado, Director

and all of said persons were present, except Director Creekmore, thus constituting a quorum.

Also present were Lisa Hernandez of Municipal Accounts & Consulting, L.P. ("MAC"); Stacey Wagner of Wheeler & Associates, Inc. ("Wheeler"); Chris Wilson of SWWC Services, Inc. ("SWWC"); Keith Billé of Costello, Inc. ("Costello"); Tommy Weaver of Friendswood Development Company ("Friendswood"); and Joseph M. Schwartz and Linda Knox of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before it.

APPROVAL OF MINUTES

As the first order of business, the Board reviewed the minutes of its meeting held on August 20, 2009. After review and discussion of the minutes presented, Director Becker moved that the aforesaid minutes be approved, as written. Director Finger seconded said motion, which unanimously carried.

BOOKKEEPING REPORT

The Board next reviewed the bookkeeping report dated September 17, 2009, a copy of which is attached as **Exhibit A**, including the checks presented for payment from the District's various accounts. In response to an inquiry from Mr. Schwartz, Ms. Hernandez advised that she would investigate the \$7.50 Compass Bank charge reflected on the bookkeeping report and report to the Board regarding same next month. After discussion, it was moved by Director Becker that the bookkeeping report be approved and that the checks identified

in the bookkeeping report be approved for payment, with the exception of check no. 1865, which was voided. Director Finger seconded said motion, which carried unanimously.

UNCLAIMED PROPERTY REPORT

The Board next considered the approval of an Unclaimed Property Report for the period ending June 30, 2006. In that regard, Ms. Hernandez advised the Board that the District had no unclaimed property to report for the period ending June 30, 2006, and that it would, therefore, not be necessary to prepare and file an Unclaimed Property Report with the State Comptroller.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Wagner presented the tax assessor-collector report for the month of August 2009, a copy of which is attached hereto as **Exhibit B**, including the checks presented for payment. After discussion concerning the tax assessor-collector report, Director Becker moved that said report be approved, that the checks identified in the report be approved for payment. Director Finger seconded said motion, which carried unanimously. Ms. Wagner additionally presented for the Board's review a Delinquent Collections Listing as of August 31, 2009, a copy of which is attached hereto as **Exhibit C**.

Ms. Wagner further advised the Board that the District's 2009 certified tax roll had been received from the Montgomery Central Appraisal District reflecting a 2009 certified taxable value of approximately \$73,202,497. Ms. Wagner further reported that the estimate of value requested from the Montgomery Central Appraisal District in connection with the District's proposed Series 2009 Bond Issue has now been received, and that the District's estimated value as of September 1, 2009 is approximately \$85,750,000.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

The Board deferred action relative to the review of a delinquent tax report from the District's delinquent tax collections attorneys, Perdue, Brandon, Fielder, Collins & Mott, L.L.P., since a report was not received this month.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2009 TAX RATE

The Board deferred action relative to the receipt of the financial advisor's recommendation concerning the District's proposed 2009 tax rate.

OPERATION AND MAINTENANCE REPORT

Mr. Wilson presented and reviewed with the Board the operation and maintenance report for the month of August 2009, a copy of which is attached hereto as **Exhibit D**.

The Board deferred consideration of appeals of District charges after noting that no appeals had been received.

DEVELOPER'S REPORT

The Board considered the developer's report. Mr. Weaver reported to the Board regarding the status of development and home sales within the District and within No. 83. Mr. Weaver advised the Board that development continues to progress well and that home sales continue to be strong.

Mr. Weaver further advised the Board that he is working with Montgomery County Commissioner Ed Rinehart to obtain the County's acceptance of the Bentwood Drainage Channel into the County's drainage system so that the County will contribute toward the cost of the maintenance of the channel.

ENGINEERING REPORT

The Board considered the engineering report. Mr. Billé presented to and reviewed with the Board a written report dated September 17, 2009, a copy of which is attached hereto as **Exhibit E**. Mr. Billé provided additional information concerning the following matters:

Mr. Billé advised the Board that public bids had been received on August 31, 2009, by Friendswood on behalf of the District and Porter Municipal Utility District ("Porter MUD") for the construction of the Briarberry Diversion Drainage Ditch Improvements. He distributed a bid tabulation, a copy of which is attached to the engineering report, and reported that eleven (11) bids had been received for the project, with Terbo Construction submitting the low bid in the amount of \$259,833.40. Mr. Billé advised the Board that, pursuant to the Agreement for Joint Financing and Construction of Drainage Facilities by and between the District and Porter MUD, the District's pro rata share of the cost of the project is \$234,403.46 and Porter MUD's pro rata share is \$25,429.94. Mr. Weaver reported that the Board of Directors of Porter MUD has concurred in the award of the contract for the project to Terbo Construction. Mr. Billé recommended that the construction contract for the project be awarded to the low bidder, Terbo Construction, and that the Board authorize Friendswood to execute the contract in accordance with the Utility Development Agreement by and between the District and Friendswood dated

February 14, 2005, as amended. After due deliberation and consideration, upon motion duly made by Director Becker, seconded by Finger and unanimously carried, the Board concurred in Friendswood's award of the contract for the project to Terbo Construction, at the price of \$259,833.40, subject to the District's attorneys' review of the payment and performance bonds submitted in connection with the contract to determine whether such bonds meet the requirements of applicable Texas law and the rules of the Texas Commission on Environmental Quality ("TCEQ").

Mr. Billé advised the Board of the pay estimates which had been submitted in connection with the ongoing projects within the District. Mr. Billé recommended that the pay estimates reflected on the attached engineering report be approved for payment. After discussion on the matter, it was moved by Director Becker, seconded by Director Finger and unanimously carried, that the pay estimates reflected on the attached engineering report be approved for payment, as recommended by Mr. Billé.

STATUS OF ACCEPTANCE BY MONTGOMERY COUNTY OF STREETS FOR MAINTENANCE

Mr. Billé presented to and reviewed with the Board a chart reflecting the status of the acceptance by Montgomery County of the streets located within the District for maintenance. A copy of the chart is attached to the engineering report.

ACCEPTANCE OF SITE AND/OR EASEMENT CONVEYANCES

The Board deferred action relative to acceptance of site and/or easement conveyances.

ACCEPTANCE OF CONVEYANCES OF UTILITY FACILITIES

The Board deferred action relative to the acceptance of conveyances of utility facilities.

DISCUSSION REGARDING COMPLIANCE WITH LONE STAR GROUNDWATER CONSERVATION DISTRICT'S DISTRICT REGULATORY PLAN

Mr. Schwartz updated the Board regarding surface water conversion requirements in order to comply with the Lone Star Groundwater Conservation District's District Regulatory Plan, as reflected in the attached engineering report.

APPROVAL AND EXECUTION OF SECOND AMENDMENT TO WASTE DISPOSAL AGREEMENT BY AND BETWEEN THE DISTRICT AND NO. 83

The Board deferred action relative to the approval and execution of a Second Amendment to Waste Disposal Agreement by and

between the District and No. 83. Mr. Schwartz advised the Board that correspondence from the TCEQ was just received yesterday approving the wastewater treatment plant flow factor reduction request.

AGREEMENT FOR JOINT FINANCING, CONSTRUCTION AND MAINTENANCE OF EMERGENCY GENERATORS BY AND BETWEEN THE DISTRICT AND NO. 83

The Board deferred action relative to the approval and execution of an Agreement for Joint Financing, Construction and Maintenance of Emergency Generators by and between the District and No. 83.

STATUS OF DISTRICT'S PROPOSED \$5,500,000 BOND ISSUE, SERIES 2009 AND REAPPROVAL OF PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE IN CONNECTION THEREWITH

Mr. Schwartz addressed the Board concerning the status of the District's proposed \$5,500,000 Bond Issue, Series 2009. He advised the Board that the estimate of value received from the Montgomery Central Appraisal District indicates that the District has sufficient value to proceed with the proposed bond issue. Mr. Schwartz further advised that it will be necessary to move the District's regularly scheduled Board meeting on October 15, 2009 to either October 12th or 13th for the bond sale so that the bond issue can be funded in time to redeem the District's Series 2008A, 2008B and 2008C Bond Anticipation Notes which mature on November 10, 2009. After discussion on the matter, it was moved by Director Finger, seconded by Director Becker and unanimously carried, that the Notice of Sale and Preliminary Official Statement in connection with the proposed Series 2009 Bond Issue previously approved by the Board on July 16, 2009, be reapproved by the Board and dated as of the date hereof.

STATUS OF APPLICATION TO TEXAS COMMISSION ON ENVIRONMENTAL QUALITY REQUESTING RELEASE OF \$148,000.00 IN ESCROWED BOND PROCEEDS AND ADOPTION OF RESOLUTION REQUESTING RELEASE OF \$398,791 IN ESCROWED BOND PROCEEDS IN CONNECTION WITH THE DISTRICT'S SERIES 2009 BONDS

Mr. Schwartz addressed the Board concerning the status of the Application to the TCEQ Requesting Release of Escrowed Bond Proceeds in connection with the District's Series 2009 Bonds. In that regard, he advised the Board that an Application requesting the release of a portion of the escrowed bond proceeds in the amount of \$148,000 was submitted to the TCEQ on September 2, 2009. Mr. Schwartz further advised the Board that, once the TCEQ has issued the amended waste discharge permit for the wastewater treatment plant, an additional application will be submitted to the TCEQ requesting the release of the remainder of the escrowed bond proceeds in the amount of \$398,791. After discussion on the

matter, it was moved by Director Becker, seconded by Director Finger and unanimously carried that the Resolution Requesting Release of Escrowed Bonds Proceeds attached hereto as **Exhibit F**, be adopted by the Board, that the President be authorized to execute the Resolution and the Secretary to attest same on behalf of the Board and the District.

ATTORNEY'S REPORT

The Board next considered the attorney's report. Mr. Schwartz presented for the Board's review correspondence received by the District from the Houston-Galveston Area Council (the "HGAC"), who is the coordinating sponsor for the Bacteria Implementation Group (the "BIG"). A copy of such correspondence is attached hereto as **Exhibit G**. Mr. Schwartz advised the Board that the BIG is preparing a Regional Plan (the "Plan") to address bacteria impairments in twelve watersheds which encompass most of Harris County and portions of Montgomery, Galveston, Fort Bend, Brazoria, Walker, Waller, Liberty, Grimes, and San Jacinto Counties. Mr. Schwartz reported that the completed Plan will eventually be presented to the TCEQ, and the TCEQ may act upon some or all of the recommendations cited in the Plan. He further reported that, at this stage, the BIG is starting public outreach and education efforts, and that no action is required by the District.

Mr. Schwartz further advised the Board that a request had been received from a resident of Porter Municipal Utility District to access the Bentwood Drainage Channel in connection with the construction of a swimming pool. Mr. Schwartz reported that, after discussing the matter with the District's engineer, the request had been denied due to the potential for damages to the channel. Mr. Schwartz stated that there had been no further communication from the resident.

ADJOURNMENT

There being no further business to come before the Board, it was moved Director Becker, seconded by Director Finger and unanimously carried, that the meeting be adjourned.

/s/ John Becker

John Becker
Secretary, Board of Directors

LIST OF ATTACHMENTS

<u>Exhibit A</u>	Bookkeeping Report
<u>Exhibit B</u>	Tax Assessor-Collector Report
<u>Exhibit C</u>	Delinquent Collections Listing as of August 31, 2009
<u>Exhibit D</u>	Operation and Maintenance Report
<u>Exhibit E</u>	Engineering Report
<u>Exhibit F</u>	Resolution Requesting Release of Escrowed Bonds Proceeds
<u>Exhibit G</u>	Letter from Houston-Galveston Area Council