

MINUTES OF MEETING

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 112

May 5, 2015

STATE OF TEXAS)

COUNTY OF MONTGOMERY)

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 112)

The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 112 (the "District") met in regular session, open to the public, at 12:00 p.m. on the 5th day of May, 2015, at 312 Spring Hill Drive, Suite 100, Spring, Texas, a designated meeting place outside the boundaries of the District; and the roll was called of the duly constituted officers and members of the Board, to wit:

| | |
|-------------------------|---------------------|
| Pam Madrigal | President |
| Carla Alsandor | Vice President |
| Harding R. Goodman | Secretary |
| Rebecca L. Shannonhouse | Assistant Secretary |
| Vacant | Assistant Secretary |

All of said persons were present, thus constituting a quorum.

Also present at the meeting were: Julie Peak of First Southwest Company; Tim Fitzpatrick of Caldwell Companies ("Caldwell"); Jeff Klement of JBI Partners, consultants to the developer; Robert Daigle of D.R. Horton-Texas, Ltd., a landowner and developer within the District ("Developer"); Christina Cole of Myrtle Cruz, Inc., Bookkeeper for the District; Hasan Syed, P.E., of Edminister, Hinshaw, Russ & Associates, Engineers for the District ("Engineer"); John Montgomery of Municipal Operations and Consulting, Inc., Operators for the District ("Operator"); Rhonda Rushton of Assessments of the Southwest, the Tax Assessor/Collector ("TAC") for the District; Tim Green, Attorney, and Tiffany Marquez, Paralegal, of Coats, Rose, Yale, Ryman & Lee, P.C., legal counsel for the District ("Coats/Rose"). A copy of the posted notice is attached hereto as Exhibit "A".

HEAR FROM THE PUBLIC

No comments were received from the public.

HEAR CONSTABLE REPORT

This matter was deferred.

DISCUSS REQUEST TO ANNEX LAND INTO THE DISTRICT AND TAKE ANY ACTION REQUIRED

Mr. Green outlined the Annexation and Utility Development Agreement by and between the District and CC Montgomery 429, L.P. ("Agreement"). He noted that there will be thirty nine (39) foot fifty five (55) lots developed and the owner has agreed to annex its land into the existing homeowners association, which will have architectural control. Mr. Green stated that Mr. Fitzpatrick will coordinate with the District's Financial Advisor to discuss the matter further. After review, upon a motion brought by Director Goodman, seconded by Director Shannonhouse, the Board unanimously approved and executed said Agreement.

APPROVE MINUTES OF APRIL 7, 2015 BOARD MEETING

The Board considered approving the minutes of the April 7, 2015 Board meeting. Director Alsandor noted a correction on page six (6) and correcting her name. Following discussion, based upon a motion made by Director Alsandor seconded by Director Goodman and unanimous vote, the Board approved the minutes of the April 7, 2015, as amended.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Rushton reviewed the TAC's report for the current reporting period, a copy of which is attached as Exhibit "B". Upon a motion by Director Alsandor, seconded by Director Madrigal, and unanimous vote, the Board approved the TAC Report as presented.

BOOKKEEPER'S REPORT

The Board recognized Ms. Christina Cole who reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "C".

Whereupon, based on a motion by Director Madrigal and seconded by Director Goodman, the Board voted unanimously to approve (i) the Bookkeeper's report as presented; and (ii) payment of the bills referenced therein.

HEAR FROM FINANCIAL ADVISOR

Ms. Peak reported that the District may receive the TCEQ approval for the bonds this month and she needs an updated estimate of value.

ENGINEER'S REPORT

The Board next received the Engineer's Report, a copy of which is attached hereto as Exhibit "D". Mr. Syed updated the Board on the status of engineering and construction projects within the District as follows:

Carriage Hills Blvd. – Storm Sewer and Paving Improvements

The project has been inspected by the County and TCEQ. Project is now in the one year maintenance period with Montgomery County. Pay Request No. 7 and Final has been submitted.

Detention Basin -The Fountains at Jacobs Reserve, Section Two

The plans have been revised to include the amenity basin. The Engineer is working with the developer and the contractor to finalize the change order for clay liner in the detention basin. No pay request has been submitted for this period.

Generator at Carriage Hills Lift Station

The project is complete and the Texas Commission on Environmental Quality (“TCEQ”) inspection was conducted on April 7, 2015. No deficiencies were noted and no pay requests were submitted for this period.

Water Plant Re-Painting

The project is complete and the TCEQ inspection was conducted on April 7, 2015. Minor deficiencies were noted. The contractor has corrected the noted deficiencies and submitted Pay Request No. 2.

Fifth Bond Issue

Mr. Syed reported that the bond issue was submitted to TCEQ on March 6, 2015 and declared administratively complete. He has been corresponding with the reviewer.

After review, upon a motion brought by Director Alsandor, seconded by Director Goodman, the Board unanimously approved the engineer’s report, as presented.

OPERATOR’S REPORT

The Board received the Operator’s Report, as presented by Mr. Montgomery. He updated the Board concerning operation matters, revenue, billings and expenses for the month of March, 2015. Mr. Montgomery noted cut off and write off lists are attached to his report and requested approval to move forward with termination of water for said accounts, and approval to write off said accounts.

Review an discuss Red Flags Policy and consider acting thereon

This matter was deferred.

Consider approving Consumer Confidence Report (“CCR”)

Mr. Montgomery presented the draft of the Consumer Confidence Report (“CCR”) to be posted on line. He noted that each resident will be notified of the link to access the CCR and anyone requesting a hardcopy will receive one as well, a copy of said draft is attached hereto as Exhibit “E”.

Next, Mr. Montgomery presented a letter from the San Jacinto River Authority (“SJRA”) with a notification of a meeting to discuss the groundwater pumpage fee increase.

After review, upon a motion brought by Director Goodman, seconded by Director Madrigal, the Board unanimously voted to (i) approve the Operator’s report; (ii) approve payment of the bills; (iii) approve termination of water for accounts listed on cut off list; and (iv) approve write off list as uncollectible accounts. A copy of the Operator’s report is attached as Exhibit “F”.

DEVELOPER’S REPORT

The Board next recognized Mr. Klement who presented his report, a copy of which is attached hereto as Exhibit “G”. He reported as follows:

Holly Terrace at Jacobs Reserve, Section Four (59 lots)

Lischka Utilities, LLC has submitted Change Order No. 1 JBI Partners, Inc. has reviewed the change order and recommended approval of Change Order No. 1, in the amount of \$7,500.

Lischka Utilities, LLC has submitted Pay Request No. 1 & Final in the amount of \$45,000.00 JBI Partners, Inc. has reviewed the request and recommended payment by D.R. Horton- Texas, Ltd.

Holly Terrace at Jacobs Reserve, Section Five (73 Lots)

Sanitary Manhole Adjustments and Sanitary Service Extension - Lischka Utilities, LLC has submitted Pay Request No. 1 Final in the amount of \$61,750.00. JBI Partners, Inc. has reviewed the request and recommended payment by D.R. Horton – Texas.

Oak Estates at Jacobs Reserve, Section Two (58 Lots)

Lischka Utilities, LLC has submitted Pay Request No. 1 & Final in the amount of \$40,500 JBI Partners, Inc. has reviewed the request and recommended payment by D.R. Horton – Texas, Ltd.

After review, upon a motion brought by Director Madrigal, seconded by Director Goodman, the Board unanimously concurred and approved all action items requested by JBI Partners, Inc.

HEAR ATTORNEY'S REPORT AND CONSIDER ACTING THEREON

No action was taken.

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

PASSED AND APPROVED this 2nd day of June, 2015.


Secretary

