

# MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 8

## MINUTES OF SPECIAL MEETING OF BOARD OF DIRECTORS

NOVEMBER 10, 2011

The Board of Directors (the "Board" or "Directors") of Montgomery County Municipal Utility District No. 8 (the "District" or "MCMUD 8") met in special session, jointly with Montgomery County Municipal Utility District No. 9 ("MCMUD 9"), open to the public, on Thursday, November 10, 2011, at 9:00 a.m., at the Walden Yacht & Country Club, 13101 Melville Drive, Montgomery, Texas 77356, a designated meeting place located inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Roy McCoy	President
Robert Leasure	Vice President
Daniel L. Davis	Assistant Vice President
Arch Payne	Secretary
Claude D. (Dan) Fryman	Assistant Secretary

All members of the Board were present, except for Director Payne. Also attending were Linda Wilson, Ernie Harris, Judy Sanders, Charles H. Barron and Jerry Nispel, Board of Directors of MCMUD 9; Justin Abshire of Jones & Carter, Inc. (MCMUD 8 "Engineer"); Michael W. Mathena, P.E. of Bleyl & Associates ("MCMUD 9 Engineer"); Phillip Wright of Hays Utility North Corporation ("Operator"); Carolyn Ahrens of Booth, Ahrens & Werkenthin, P.C.; Mike Irlbeck, Bill Norris and David Pettry of NRS Consulting Engineers, Inc. ("NRS"); Scott Sustman, General Manager of the Walden Community Improvement Association ("WCIA"); Clark S. Lord of Vinson & Elkins LLP, attorney for MCMUD 9; and Ross J. Radcliffe and Elliot M. Barner of Johnson Radcliffe Petrov & Bobbitt PLLC ("District's Attorney").

The President, after finding that the notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order and declared it open for such business as may come before it.

1. Public Comment. The President first opened the meeting to public comment.

- a. Mr. Sustman discussed a possible park on the property at the wastewater treatment plant.

As no further public comment was offered, the President directed the Board to proceed with the agenda.

2. Attorney's Report.

- a. Ms. Ahrens reviewed the history of permitting and water rights acquisition.
- b. Ms. Ahrens reported that the compelled service action against the San Jacinto River Authority and the City of Houston is on hold.

- c. Ms. Ahrens next reported that she responded to the Lone Star Groundwater Conservation District ("LSGCD") regarding early conversion credits.

3. NRS Engineer's Report.

- a. Mr. Norris first reported that the test well/production well projects are scheduled to begin in three (3) months.
- b. Mr. Norris next reported that he solicited bids from three (3) reputable contractors for the test well/production well project, and distributed a bid tabulation and recommendation letter regarding the bids that were received for the project, a copy of which is attached as Exhibit "A." Mr. Norris recommended awarding the contract to the lowest bidder, Weisinger Water Well Inc. ("Weisinger"). Upon a **motion** by Director Davis, seconded by Director Fryman, after full discussion and with all Directors present voting aye, the Board approved the award of the contract to Weisinger, authorized preparation of contract documents and authorized execution of the contract, subject to the review of the Engineer and Attorney. MCMUD 9 followed such action and concurred with awarding the contract to Weisinger.
- c. A discussion next ensued regarding implementation of a combination test well and production well. No action was taken.
- d. The Boards next discussed engagement of an independent administrator to oversee the Districts' project. A discussion ensued regarding the need of an administrator, if each of the districts' engineers were apprised of each step of the project with an opportunity to comment. Upon a **motion** by Director Fryman, seconded by Director Leasure, after full discussion and with all Directors present voting aye, the Board authorized the District's consultants to keep the District Engineer apprised of events as they occur. MCMUD 9 followed such action and concurred that Bleyl & Associates be apprised of events as they occur.

4. Regulatory Activities.

It was reported that the LSGCD will regulate the Catahoula wells and will initially charge the \$0.06 per 1,000 gallons pumpage fee.

5. \$2,725,000 Waterworks and Sewer System Revenue Bonds, Series 2011 (the "Series 2011 Bonds").

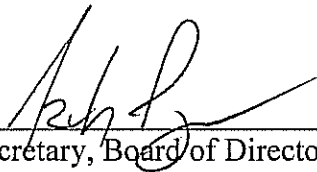
- a. A discussion ensued regarding the Series 2011 Bonds and issues related to the SAS 115 matter referenced in the auditor's Management Letter.
- b. Mr. Radcliffe then presented an Order Authorizing \$2,725,000 Waterworks and Sewer System Revenue Bonds, Series 2011, a Transfer and Paying Agency Agreement, an Escrow Agreement, and Other Matters in Connection Therewith (the "Bond Order"). Upon a **motion** by Director Fryman, seconded by Director Leasure, after full discussion and with all Directors present voting aye, the Board approved the Bond Order as presented.

6. Executive Session. Pursuant to Chapter 551 of the Texas Government Code, Subchapter D, of the Open Meetings Act, the President called the executive session to order at 11:12 a.m. to discuss matters within the attorney/client privilege regarding real estate matters. Present for the executive session were the Board of Directors of MCMUD 8, except for Director Payne; the Board of Directors of MCMUD 9; Ms. Ahrens, Mr. Lord, and Mr. Radcliffe.

As of 12:37 p.m., the President declared the Executive Session was ended and the public session was resumed.

**THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD,** the meeting was adjourned.

**PASSED AND APPROVED** this the 14th day of December, 2011.

  
\_\_\_\_\_  
Secretary, Board of Directors

Exhibits

A - Bid tabulation and recommendation letter for test well/production well project



November 9, 2011

Roy McCoy  
Chairman  
Montgomery County Utility District No. 8  
P.O. Box 1170  
Montgomery, TX 77356

RE: Montgomery County Utility District No. 8  
Test Hole Drilling, Temporary Well Construction, and  
Permanent Well Construction  
Recommendation Letter

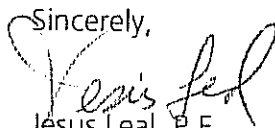
Dear Mr. McCoy,

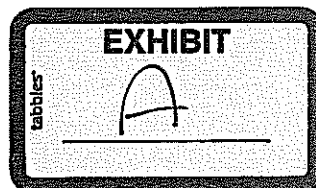
We recommend that Weisinger be selected based on their low bid and their experience and capability to conduct the work.

Because we did not have exact depths for the base bid, our estimates are based on the Stanley Lake test hole, which we expect is a little deeper than what we will have. Therefore, we expect to have some deductions for the reduced amount of drilling and materials.

Please let us know if you have any questions or require additional information.

Sincerely,

  
Jesus Leal, P.E.  
Principal



[www.NRSEngineers.com](http://www.NRSEngineers.com)

**Austin**  
2600 via Fortuna, Suite 220  
Austin, TX 78746  
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**Dallas**  
2560 Southwest Road  
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**Harlingen**  
1222 E. Tyler, Suite C  
Harlingen, TX 78550  
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**San Antonio**  
1777 N.E. Loop 410, No. 600  
San Antonio, TX 78217  
T 210 920 2619  
F 210 941 5790

**Kevin Spencer**

11/04/2011 11:25 AM

Send To	Bill Norris <bnorris@nrseengineers.com>, David Pettry <david.pettry@gmail.com>, "david.pettry@befesa.abengoa.com" <david.pettry@befesa.abengoa.com>, "jleal@nrseengineers.com" <jleal@nrseengineers.com>, Roy McCoy <roy@nwds.com>, Linda Wilson <lrwilson@consolidated.net>, Ross
cc	
bcc	
Subject	Bid Tab

All,

Attached is the Bid Tabulation for the test hole and production well. We recommend that Weisinger be selected based on their low bid and their experience and capability to conduct the work.

Because we did not have exact depths for the base bid, our estimates are based on the Stanley Lake test hole, which I expect is a little deeper than what we will have. Therefore, I expect that we will have some deductions for the reduced amount of drilling and materials. To address this possibility I added a hypothetical situation where I assume that the casing will be 150 shorter as well as a few other assumptions. In this situation Weisinger is still the low bidder.

If you have any questions, please let me know.

**Kevin J. Spencer, P.G.**

President

**R.W. Harden & Associates, Inc.**

3409 Executive Center Drive Suite 226

Austin, Texas 78731

(512) 345-2379 (o)

(512) 338-9372 (f)

(512) 659-6154 (m)



Bid Tabulation\_Final.xlsx



Bid Tabulation\_Hypothetical.xlsx

Table 1: Bid Tabulation - Montgomery County MUD 8

<u>Bid Item</u>	<u>Alsay</u>	<u>Layne</u>	<u>Weisinger</u>
Item 1 (Mobilization/Demobilization)	\$200,000.00	\$270,100.00	\$100,000.00
Item 2 (Drilling 1 hole to 3,000')	\$360,000.00	\$241,700.00	\$275,000.00
Item 3 (Construct 3 temporary wells)	\$135,000.00	\$174,700.00	\$225,000.00
Item 4 (Construct 1 public supply production well)	\$1,000,000.00	\$1,215,800.00	\$998,500.00
Item 5 (Construct surface slab/pump foundation at 1 public supply well site)	\$5,000.00	\$12,500.00	\$5,000.00
Item 6 (Furnish/install/test permanent pumping equipment in 1 well)	\$160,000.00	\$241,400.00	\$245,000.00
Item * (Sound barriers)	\$120,000.00	\$133,900.00	\$118,000.00
<b>Total Bid Items</b>	<b>\$1,980,000.00</b>	<b>\$2,290,100.00</b>	<b>\$1,966,500.00</b>
<u>Permanent Materials</u>			
Item 7 (Materials assoc. w/1 public supply well)	\$600,000.00	\$520,825.00	\$399,500.00
Item 8 (Materials assoc. w/construction of surface slab/pump foundation)	\$3,000.00	\$6,250.00	\$2,200.00
Item 9 (Materials assoc. w/furnishing/installing/testing permanent pumping equipn)	\$150,000.00	\$218,900.00	\$98,300.00
<b>Total Material Costs</b>	<b>\$753,000.00</b>	<b>\$745,975.00</b>	<b>\$500,000.00</b>
<u>Add/Deduct Prices</u>			
Item 10 (Drilling test hole to 3,000')	\$360,000.00	\$241,700.00	\$325,000.00
Item 11 (Per foot of test hold drilled +/- 3,000' base depth)	\$120.00	\$33.00	\$75.00
Item 12 (Per foot for plugging +/- 3,000' base depth)	\$12,000.00	\$19,900.00	\$35,000.00
Item 13 (Per foot for test hole plugging +/- 3,000' base depth)	\$250.00	\$6.00	\$25.00
Item 14 (Add or deduct per each sieve analysis +/- than 110 per hole)	\$100.00	\$25.00	\$5.00
Item 15 (Per each cement plug, base amount of 30 sacks)	\$6,000.00	\$12,900.00	\$10,000.00
Item 16 (Add/Deduct per sack of cement +/- than base)	\$60.00	\$20.00	\$35.00
Item 17 (Add/Deduct for construction of a temporary well w/depth between 2,600'-2)	\$45,000.00	\$58,200.00	\$55,000.00
Item 18 (Add/Deduct to construct temporary well w/depth between 2,350'-2,600')	\$40,000.00	\$49,400.00	\$50,000.00
Item 19 (Add/Deduct to construct temporary well w/depth between 2,000'-2,350')	\$40,000.00	\$41,100.00	\$45,000.00
Item 20 (Add/Deduct to construct temporary well w/depth between 1,500'-2,000')	\$40,000.00	\$39,900.00	\$40,000.00
Item 21 (Add/Deduct per hour of temporary well testing time +/- 36hrs)	\$200.00	\$350.00	\$350.00
Item 22 (Lump sum price for construction of additional public supply permanent pi)	\$1,200,000.00	\$1,215,800.00	\$1,048,500.00
Item 23 (Add/Deduct per foot of 18" OD casing in permanent production well)	\$100.00	\$103.00	\$75.00
Item 24 (Add/Deduct per foot of reaming below the production casing +/- than 490")	\$50.00	\$66.00	\$100.00
Item 25 (Add/Deduct per foot of 12 3/4" OD blank liner +/- 380')	\$150.00	\$209.00	\$150.00
Item 26 (Add/Deduct per foot of 12 3/4 OD screen +/- 300')	\$230.00	\$298.00	\$165.00
Item 27 (Add/Deduct per hour of well testing time (pumping) +/- 48hrs)	\$215.00	\$350.00	\$350.00
Item 28 (Add/Deduct per hour of well testing time (non-pumping/recovery) +/- 24hr:	\$175.00	\$300.00	\$300.00
Item 29 (Add per hour of well development time)	\$200.00	\$475.00	\$350.00
Item 30 (Add/Deduct for ea. 50' of discharge line)	\$10.00	\$15.00	\$10.00
Item 31 (Add/Deduct for permanent pumping equipment)	\$160,000.00	\$241,400.00	\$245,000.00
Item 32 (Add/Deduct per each permanent pump stage)	\$1,300.00	\$1,500.00	\$1,000.00
Item 33 (Add/Deduct per each required 50 horsepower change in pump motor)	\$6,500.00	\$3,950.00	\$1,500.00
Item 34 (Add/Deduct for 20' of pump column, oil tubing shaft and airline +/- 600')	\$1,700.00	\$2,100.00	\$1,000.00
Item 35 (Add for conducting TV survey)	\$2,500.00	\$1,600.00	\$3,000.00
Item 36 (Add per hour of drilling rig and crew time for operations not specified but	\$250.00	\$450.00	\$550.00
Item 37 (Unit price per hour for drilling rig and crew for standby time)	\$175.00	\$350.00	\$500.00
Item 38* (Add to furnish/install temporary pumping equipment)	\$50,000.00	\$75,900.00	\$48,000.00
Item 39* (Add/Deduct for ea. liner ft. or perimeter sound barrier +/- 560')	\$160.00	\$150.00	\$250.00
Item 40* (Add/Deduct for ea. point source sound barrier)	\$7,000.00	\$5,500.00	\$9,500.00
<b>Available Start Date</b>	<b>12/15/2011</b>	<b>12/15/2011</b>	<b>12/15/2011</b>