

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

January 26, 2009

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 82 (the "District") met in regular session, open to the public, on January 26, 2009, outside the boundaries of the District, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, and the roll was called of the members of the Board:

Gary Sundstrom	President
Rick Gable	Vice President
Don Hays	Secretary
Matthew Hoffpauir	Assistant Vice President
Jerry Chesnutt	Assistant Secretary

and all of the above were present.

Also present at the meeting were David Wright, Scott Shelnut and Dennis Wright, of TNG Utilities, Inc. ("TNG"); David Ferrier and Vickey Sullivan of Equi-Tax, Inc.; Mike Hunt of Aurous Properties, Inc.; Erik Spencer of Van De Wiele Engineering, Inc. ("Van de Wiele"); Chris Swedlund of McCall Gibson & Company, PLLC; David Escobar of the Harris County Precinct 4 Constable's office; David Aguilar of Republic Waste Services; and Lynne B. Humphries and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the December 22, 2008, regular meeting. After review and discussion, Director Chesnutt moved to approve the minutes of the December 22, 2008, meeting. Director Gable seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

GARBAGE SERVICE

Mr. Aguilar said that he is now the District's Republic Waste representative. He reported on service in the District during the month. Mr. Aguilar requested a copy of the District's directory and contact information.

## OPERATION OF DISTRICT FACILITIES

Mr. David Wright presented the operator's report, a copy of which is attached. He reviewed the water production report and stated that water consumption was 17,223,000 gallons with 19,296,000 gallons pumped. He said that water accountability was 93.01% during December and that there were no excursions at the wastewater treatment plant during the month. Mr. Wright reviewed the billing and collection report. Ms. Humphries requested that the word penalty be changed to late charge on the billing and collection report.

The Board reviewed the water production report, the Harris-Galveston Coastal Subsidence District report and the North Harris County Regional Water Authority ("NHCRWA") report. The Board discussed the NHCRWA 2009 pumpage fee increase. Mr. Wright confirmed that the next utility bill mailed to the District's customers will reflect the pumpage fee increase.

Mr. Wright said that a break-in occurred at the wastewater treatment plant and at water plant no. 2 and that the Harris County Constable was notified. He said that at water plant no. 2, the air conditioning and camera box were torn out. Mr. Wright said that the air conditioning was not damaged has been re-installed and that the deadbolts have been replaced on the doors. Director Sundstrom suggested constructing a wire cage around the air conditioning. Director Hays proposed replacing the existing auto dialers and adding a telephone line at water plant no. 2 in order to accommodate an updated and dedicated auto dialer. Mr. Wright said that he will talk to the phone company and obtain cost information on new auto dialers.

The Board reviewed the utility cut-off list and the builder damage report. Mr. Wright said that builders are notified that taps will be held if they have unpaid builder damages. After review and discussion, Director Hays moved to approve the operator's report. Director Chesnutt seconded the motion, which passed by unanimous vote.

## CONDUCT HEARING ON TERMINATION OF WATER SERVICE

The Board conducted a hearing on the termination of water service. Mr. Wright reported that the customers on the attached termination list for the month were delinquent and had been given notification of the opportunity to appear before the Board of Directors to explain, contest, or correct the bill and to show reason why service should not be terminated because of nonpayment, all as required by the District's Amended Rate Order. Director Hays moved that, because the customers on the attached list were not present at the meeting, nor had presented any statement on the matter, said utility services should be terminated in accordance with the District's Amended Rate Order, if payment is not received. Director Chesnutt seconded the motion, which passed unanimously.

REQUEST FOR PUBLIC ASSISTANCE FROM THE FEDERAL EMERGENCY  
MANAGEMENT AGENCY ("FEMA")

Mr. Wright said that the appropriate forms to request reimbursement to the District for damages incurred as a result of Hurricane Ike have been submitted to FEMA. Mr. Spencer said that the Notice of Interest for grant assistance has also been submitted.

FINANCIAL AND BOOKKEEPING

Mr. Ferrier presented the bookkeeper's report, investment report, and surplus funds report and reviewed the bills presented for payment. Ms. Sullivan said that the District has debt service and capital projects checking accounts with Chase Bank. She said that Chase Bank has billed the District for 2008 administrative fees in the amount of \$1,309.51 on these accounts. She said that the administrative fees include a fee for checks from customers returned for insufficient funds. She said that Chase Bank did not previously charge this fee to the District. She requested authorization from the Board to open debt service and capital projects checking accounts at a different bank and to close the accounts at Chase Bank. Director Sundstrom requested that the bookkeeper insure that the fees collected from customers for returned checks are sufficient to cover the fees charged to the District by the bank.

Ms. Covan said that TMK Enterprises has not yet signed the Addendum to their service contract. After review and discussion, the Board authorized the bookkeeper to hold the check to TMK Enterprises, pending receipt of the signed Addendum.

Director Hays noted that Commercial Building Services was paid for mowing services. He asked if the District has a contract with this company. The Board directed that Mr. Wright request that Commercial Building Services provide a contract for their services to ABHR for review.

Director Hays requested a copy of the arbitrage earnings report from OmniCap Group. Director Hays discussed the fuel surcharge reflected on the invoice from Magna Flow Environmental ("Magna Flow"). He expressed his belief that in light of the decrease in fuel costs, this charge is not appropriate. Director Hays requested that Mr. Wright contact Magna Flow to discuss this matter.

After review and discussion, Director Chesnutt moved to authorize the bookkeeper to open debt service and capital project checking accounts at a different bank, close the two accounts at Chase Bank, and approve the bookkeeper's report. Director Hays seconded the motion, which passed by unanimous vote. A copy of the bookkeeper's report is attached.

## ANNUAL DISCLOSURE STATEMENTS

Ms. Humphries explained that the annual disclosure statement discloses relationships of the bookkeeper and investment officer with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. After review and discussion, Director Chesnutt moved that the Board accept the disclosure statement from the District's bookkeeper and investment officer and authorize filing the disclosure statements with the Texas Ethics Commission. Director Gable seconded the motion, which passed unanimously.

## TAX ASSESSMENT AND COLLECTIONS

Ms. Sullivan reviewed the tax assessor/collector's report and the bills presented for payment. She said that the District's 2008 taxes are 72% collected. After review and discussion, Director Gable moved to approve the tax assessor/collector's report. Director Chesnutt seconded the motion, which passed by unanimous vote. A copy of the tax assessor/collector's report is attached.

## DELINQUENT TAX REPORT

The Board reviewed the Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached. The report states that the tax suit on the Vaquell, Inc. property was filed on July 23, 2008, and the hearing date has been set for February 6, 2009.

## AUDIT

Mr. Swedlund reviewed the audit for the fiscal year ended September 30, 2008, including the management discussion and analysis. Mr. Swedlund said that the audit revealed that C. E. Barker may have been paid twice for the same invoice. Mr. Ferrier and Mr. Spencer said that they will research this matter. After review and discussion, Director Gable moved to approve the management response letter and the audit, subject to final review. Director Hoffpauir seconded the motion, which passed by unanimous vote.

## ENGINEERING

Mr. Spencer presented the engineering report, a copy of which is attached.

## EASEMENTS AND DEEDS, CONSENTS TO ENCROACHMENT, UTILITY COMMITMENTS

Mr. Spencer said that a Special Warranty Deed conveying Restricted Reserve E of Bradbury Forest, Section 5 from the Bradbury Forest Homeowner's Association

(the "HOA") to the District has been signed by the HOA and is presented today for acceptance by the Board.

Mr. Spencer said that the District needs to acquire a 0.289 acre tract for access to the wastewater treatment plant expansion and the water plant. He said that the owner of record, Johnson & Loggins, is a dissolved company and a deposit of \$5,000 was paid to a law firm that agreed to research whether they could sign an easement on behalf of Johnson & Loggins. He said that the law firm no longer has authority for Johnson & Loggins and has agreed to return the District's deposit. Ms. Humphries said that a condemnation attorney, Charles McFarland, currently with Vinson & Elkins, but leaving for another firm, has been contacted regarding proceeding with condemnation proceedings. She said that Mr. McFarland has provided a Vinson & Elkins engagement letter. The Board expressed its desire to engage Mr. McFarland to handle the condemnation proceedings with the understanding that if Mr. McFarland has left or leaves Vinson & Elkins, the District will continue to be represented by Mr. McFarland and the case will follow Mr. McFarland to his new employment. The Board then considered adopting a Resolution Authorizing Condemnation of the 0.289 acre tract.

#### BRECKENRIDGE FOREST NORTH, SECTION 2

Mr. Spencer stated that the Breckenridge North, Section 2 site is stabilized and that the storm water pollution prevention contract is on hold until further development.

#### NORTH SPRING, SECTION 15

Mr. Spencer stated that the development of North Spring, Section 15 is on hold.

#### BIRNAMWOOD DRIVE EXTENSION

Mr. Spencer reported on the status of storm water pollution prevention to serve the Birnamwood Drive extension. He presented and recommended for approval Pay Estimate No. 5 to Environmental Allies in the amount of \$2,366.25.

Mr. Spencer reported on the construction of underground utilities to serve Birnamwood Drive. He presented and recommended for approval Pay Estimate No. 2 to Allgood Construction in the amount of \$157,767.75.

Mr. Spencer reported on the Birnamwood Bridge utilities. He had no pay estimates to present to the Board.

### BRECKENRIDGE FOREST, SECTION 9 AND 10

Mr. Spencer had no report on these matters.

### SPRING PINES (MORRISON HOMES)

Mr. Spencer discussed the Spring Pines project. He stated that the pollution prevention contract is complete. He presented and recommended for approval Pay Estimate No. 7 and Final in the amount of \$40,668.54 and recommended that the Board accept the project.

### BRECKENRIDGE PARK (WOODMERE DEVELOPMENT)

Mr. Spencer reported on the development of Breckenridge Park. He presented and recommended for approval Pay Estimate No. 17 in the amount of \$325.00 for the storm water pollution prevention contract. Mr. Spencer said that the construction of water, sewer and drainage facilities for Breckenridge Park is on hold.

### BRADBURY FOREST, SECTIONS 6 AND 7

Mr. Spencer stated that plans for Bradbury Forest, Sections 6 and 7 have been approved by governmental agencies. He requested that the Board approve the plans and specifications and authorize advertising for bids.

### WATER PLANT NO. 3

Mr. Spencer discussed the construction of water plant no. 3. He said that the contractor is addressing the fence matter remaining on the punch list.

### WASTEWATER TREATMENT PLANT EXPANSION

Mr. Spencer reported that plans for the wastewater treatment plant expansion will be submitted to governmental agencies for review after the easements are acquired. Director Hays said that there may be ways to improve the efficiency of the wastewater treatment plant while waiting for the expansion to move forward. He suggested that two Board members form a committee to investigate options for improving the efficiency of the wastewater treatment plant. After discussion, the Board concurred with Director Hays' suggestion.

### CONNECTION AND CAPACITY UPDATE

Mr. Spencer stated that there are 2,650 active single-family residential water connections in the District. He said that the connections and capacity report will be updated upon receipt of requested information from TNG.

## DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

Mr. Hunt reported on development in the District. He said the Spring Independent School District ("SISD") plans to construct a high school and an elementary school on an approximately 109 acre tract. He said that he and David Oliver are working with SISD to obtain an access easement or an encroachment agreement from the pipeline company.

After review and discussion, and based on the engineer's recommendation, Director Hays moved to: 1) authorize engaging Charles McFarland to handle the condemnation proceedings as discussed; 2) accept the Special Warranty Deed conveying Bradbury Forest, Section 5 Reserve E; 3) adopt the Resolution Authorizing Condemnation; 4) approve Pay Estimate No. 5 in the amount of \$2,366.25 to Environmental Allies for storm water pollution prevention for Birnamwood Drive; 5) approve Pay Estimate No. 2 to Allgood Construction in the amount of \$157,767.75 for the Birnamwood Drive underground utilities; 6) approve Pay Estimate No. 7 and Final in the amount of \$40,668.54 for Spring Pines underground utilities and accept the project; 7) approve Pay Estimate No. 17 in the amount of \$325.00 for the storm water pollution prevention contract for Breckenridge Park; 8) approve the plans and specifications and authorize advertising for bids for Bradbury Forest, Sections 6 and 7 underground utilities; and 9) accept the engineer's report. Director Gable seconded the motion, which passed by unanimous vote.

## SECURITY REPORT

Mr. Escobar reported on security in the District. A copy of the security report is attached.

## NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Gable reported on the NHCRWA.

## WEB SITE

There was no report on the web site.

## ACTION TAKEN DURING THE MONTH

The Board reviewed the action list attached to the minutes.

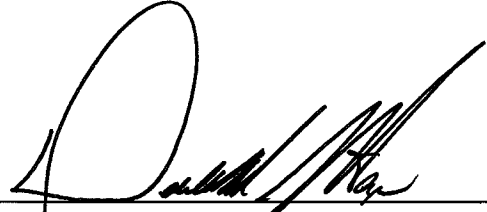
## LEGISLATIVE MONITORING REPORT

There was no report on the Legislative report.

DIRECTORS AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

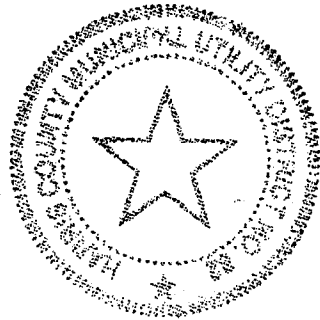
There were no additional reports from consultants and directors.

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



Secretary, Board of Directors

(SEAL)



ACTION LIST

1. Republic Waste will replace the trash can at the pool on North Spring Drive.
2. Engineer will update the connections and capacity information.
3. Ms. Covan will provide District contact information to Mr. Aguilar.
4. Operator will change the wording on the billings and collection report.
5. Operator will contact the telephone company regarding a phone line at water plant no. 2 and obtain proposals for new auto dialers.
6. Bookkeeper will open new debt service and capital projects checking accounts; hold the check to TMK Enterprises; insure that fees charged to customers for returned checks are sufficient to cover bank charges.
7. Operator will contact Commercial Building Services regarding a contract.
8. Attorney will provide a copy of the OmniCap report to each Board member.
9. Attorney will file the disclosure statements with the Texas Ethics Commission.
10. Operator will contact Magna-Flow Environmental regarding the fuel surcharge.
11. Bookkeeper will investigate a possible double payment to C. E. Barker.

LIST OF ATTACHMENTS

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