

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

October 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 October 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 and Dennis Wright of TNG Utility Corp. ("TNG"); Vickey Sullivan and David Ferrier of Equi-Tax, Inc.; Mike Hunt of Aurous Properties, Inc.; Erik Spencer of Van De Wiele & Vogler, Inc. ("Van de Wiele"); David Aguilar of Republic Waste Company; Anthea Moran of First Southwest Company; Sergeant David Escobar of the Harris County Precinct 4 Constable's office; and Lynne Humphries and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the September 28, 2009, meeting. After review and discussion, Director Chesnutt moved to approve the minutes of the meeting. Director Gable seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

GARBAGE SERVICE

Mr. Aguilar reported on garbage service in the District and reviewed the Work Order Report, a copy of which is attached. He said that garbage receptacles and liners were provided for National Night Out. Director Gable said that the two small garbage dumpsters at the pool had not yet been picked up. Mr. Aguilar said that he will pick them up.

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 during the month of September was 20,971,000 gallons with 22,221,000 gallons pumped. Mr. David Wright said that water accountability was 95.5% during September and that there were no excursions at the wastewater treatment plant. Mr. David Wright then reviewed the billing and collection report. He said that 14% of the District's customer payments were made on-line. Mr. David Wright said that four new taps were installed during September.

In response to a question, Mr. David Wright said that Texas UCIS is a company he owns that performs projects as a subcontractor to TNG on the District's facilities. He said that Texas UCIS is utilized for District work only if TNG cannot perform the work. Mr. David Wright said that Texas UCIS also reads the District's water meters and that the charge for this is included in TNG's base rate to the District.

The Board reviewed a letter to builders in the District drafted by TNG regarding changes to builder deposits. The Board agreed that the maximum builder deposit collected should be \$5,000. Mr. David Wright said that he will revise the letter. The Board requested that ABHR clarify the language in the builder deposit section of the Amended Rate Order to reflect the maximum builder deposit of \$5,000.

Mr. David Wright said that a copy of a Service Agreement from Optio Solutions has been provided to ABHR for review. He said that the Agreement provides for the collection of delinquent utility accounts.

Mr. David Wright discussed the Texas Commission on Environmental Quality (the "TCEQ") Agreed Order and the administrative penalty. He said that the quarterly letter has been mailed to the TCEQ. Mr. David Wright said that has not received any communications from the Texas Department of Parks and Wildlife.

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 reviewed the utility cut-off list. After review and discussion, Director Chesnutt moved to approve the operator's report. Director Hoffpauir 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. David 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 Chesnutt 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 Gable seconded the motion, which passed unanimously.

ENVIRONMENTAL PROTECTION AGENCY GROUNDWATER RULE

Ms. Humphries discussed the Environmental Protection Agency Ground Water Rule ("GWR"). She said that the GWR provides for increased protection against pathogens in public water systems and the EPA has issued the GWR to improve drinking water. After discussion, the Board asked that the District's operator and engineer determine if the District needs to make any changes to be in compliance with the GWR.

DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2007 BONDS

Ms. Humphries said that a developer reimbursement report is being prepared for the partial reimbursement to Tiffany Meadows from the Series 2007 Bonds. Mr. Spencer said that the developer has not yet provided documentation to the auditor. The Board took no action on this matter.

FINANCIAL AND BOOKKEEPING

Mr. Ferrier presented the bookkeeper's report, a copy of which is attached, the investment report and surplus funds report and reviewed the bills presented for payment.

The Board considered an amendment to the bookkeeper's report to provide for an increase of \$100 to the monthly fee.

The Board considered amending the budget for the fiscal year ending September 30, 2010, to provide for the increase in revenues due to the NHCRWA assessment and pumpage fee increase and a corresponding increase in expenses from \$350,000 to \$500,000, an increase in the bookkeeper's annual fee from \$11,400 to \$12,600, and the increase in security costs from \$300,000 to \$308,000.

Ms. Humphries discussed the Compass Bank account for customer deposits. She said that interest is not paid to the customer and recommended that interest earned be moved to the District's operating account. Mr. Ferrier said that he will make the transfers as necessary and footnote the amount of customer deposits on the bookkeeper's report. Mr. Ferrier recommended combining the TexPool accounts for capital projects funds for the water plant and the wastewater treatment plant.

Ms. Humphries discussed the remaining surplus funds. She asked the bookkeeper to footnote which projects require only a notification letter to the TCEQ prior to use of the funds, which projects require TCEQ approval and which projects have been approved by the TCEQ.

Mr. Ferrier said that the District has a Letter of Credit Agreement with Compass Bank and that Compass Bank has asked the District to set a dollar amount on the amount of letters of credit that could be used as collateral. After discussion, the Board determined to set no limit on the amount of Letters of Credit that can be used as collateral.

After review and discussion, Director Chesnutt moved to: 1) approve the amendment to the bookkeeper's contract; 2) adopt an amended budget for the fiscal year ending September 30, 2010, with the changes discussed; 3) authorize the bookkeeper to combine the TexPool accounts for the water plant and wastewater treatment plant funds in the capital projects account; and 4) to approve the bookkeeper's report. Director Gable seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTIONS

Ms. Sullivan reviewed the tax assessor/collector's report and the bills presented for payment. 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. Ms. Sullivan said that a new aerial photograph of the District has been requested.

DELINQUENT TAX REPORT

There was no report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE

The Board considered setting a tax rate for 2009. Ms. Sullivan reported that the District published notice to levy a total tax rate of \$0.78 per \$100 of assessed valuation for 2009. The Board confirmed its intention that the 2009 tax levy include a debt service component for the calendar year ending December 31, 2010, and a maintenance tax component for the fiscal year ending September 30, 2010.

Director Sundstrom opened the public hearing regarding the District tax rate and upon no comment from the public, the Board concurred to close the public hearing.

ORDER LEVYING TAXES

After review and discussion, Director Chesnutt moved that the Board adopt the Order Levying Taxes for 2009 containing a total tax rate of \$0.78 per \$100 of assessed valuation consisting of \$0.62 for debt service and \$0.16 for operation and maintenance and direct that the Order be filed appropriately and retained in the District's official records. The motion was seconded by Director Gable and carried unanimously.

AMENDMENT TO INFORMATION FORM

The Board considered approving the Amendment to Information Form to reflect the District's 2009 tax rate. After review and discussion, Director Chesnutt moved that the Amendment to the Information Form be approved and filed with the TCEQ and with Harris County, as required by law, and filed appropriately and retained in the District's official records. Director Gable seconded the motion, which carried unanimously.

SECURITY

Sergeant Escobar reviewed the September security patrol report, a copy of which is filed in the District's official records.

TMK MAINTENANCE CONTRACT

The Board considered an amendment to the Service Contract with TMK Enterprises for maintenance of the District's detention ponds and easements, a copy of which is attached. Mr. Spencer said that Birnamwood Drive has been added to the contract and the cost of mowing, over seeding and fertilizing other facilities increased due to an increase in the acreage. The Board noted an error in the calculations resulting in an incorrect total bid amount of \$31,404.29. After review, the Board determined that the correct bid amount is \$35,013.89. After review and discussion, Director Chesnutt moved to approve the Amended Service Contract and the correct bid amount of \$35,013.89. Director Gable seconded the motion, which passed by unanimous vote. Mr. Spencer said that he will have Exhibit A to the Service Contract revised.

ENGINEERING

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

EASEMENTS AND DEEDS, CONSENTS TO ENCROACHMENT, UTILITY COMMITMENTS

The Board considered accepting a force main easement from Spring Independent School District.

BRECKENRIDGE FOREST NORTH, SECTION 2

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

BIRNAMWOOD DRIVE EXTENSION TO SERVE ELEMENTARY SCHOOL

Mr. Spencer reported on the contract for water, sewer and drainage facilities. He presented and recommended for approval Pay Estimate No. 4 and Final to Allgood Construction in the amount of \$14,914.02, and recommended that the Board accept the project. Mr. Spencer reported on the pollution prevention contract. He recommended for approval Change Order No. 1 in the amount of \$775.00 for removal of the reinforced filter fabric fence that is no longer needed.

BRECKENRIDGE PARK (WOODMERE DEVELOPMENT)

Mr. Spencer reported on the development of Breckenridge Park. He said that the construction of water, sewer and drainage facilities for Breckenridge Park is on hold and the pollution prevention contract is underway.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISING FOR BIDS FOR CYPRESSWOOD HEIGHTS LIFT STATION

Mr. Spencer said that plans for the Cypresswood Heights lift station including a natural gas bypass pump have been submitted to regulatory agencies for review.

WATER, FORCE MAIN AND DRAINAGE TO SERVE CYPRESSWOOD HEIGHTS DRIVE AND SCHOOL SITE

Mr. Spencer said that Costello, Inc. is designing the water, sewer and drainage facilities for the 400 acre tract including the water line, sanitary force main, and storm sewer for the entrance road to the Spring Independent School District ("Spring ISD") site. He said that agency comments are being addressed and he is waiting for revised plans by Costello.

DESIGN OF BIRNAMWOOD AND CYPRESSWOOD WATERLINES AND EXTENSIONS AND CYPRESSWOOD INTERCONNECT; EMERGENCY WATER INTERCONNECT WITH POST WOOD MUNICIPAL UTILITY DISTRICT AND TATTOR ROAD MUNICIPAL DISTRICT

Mr. Spencer said that the Birnamwood water line extension plans have been approved and that agency comments on the Cypresswood water line interconnect are being addressed. Mr. Spencer said that the water meter easement has not been received from Spring ISD. Mr. Spencer said that a draft of the Emergency Water Supply Agreement with Post Wood Municipal Utility

District ("Post Wood") and Tattor Road Municipal District ("Tattor Road") has been reviewed by Tattor Road and Post Wood and their comments have been addressed. The Board considered approving the Emergency Water Supply Agreement with Post Wood and Tattor Road.

WASTEWATER TREATMENT PLANT IMPROVEMENT PROJECT

Mr. Spencer discussed the proposed improvements to the wastewater treatment plant. He said that notification will be provided to the TCEQ that the District intends to use approved surplus funds for this project. Mr. Spencer said that the bid documents are being prepared.

WASTEWATER TREATMENT PLANT PERMIT

Mr. Spencer said that the draft wastewater treatment plant permit has been received from the TCEQ.

BRECKENRIDGE FOREST LIFT STATION AND WATER PLANT NO. 3 GENERATORS AND EMERGENCY BYPASS PUMP

Mr. Spencer said that he is waiting for revised electrical drawings for the natural gas bypass pump at the Breckenridge Forest lift station. He said that the TCEQ will be notified of the District's intent to use approved surplus funds for this project.

CONNECTION AND CAPACITY UPDATE

Mr. Spencer stated that there are 2,821 active single-family residential water connections in the District.

DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

Mr. Hunt reported on development in the District.

Mr. Spencer said that the SECO energy report has been filed. There were no further engineering matters for discussion. After review and discussion, and based on the engineer's recommendation, Director Chesnutt moved to: 1) authorize acceptance of the force main easement from Spring ISD; 2) approve Pay Estimate No. 4 and Final to Allgood Construction in the amount of \$14,914.02 for the Birnamwood Drive extension and accept the project; 3) approve Change Order No. 1 in the amount of \$775.00 for removal of the reinforced filter fabric fence; 4) approve the Emergency Water Supply Agreement with Post Wood and Tattor Road; and 5) accept the engineer's report. Director Gable seconded the motion, which passed by unanimous vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Gable reported on the NHCRWA. He said that the pumpage fee will remain at the current rate of \$1.50 per 1,000 gallons of water pumped until January 1, 2010, at which time it will increase to \$1.75.

WEB SITE

Ms. Covan said that the proposal from The Texas Network to re-design the District's web site is \$1,440.00. She said that the only suggestion the provider has for enhancing the District's web site is to add photographs of the District. The Board discussed adding the aerial photograph to the web site when it is received. The Board took no action on the re-design proposal.

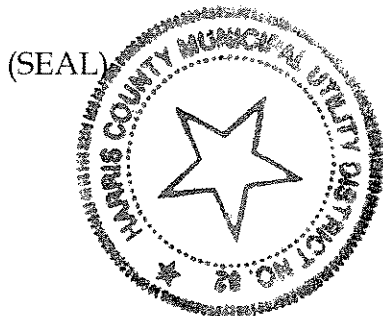
ACTION TAKEN DURING THE MONTH

The Board reviewed the actions taken during the month.

DIRECTORS AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

The Board considered changing the December meeting due to the holiday. After discussion, the Board agreed to change the December meeting from December 28, 2009, to December 21, 2009. Director Sundstrom said that the annual tour of the District's facilities is scheduled for November 3, 2009, at 5:00 p.m.

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




Secretary, Board of Directors

ACTION LIST

1. Operator will provide credit card proposal and contract to the Board members and ABHR for review.
2. Operator will revise the letter to builders.
3. Attorney will revise the Amended Rate Order.
4. Attorney will review the Optio Solutions Service Agreement.
5. Operator and Engineer will review the GWR.
6. Bookkeeper will add a footnote to the surplus funds report regarding projects that have been approved by the TCEQ, require TCEQ approval and which projects require a notification letter to the TCEQ.
7. Bookkeeper will add a footnote to the bookkeeper's report regarding interest on customer deposits.
8. Engineer will contact TMK regarding a corrected Amended Services Agreement.
9. Mr. Aguilar will pick up small containers at the pool.

LIST OF ATTACHMENTS

	<u>Minutes</u>
	<u>Page</u>
Work Order Report.....	1
operator's report.....	2
termination list	2
bookkeeper's report.....	3
tax assessor/collector's report	4
amendment to the Service Contract with TMK Enterprises.....	5
engineering report	5