

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

December 21, 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 December 21, 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.; Larry Kupstas of Aurous Properties, Inc.; Erik Spencer of Van De Wiele & Vogler, Inc.; Lieutenant 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 November 23, 2009, meeting. After review and discussion, Director Chesnutt moved to approve the minutes of the meeting. Director Hoffpauir seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

GARBAGE SERVICE

There was no report from Republic Waste. Director Gable noted that the two small garbage dumpsters at the pool had not yet been picked up.

SECURITY

Lieutenant Escobar reviewed the November security patrol report, a copy of which is filed in the District's official records. Discussion ensued regarding the activities at the Unity Children's Home. The Board reviewed an e-mail from the Texas Department of Family and Protective Services (the "Department") to an aide in the office of Representative Bill Callegari regarding the number of calls the Department

received regarding the school during 2008 and 2009. Lieutenant Escobar said that as of December 1, 2009, the Precinct 4 Constable's office logged 124 calls compared to the 71 calls that the Department claims they received. Lieutenant Escobar said that the Precinct 4 Constable's office can provide the District with a report documenting the calls received in 2008 and 2009, if a request for public information is sent to the Constable's office. The Board expressed concern regarding the discrepancy between the number of calls listed by the Department and the Constable's office. After discussion, Director Chesnutt moved to authorize ABHR to send a request for public information to the Constable's office and respond to Representative Callegari and the Department expressing the Board's concerns. Director Hoffpauir seconded the motion, which passed by unanimous vote.

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 November was 19,287,000 gallons with 20,255,000 gallons pumped. Mr. David Wright said that water accountability was 96.4% during November 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 during November. Mr. David Wright said that fourteen new taps were installed during the month of October. Director Hays requested that the operator's report include the actual number of on-line utility payments. Mr. David Wright said that he will include both the actual number and the percentage of total accounts that utilize the online payment method on the report.

Discussion ensued regarding the well motors at water plant no. 1 and water plant no. 2. Mr. David Wright reviewed proposals from Alsay Incorporated, copies of which are attached. He said that the cost to repair the well motor at water plant no. 1 is \$9,340.00 and that the cost of a new well motor is \$10,263.00. He said that the cost to repair the well motor at water plant no. 2 is \$8,500.00 and the cost to purchase the rental motor is \$8,875.00. After review and discussion, Director Chesnutt moved to authorize the purchase of a new well motor at water plant no. 1 and to authorize purchase of the rental motor for water plant no. 2. Director Gable seconded the motion, which passed by unanimous vote. Mr. David Wright said that insurance claims have been filed on both well motors.

Mr. David Wright said that he contacted two additional companies regarding the collection of delinquent utility accounts. He said that both companies charge a fee equal to thirty to fifty percent of the amounts collected. Ms. Humphries noted that ABHR prepared an approved final agreement with Optio Solutions ("Optio"), which has been sent to Optio for signature, but has not been returned. After discussion, the Board requested that TNG follow up with Optio regarding the agreement.

The Board reviewed a report from Preventive Services, L.P. on the ground storage tank and the hydro pneumatic tanks at water plant no. 1, a copy of which is attached.

Mr. David Wright said that the manhole survey will begin in January. He discussed the cost of the manhole inflow preventors. After discussion, the Board authorized TNG to install the inflow preventors in the manholes during the inspection.

Mr. David Wright discussed the esplanade water usage report. He said that two meters at the civic association pool that were not reading correctly have been repaired and the meter at the Unity Children's Home that was stuck has been replaced.

Mr. David Wright reviewed with the Board the performance testing report on water well number two from GM Services, a copy of which is attached.

Mr. David Wright said that the blower transformer at the wastewater treatment plant has been replaced. Mr. Dennis Wright said that a pump at the lift station malfunctioned. He said that it is under warranty and a claim has been filed.

Mr. David Wright discussed the Texas Commission on Environmental Quality (the "TCEQ") Agreed Order and the administrative penalty. 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 next reviewed the esplanade water usage report and the builder damage report, a copy of which is attached to the operator's report. Mr. David Wright said that taps will be withheld if the builders on the list do not pay the back charges.

Mr. David Wright reviewed the list of action items from the November 3, 2009, tour of the District's facilities.

The Board reviewed the utility cut-off list. After review and discussion, Director Hays moved to approve the operator's report. Director Gable 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

termination 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.

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. Mr. Ferrier reviewed the Surplus Funds report. Ms. Humphries noted the contract will be awarded today for the Breckenridge Forest lift station and standby pump and water plant no. 3 generator construction contract. Mr. Ferrier said he will update the report as payments are made. Ms. Humphries noted that the expenses for the wastewater treatment plant permit have exceeded the budget. She suggested that the budget for permits be increased from \$5,000 to \$19,000 the next time the budget is amended.

The Board discussed the winter Association of Water Board Directors ("AWBD") conference in Dallas. After review and discussion, Director Chesnutt moved to authorize two hotel nights, three per diems and up to five meals for Directors who attend the AWBD conference and to approve the bookkeeper's report. Director Gable seconded the motion, which passed by unanimous vote.

AUTHORIZE PREPARATION OF THE ANNUAL REPORT

Director Chesnutt moved to authorize preparation of the Annual Report in accordance with the Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12. 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 Chesnutt moved to approve the tax assessor/collector's report. Director Gable seconded the motion, which passed by unanimous vote. A copy of the tax assessor/collector's report is attached.

DELINQUENT TAX REPORT

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

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 the water meter easement from Spring Independent School District ("Spring ISD"), a drainage easement and temporary access easement from CET Limited for the Cypresswood Heights lift station, and a sanitary sewer easement, access easement, two water line easements, and a storm sewer easement from CET Limited to serve the Cypresswood Heights Drive utilities are presented today for acceptance by the Board.

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.

BRECKENRIDGE PARK (WOODMERE DEVELOPMENT)

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

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISING FOR BIDS FOR CYPRESSWOOD HEIGHTS LIFT STATION AND NATURAL GAS BYPASS PUMP

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 ISD site. He said that agency comments are being addressed and he is waiting for revised plans from Costello.

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 he will submit the water meter easement and the Interconnect Agreement to the City of Houston. Ms. Covan said that the Interconnect Agreement has been signed by Tattor Road Municipal District and that Post Wood Municipal

Utility District met last week to approve the Agreement. Mr. Spencer said that bids on the project are due January 13, 2010.

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 he is waiting for the final wastewater treatment plant permit from the TCEQ.

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

Mr. Spencer said that two bids were received for the Breckenridge Forest lift station standby pump and water plant no. 3 generator. He recommended that the project be awarded to the low bidder, C. F. McDonald Electric in the amount of \$594,869.00. Mr. Spencer said that the TCEQ will be notified of the District's intent to use approved surplus funds for this project.

DRAINAGE SWALES

Mr. Spencer said that bids were received for the drainage swales to drain the offsite sanitary sewer easement right-of-way. He recommended that the contract for the drainage swales be awarded to the low bidder, D. L. Glover, in the amount of \$8,000. Mr. Spencer said that he is working on locating a lockable barricade gate detail.

CONNECTION AND CAPACITY UPDATE

Mr. Spencer stated that there are 2,820 active single-family residential water connections in the District. He said that the annual update of the commercial connections based on twelve month usage history will be provided in January.

Mr. Spencer requested authorization to begin the engineering for the water plant no. 1 recoating of the ground storage tank and the hydro tanks.

DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

Mr. Kupstas reported on development in the District.

There were no further engineering matters for discussion. After review and discussion, and based on the engineer's recommendation, Director Hays moved to: 1) accept the water meter easement from Spring ISD, accept a drainage easement and temporary access easement from CET Limited for the Cypresswood Heights lift station,

and accept a sanitary sewer easement, access easement, two water line easements, and a storm sewer easement from CET Limited to serve the Cypresswood Heights Drive utilities; 2) award the contract for the Breckenridge Forest lift station standby pump and water plant no. 3 generator, based on the engineer's recommendation, to the lowest bidder, C. F. McDonald Electric, who in the Board's judgment, is a responsible bidder who would most efficiently complete the project, and authorize the notice letter to the TCEQ for use of surplus funds; 3) award the contract for the drainage swales, based on the engineer's recommendation, to the lowest bidder, D. L. Glover, who in the Board's judgment is a responsible bidder who would most efficiently complete the project; 4) authorize engineering for the water plant no. 1 recoating of the ground storage tank and hydro tanks; and 5) accept the engineer's report. Director Hoffpauir seconded the motion, which passed by unanimous vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

Director Gable reported on the NHCRWA. Ms. Covan distributed a letter from the NHCRWA, a copy of which is attached, regarding the updated pricing policy and the Authority's Rate Order.

WEB SITE

There was no report on the web site. Ms. Humphries noted the 2009 energy usage would be posted on the website.

ACTION TAKEN DURING THE MONTH

The Board reviewed the actions taken during the month.

DIRECTORS AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

There were no further reports.

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

(SEAL)




Secretary, Board of Directors

ACTION LIST

1. Republic Waste will pick up small containers at the pool.
2. TNG will perform manhole survey.
3. ABHR will prepare Public Information request to the Precinct 4 Constable's office and prepare letter to the Texas Department of Family Services.
4. Operator will include the number of on-line utility payments on the report.
5. Operator will follow up with Optio Solutions regarding contract.

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