

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

February 23, 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 February 23, 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 except Director Gable, thus constituting a quorum.

Also present at the meeting were David Wright, Scott Shelnuttt and Dennis Wright, of TNG Utilities, Inc. ("TNG"); David Ferrier and Vickey Sullivan of Equi-Tax, Inc.; Larry Kupstas and Mike Hunt of Aurous Properties, Inc.; Erik Spencer of Van De Wiele Engineering, Inc. ("Van de Wiele"); David Escobar of the Harris County Precinct 4 Constable's office; and Lynne B. Humphries and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the January 26, 2009, regular meeting. Director Hoffpauir noted a correction to the minutes. After review and discussion, Director Hoffpauir moved to approve the minutes of the January 26, 2009, meeting, as corrected. Director Chesnutt seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

GARBAGE SERVICE

There was no report on garbage service.

## 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 17,986,000 gallons with 18,961,000 gallons pumped. He said that water accountability was 96.57% during January and that there were no excursions at the wastewater treatment plant during the month. Mr. Wright reviewed the billing and collection report. Mr. Wright said that he will investigate the high water usage recorded for the esplanades and recreational areas.

The Board reviewed the water production report, the Harris-Galveston Coastal Subsidence District report and the North Harris County Regional Water Authority ("NHCRWA") report.

Mr. Wright discussed the landscape maintenance agreement with CBS, Inc. ("CBS") for the North Spring water and sewer plants, the Cypresswood Drive water plant, the road ditches to the old sewer plant, and the new lift station added in 2008. He said that CBS is paid a monthly fee of \$475.00 for twenty visits to the North Spring subdivision water and sewer plants for the purposes of mowing, edging, weed eating, plus \$150.00 per cut for cutting the sides of the road to the sewer plant six times per year, \$185.00 per application for herbicide four times per year, \$133.00 per month for maintenance services at the lift station, and \$666.00 per month for maintenance at the Cypresswood Drive water plant. A copy of the maintenance agreement is attached to the engineer's report.

The Board discussed the non-single family and commercial connections. After discussion, the Board requested that the operator review these accounts to insure that each customer is being charged the correct base fee and prepare a report to Board next month and annually thereafter.

Mr. Wright said that Dennis Wright met with Director Hays, Director Hoffpauir and engineers from Van de Wiele at the wastewater treatment plant to discuss ways to improve efficiency at the plant. He said that one option is to consider cleaning the aeration chamber at the wastewater treatment plant. The Board reviewed a proposal from Magna Flow Environmental ("Magna Flow") in the amount of \$95,550 plus \$0.07 per gallon for liquid disposal and a proposal from Source Point Solutions, Inc. ("Source Point") in the amount of \$109,000 including liquid disposal. After review and discussion, Director Chesnutt moved to authorize Magna Flow to perform the work to clean the aeration chamber. Director Hays seconded the motion, which passed by unanimous vote. A copy of the proposals from Magna Flow and Source Point are attached.

The Board discussed other repairs and maintenance that may be needed at the wastewater treatment plant. After discussion, the Board authorized Director Hays to

meet with the engineer and operator to inspect the wastewater treatment plant and identify all of the maintenance issues that could be compiled into a rehabilitation project.

The Board reviewed proposals from NTS and All-Pump & Equip. Co. for repairs and maintenance to the lift station pumps. After discussion, the Board determined to discuss these repairs at the next Board meeting. The Board agreed to amend the budget next month when further information is available on the total cost of the repairs, maintenance and rehabilitation project.

Mr. Wright presented a chart summarizing the computation of the fuel surcharge provided by Magna-Flow. A copy of the chart is attached to the operator's report.

The Board reviewed the utility cut-off list and the builder damage report. Mr. Hunt said that he will contact the builders that are over sixty days delinquent. Mr. Wright said that he will check their records to determine if all of the builders have the appropriate deposits in place. The Board authorized TNG to apply builder deposits to builder damages that are over ninety days delinquent.

After review and discussion, Director Chesnutt moved to approve the operator's report. Director Hays 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 Hoffpauir 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.

#### SECURITY REPORT

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

## 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.

## FINANCIAL AND BOOKKEEPING

Mr. Ferrier presented the bookkeeper's report, investment report, and surplus funds report and reviewed the bills presented for payment. He said that the budget would also need to be amended due to the increase in mowing and security costs.

Ms. Sullivan said that the District's debt service and capital projects checking accounts with Chase Bank are being closed and accounts have been opened at Compass Bank. She said that Chase Bank had begun billing the District for administrative fees. Ms. Humphries said that an ABHR attorney, Alia Vinson, will contact Chase Bank on behalf of the Districts that were charged the administrative fees, to discuss the reimbursement of these fees. After discussion, the Board agreed to authorize ABHR to contact Chase Bank on behalf of the District to discuss the reimbursement of the administrative fees.

After review and discussion, Director Hays moved to approve the bookkeeper's report. Director Chesnutt seconded the motion, which passed by unanimous vote. A copy of the bookkeeper's report is attached.

## 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 88% collected. Ms. Covan said that an estimate of the District's taxable value is needed from the Harris County Appraisal District that includes a breakdown of the estimated value in the Tiffany Meadows and Spring Pines subdivisions. After review and discussion, Director Gable moved to adopt a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value and 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

There was no report from the delinquent tax attorney.

## ENGINEERING

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

### EASEMENTS AND DEEDS, CONSENTS TO ENCROACHMENT, UTILITY COMMITMENTS; ADMINISTRATIVE HEARING ON CONDEMNATION

Mr. Spencer said that there were no deeds or easements for approval by the Board. Ms. Covan said that the administrative hearing on the condemnation of the 0.289 acre tract for access to the wastewater treatment plant expansion and the water plant is May 6, 2009.

### 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. 6 to Environmental Allies in the amount of \$5,451.25.

Mr. Spencer reported on the construction of underground utilities to serve Birnamwood Drive and the Birnamwood Bridge utilities. He said that the Texas Commission on Environmental Quality ("TCEQ") inspections were held on February 18, 2009, and he is waiting for the Harris County inspection.

### BRECKENRIDGE FOREST, SECTION 9 AND 10

Mr. Spencer had no report on these matters.

### BRECKENRIDGE PARK (WOODMERE DEVELOPMENT)

Mr. Spencer reported on the development of Breckenridge Park. He presented and recommended for approval Pay Estimate No. 18 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 said that the project is on hold.

### 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. He said that a rehabilitation project at the wastewater treatment plant is being considered.

### CONNECTION AND CAPACITY UPDATE

Mr. Spencer stated that there are 2,650 active single-family residential water connections in the District. The Board discussed possibly re-rating the capacity at the plants to increase the number of available connections. Mr. Spencer 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 the pipeline company to obtain an access easement or an encroachment agreement for utilities related to service to the SISD. Mr. Kupstas said that D. R. Horton and Ryland Homes have submitted plans for construction of homes that are under contract.

Mr. Hunt said that Morrison Homes has requested a Change Order to adjust quantities in the contract for underground utilities to serve Spring Pines in order to equalize the final contract amount to the pay estimates total. Mr. Spencer said that the Change Order to adjust the quantities is \$8,202.40.

After review and discussion, and based on the engineer's recommendation, Director Chesnutt moved to: 1) approve Pay Estimate No. 6 to Environmental Allies in the amount of \$5,451.25 for the storm water pollution prevention contract to serve Birnamwood Drive; 2) approve Pay Estimate No. 18 in the amount of \$325.00 for the storm water pollution prevention contract to

serve Breckenridge Park; 3) approve a Change Order in the amount of \$8,202.40 to adjust the quantities in the Spring Pines contract for construction of underground utilities; and 4) accept the engineer's report. Director Hays seconded the motion, which passed by unanimous vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Chesnutt reported on the North Harris County Regional Water Authority.

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

The Board received and discussed issue number four of the Legislative Monitoring Report.

DIRECTORS AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

There were no additional reports from consultants and directors.

ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

Director Chesnutt moved to authorize Board members to attend the summer Association of Water Board Directors conference. Director Hoffpauir seconded the motion, which passed by unanimous vote.

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 replace the trash can at the pool on North Spring Drive.
2. Engineer will update the connections and capacity information.
3. Operator will investigate high water usage at the esplanades and recreational areas.
4. Operator will review the commercial and non-single family connections to determine if the correct base fee has been charged.
5. Operator and engineer will meet with Director Hays regarding rehabilitation projects at the wastewater treatment plant.
6. Operator will review the builder deposits and apply deposits as appropriate.
7. Tax assessor will request an estimate of value from the Harris County Appraisal District.

LIST OF ATTACHMENTS

	<u>Minutes</u>
	<u>Page</u>
operator's report.....	2
landscape maintenance agreement with CBS, Inc.....	2
proposals from Magna Flow and Source Point .....	2
chart summarizing the computation of the fuel surcharge .....	3
termination list .....	3
security report .....	3
bookkeeper's report .....	4
tax assessor/collector's report .....	4
engineering report .....	5