

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

June 22, 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 June 22, 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 Hays, thus constituting a quorum.

Also present at the meeting were David Wright and Dennis Wright, of TNG Utilities, Inc. ("TNG"); Vickey Sullivan and David Ferrier of Equi-Tax, Inc.; Mike Hunt of Aurous Properties, Inc.; Erik Spencer of Van De Wiele Engineering, Inc. ("Van de Wiele"); David Aguilar of Republic Waste Company; David Escobar of the Harris County Precinct 4 Constable's office; Karen Sears of Legacy Energy Solutions; Darryl Kainer, an independent insurance agent; and Lynne B. Humphries and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the May 28, 2009, regular meeting. After review and discussion, Director Chesnutt moved to approve the minutes of the May 28, 2009, 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. Director Gable said that there are still three Browning Ferris cans at the pool and there are two small containers without wheels. Mr. Aguilar said that he will replace these containers with new ones. Mr. Aguilar discussed the annual Consumer Price Index ("CPI") increase in the garbage fee. He

said that the rate will increase from \$12.91 to \$13.81 per customer. Mr. Aguilar said that he will provide documentation to support the CPI increase to Ms. Humphries and prepare an Amendment to the Garbage Collection Contract. After review and discussion, Director Chesnutt moved to approve the rate increase, as stated, subject to review of the supporting CPI documentation and contract amendment. Director Gable 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 was 22,739,000 gallons with 24,992,000 gallons pumped. He said that water accountability was 93.19% during May and that there were no excursions at the wastewater treatment plant. Mr. David Wright reviewed the billing and collection report. He said that fourteen taps were installed during May. Mr. David Wright said that the 2008 Consumer Confidence Report will be mailed to the District's customers prior to July 1, 2009.

Mr. David Wright discussed the esplanade water meters. He said that an updated report would be provided next month. Mr. David Wright said that the middle school is still a high user.

Discussion ensued regarding customer deposits and utility costs written off due to non-payment. The Board requested that Mr. David Wright prepare a spread sheet of utility write-offs from October 1, 2008, and identify the customers that are renters and those that are owners. The Board requested that Mr. David Wright provide this information to the Board members before the next Board meeting.

The Board next reviewed the builder damage report, a copy of which is attached.

Mr. David Wright reviewed a letter to the Texas Commission on Environmental Quality (the "TCEQ"), a copy of which is attached, regarding the status of the District's plant basins and the rehabilitation of the wastewater treatment plant. He said that he is waiting for Mr. Spencer to provide additional information regarding the plant rehabilitation before finalizing the letter.

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 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 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.

INSURANCE

Mr. Kainer distributed and reviewed with the Board an insurance bid comparison, a copy of which is filed appropriately in the District's records. After review and discussion, Director Sundstrom moved to accept the proposal from Anco McDonald Waterworks Insurance. Director Chesnutt seconded the motion, which passed unanimously.

ELECTRICITY

Ms. Sears addressed the Board and discussed electricity pricing options. She said that the District's current electricity contract expires in six months and that a new contract would begin at the end of the current contract term. Ms. Covan said that TXU has asked to bid on the District's electricity service. After review and discussion, Director Chesnutt moved to authorize Legacy Energy Solutions and TXU to present bids for the District's electricity pricing at the July Board meeting and authorized execution of the Letters of Authorization for the Request of Historical Usage. Director Hoffpauir seconded the motion, which passed by unanimous vote. Ms. Humphries said that the engineer will be required to complete the annual report on energy reduction to the State Energy Conservation Office.

SECURITY REPORT

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

FINANCIAL AND BOOKKEEPING

Mr. Ferrier presented the bookkeeper's report, investment report, and surplus funds report and reviewed the bills presented for payment.

After review and discussion, Director Gable 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 95.1% collected. 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

The Board reviewed the Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached. After review and discussion, and based on the delinquent tax attorney's recommendation, Director Chesnutt moved to move the Franks Auto Sales 2005 delinquent taxes in the amount of \$1,450.29 to the uncollectible roll. Director Gable 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 there were no deeds or easements for approval by the Board. He said that the administrative hearing on the condemnation of the Vaquell tract is at 9:30 a.m. on July 8, 2009, at ABHR.

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.

NORTH SPRING, SECTION 15

Mr. Spencer reported on the development of North Spring, Section 15. He said that this project is on hold.

BIRNAMWOOD DRIVE EXTENSION TO SERVE ELEMENTARY SCHOOL

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. 10 to Environmental Allies in the amount of \$400.00. Mr. Spencer said that the Harris County inspection is scheduled today.

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. 23 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.

BIRNAMWOOD WATERLINE AND EXTENSION

Mr. Spencer said that the plans for the Birnamwood waterline were approved as part of Birnamwood, Segment 1 and 2.

DESIGN OF CYPRESSWOOD WATERLINE EXTENSION AND INTERCONNECT WITH POSTWOOD MUNICIPAL UTILITY DISTRICT

Mr. Spencer discussed the Cypresswood waterline extension and an Emergency Water Interconnect Agreement with Postwood Municipal Utility District ("Postwood"). He discussed requirements for a metered interconnect.

IMPROVEMENTS TO THE WASTEWATER TREATMENT PLANT

Mr. Spencer discussed the proposed improvements to the wastewater treatment plant. He said that the plans are being prepared and that they will be submitted to the City of Houston for review.

APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR CHANGE OF SCOPE AND USE OF SURPLUS FUNDS

Discussion ensued regarding an application to the TCEQ for the use of surplus funds. The Board reviewed a summary of capital projects and those appropriate to include in the surplus funds application, a copy of which is attached. Mr. Spencer said that the surplus funds application is being prepared.

WASTEWATER TREATMENT PLANT PERMIT

Mr. Spencer said that the wastewater treatment plant permit renewal is being prepared.

CONNECTION AND CAPACITY UPDATE

Mr. Spencer stated that there are 2,773 active single-family residential water connections in the District. He said that the connection report has been updated.

DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

Mr. Hunt reported on development in the District. He requested that the Board authorize the District's engineer to design the Cypresswood Heights lift station and the Cypresswood Drive water line and authorize Costello, Inc. to design the water, sewer and drainage and force main to serve the entrance road and school site. The Board requested that Costello prepare an engineering contract for these engineering services.

After review and discussion, and based on the engineer's recommendation, Director Chesnutt moved to: 1) approve Pay Estimate No. 10 to Environmental Allies in the amount of \$400.00 for the storm water pollution prevention contract for the Birnamwood Drive extension to serve the elementary school; 2) approve Pay Estimate No. 23 in the amount of \$325.00 for the storm water pollution prevention contract for Breckenridge Park; 3) authorize Costello, Inc. to design the water, sewer, drainage and force main to serve the entrance road and school site; 4) authorize the District's engineer to design the Cypresswood Heights lift station and the Cypresswood Drive water line; and 5) accept the engineer's report. Director Hoffpauir seconded the motion, which passed by unanimous vote.

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 actions taken during the month.

LEGISLATIVE MONITORING REPORT

There was no report on this matter.

DIRECTORS AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

Mr. David Wright said that he received the Annual Homeland Security Contact Update form from the TCEQ. After discussion, the Board determined that TNG would be the primary contact and that Director Sundstrom would be the secondary contact person. Mr. David Wright said that he would complete and submit the information to the TCEQ.

ASSOCIATION OF WATER BOARD DIRECTORS CONFERENCE ("AWBD")

Director Chesnutt moved to authorize the Directors to attend the AWBD winter conference in Dallas, Texas. Director Gable seconded the motion, which passed by unanimous vote.

CONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY AND CONDEMNATION PROCEEDING; ENGAGEMENT LETTER WITH JOYCE, MCFARLAND & MCFARLAND, LLP

The Board did not convene in Executive Session.

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



[Handwritten Signature]
Assistant Secretary, Board of Directors

ACTION LIST

1. Operator will verify the operation of the esplanade meters with no flow and minimum usage charges to disconnected meters.
2. Engineer and ABHR will prepare the surplus funds application.
3. Operator will complete the Homeland Security Contact Update form.

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