

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

August 24, 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 August 24, 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 Utilities, Inc. ("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; Sergeant David Escobar of the Harris County Precinct 4 Constable's office; Bert Keller of Acclaim Energy Advisors ("Acclaim"); Chris Swedlund of McCall, Gibson, Swedlund and Barfoot, PLLC; and Lynne Humphries and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the July 27, 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.

ELECTRICITY

Mr. Keller addressed the Board and reviewed a Rate Optimization Report, a copy of which is attached. Mr. Keller reviewed alternative pricing options and recommended the two-year term pricing rate of \$0.10704 per kilowatt hour offered by Direct Energy. He said that Direct Energy is the District's current provider, there is no monthly meter charge and Direct Energy has agreed to a payment term of 45 days. The

Board determined to defer a decision on an electricity provider until the end of the meeting to allow TXU Energy an opportunity to appear and present a proposal.

GARBAGE SERVICE

Mr. Aguilar reported on garbage service in the District and reviewed the Work Order report. Mr. Aguilar asked the Board to complete a customer service survey. Discussion ensued regarding providing the survey to the District's customers. After review and discussion, Director Chesnutt moved to authorize TNG to insert the customer service survey into the next utility bill. Director Gable seconded the motion, which passed by unanimous vote. Mr. Aguilar said that he will e-mail the survey form to Mr. Wright.

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 July was 27,274,000 gallons with 35,329,000 gallons pumped. He said that water accountability was 93.05% during July and that there were no excursions at the wastewater treatment plant. Mr. David Wright reviewed the billing and collection report. He said that twelve new taps were installed during July. Mr. David Wright said that 17% of utility payments were made on-line.

Mr. David Wright reviewed the esplanade water usage report, a copy of which is attached.

Mr. David Wright said that VISA will not long be accepted by Compass Bank for utility payments. He said that TNG is reviewing other payment options that can be offered to the District's customers.

Mr. David Wright discussed the Texas Commission on Environmental Quality (the "TCEQ") Agreed Order and the administrative penalty. He said that the next quarterly report is due October 10, 2009. Mr. David Wright said that he has not received any communications from the Texas Department of Parks and Wildlife.

The Board reviewed the damage invoice report and the July water pumpage report. Mr. David Wright said that no additional payments for builder damages had been received since last month.

The Board reviewed a report on builder delinquent water bills and deposits on file. Mr. David Wright said that the report has been updated to show accounts that have been transferred to a home owner. Mr. David Wright said that some builders with outstanding water bills are no longer in business. After review and discussion, the Board authorized TNG to apply builder deposits to the unpaid accounts and remove the water meter from vacant builder homes after placing a notice of the removal of the

water meter due to non-payment on the door of the home. Ms. Humphries requested that the total of each builder's outstanding utility balance be added to the report to determine if the deposit is adequate to cover the amount due. Mr. David Wright said that he will have the report updated to include this information.

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.

AMENDED RATE ORDER

Discussion ensued regarding amending the Rate Order to provide for an increase in the builder deposit and an increase in the sewer rate. The Board took no action to amend the Rate Order.

FINANCIAL AND BOOKKEEPING

Mr. Ferrier presented the bookkeeper's report, investment report, and surplus funds report and reviewed the bills presented for payment. Mr. Ferrier said that the tap fee in the amount of \$294,890.00 has been received from Spring Independent School District for the Gloria Marshall Elementary School. Ms. Humphries requested that the bookkeeper update the debt service payment schedule to include the total amounts due in 2009 and 2010.

The Board reviewed a draft of the budget for the fiscal year ending September 30, 2010, and discussed the increases in the security and garbage collection costs.

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

ENGAGE AUDITOR

Mr. Swedlund presented an engagement letter from McCall Gibson for preparation of the District's audit for the fiscal year ending September 30, 2008. He said that the range of the fee for preparing the audit will be \$15,000 to \$17,000. After review and discussion, Director Chesnutt moved to engage McCall Gibson to prepare the audit for the fiscal year ending September 30, 2009. Director Gable seconded the motion, which passed by unanimous vote. A copy of the McCall Gibson engagement letter is attached.

Discussion ensued regarding engaging McCall Gibson to prepare the developer reimbursement report in connection with the use of surplus funds to reimburse the developers for certain projects. After review and discussion, Director Chesnutt moved to engage McCall Gibson to prepare the developer reimbursement 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. She said that the District's 2008 taxes are 97.7% collected. After review and discussion, Director Hoffpauir 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.

SECURITY

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

ENERGY CONSERVATION AND ELECTRICITY REPORTING

Mr. Spencer said that in accordance with House Bill 3693, Districts with annual electricity usage over \$200,000 must file annual reports with the State Energy Conservation Office ("SECO"). He noted that Mr. Keller said that if the Districts annual electricity usage falls below \$200,000, the report will not be required. Mr. Spencer said that he will submit the appropriate report for the District.

ENGINEERING

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

EASEMENTS AND DEEDS, CONSENTS TO ENCROACHMENT, UTILITY COMMITMENTS

There were no deeds or easements for approval 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.

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 contract for water, sewer and drainage facilities. He said that the contractor is completing the punch list items.

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. 25 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.

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 are being prepared. He said that the plans do not include a generator. Mr. Spencer discussed an alternative bypass pump in lieu of a generator.

CYPRESSWOOD HEIGHTS ENTRANCE ROAD UTILITIES

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 site.

REVIEW BIDS AND AWARD CONTRACT FOR BRADBURY FOREST, SECTIONS 6 AND 7

Mr. Spencer said that Bradbury Forest, Sections 6 and 7 are on hold.

DESIGN OF BIRNAMWOOD WATERLINE EXTENSION AND CYPRESSWOOD INTERCONNECT AND 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 plans for the Cypresswood Interconnect are being prepared. He 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. Mr. Spencer said that Post Wood would prefer an unmetered interconnect, but the City of Houston (the "City") may require it. He said that if the City wants a meter installed, a meter easement would be required. He recommended obtaining an appraisal of the water meter easement.

WASTEWATER TREATMENT PLANT REHABILITATION PROJECT

Mr. Spencer discussed the proposed improvements to the wastewater treatment plant. He said that the plans have been submitted to agencies for review.

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

Mr. Spencer said that the application to the Texas Commission on Environmental Quality ("TCEQ") for use of surplus funds has been submitted and was declared administratively complete on August 10, 2009.

WASTEWATER TREATMENT PLANT PERMIT

Mr. Spencer said that the wastewater treatment plant permit renewal has been submitted to the TCEQ for review. He recommended that required bacteriological testing be performed.

BRECKENRIDGE FOREST LIFT STATION AND WATER PLANT NO. 3 GENERATORS

The Board discussed an alternative bypass pump in lieu of a generator at the Breckenridge Forest lift station.

CONNECTION AND CAPACITY UPDATE

Mr. Spencer stated that there are 2,810 active single-family residential water connections in the District.

DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

Mr. Hunt reported on development in the District. He said that Ryland Homes is building homes and there is home building activity in Spring Pines.

After review and discussion, and based on the engineer's recommendation, Director Gable moved to: 1) approve Pay Estimate No. 25 in the amount of \$325.00 for the storm water pollution prevention contract for Breckenridge Park; 2) authorize design of the alternative bypass pump for the Breckenridge Forest and the Cypresswood Heights lift stations; 3) authorize bacteriological testing at the wastewater treatment plant; 4) authorize an appraisal of the water meter easement; and 5) accept the engineer's report. Director Chesnutt 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 until January 1, 2010, at which time the fee will increase to \$2.25 to \$2.50 per 1,000 gallons of water usage. The Board authorized the operator to include a notice to homeowners on the utility bills when the increase has been determined by the NHCRWA and include the NHCRWA phone number and web site information.

WEB SITE

Ms. Covan said that she had not yet received a proposal from the web master for re-designing the District's web site. She said that she will contact The Texas Network.

ELECTRICITY CONTINUED

No one from TXU appeared to address the Board about energy prices. After review and discussion, of the Acclaim information, Director Hays moved to accept the proposal from Direct Energy for a \$0.1074 per kilowatt hour rate, with a two-year

contract term. Director Chesnutt seconded the motion, which passed by unanimous vote.

ACTION TAKEN DURING THE MONTH

The Board reviewed the actions taken during the month.

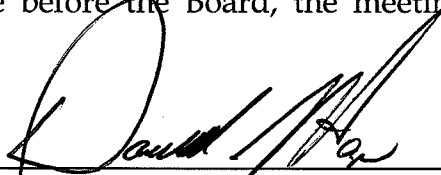
DIRECTORS AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

The Board discussed the October 6, 2009, National Night Out. The Board authorized TNG to place a notice regarding the event in the utility bills.

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

(SEAL)




Secretary, Board of Directors

ACTION LIST

1. Operator will revise the report on unpaid builder utility bills.
2. Operator will insert the Republic Waste customer survey in the utility bills.
3. Operator will apply utility deposits to unpaid builder utility accounts and remove water meters from vacant builder homes with delinquent utility bills after providing notice.
4. Engineer will submit SECO report.
5. ABHR will contact The Texas Network for a proposal.
6. Operator will place a notice in utility bills regarding the National Night Out.

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