

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

July 26, 2010

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 July 26, 2010, 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 of TNG Utility Corp. ("TNG"); Vickey Sullivan of Equi-Tax, Inc.; Mike Hunt of Aurous Properties, Inc.; Erik Spencer of Van De Wiele & Vogler, Inc.; Teri League of Republic Waste Services; Lieutenant David Escobar of the Harris County Precinct 4 Constable's office; and David Oliver and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the June 28, 2010, meeting. Mr. Spencer noted a correction to the minutes. After review and discussion, Director Chesnutt moved to approve the minutes of the meeting, as corrected. Director Gable seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

OPERATION OF DISTRICT FACILITIES

Mr. 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 June was 29,762,000 gallons with 30,328,000 gallons pumped. Mr. Wright said that water accountability was 98.6% during June and that there were no excursions at the wastewater treatment plant. Mr. Wright then reviewed the billing and collection report and the builder damages report. He said that NCO Financial Services has been contacted regarding collection of the District's delinquent accounts.

Discussion ensued regarding the condition of the sidewalks surrounding the District's facilities, including sanitary sewer manholes. The Board reviewed a list of damaged sidewalks prepared by TNG, a copy of which is attached. Mr. Wright said that the cost to remove the sidewalks, repair the manholes and replace the sidewalks at the locations on the list is \$14,730.00. After review and discussion, Director Gable moved to authorize TNG to perform the work on the sidewalks and manholes, as stated. Director Chesnutt seconded the motion, which passed by unanimous vote.

The Board reviewed the esplanade water usage report. Mr. Hunt said that he will have the landscape company investigate the water usage at 2511½ Bradbury.

Mr. Wright discussed the two right-angle drives located on the booster pump and on the water well. He said that work is ongoing to sell the two drives, which are no longer needed and have been declared surplus.

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

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

GARBAGE AND RECYCLING

Ms. League had no written report for the Board. She said that this week the recycle bins will be delivered to residents of the District and the welcome letter from the Recycle Bank to residents will be mailed to residents. Mr. Wright said that he will provide ABHR with a copy of the letter regarding recycling that was posted on the District's web site.

After review and discussion, Director Chesnutt moved to approve the Second Amendment to the Garbage Collection Contract and direct that the Contract be filed appropriately and retained in the District's official records. Director Hoffpauir seconded the motion, which passed by unanimous vote.

SECURITY

Lieutenant Escobar discussed security in the District. Discussion ensued regarding security at the Breckenridge Forest pool. Ms. Covan distributed a letter from the Breckenridge Forest Property Owners Association (the "POA"), a copy of which is attached, requesting additional security patrols. Lieutenant Escobar said that he contacted the POA and has made arrangements for additional security patrols.

Mr. Wright discussed three incidents of vandalism that occurred at the wastewater treatment plant. He said that on July 18, 2010, vandals broke into the plant and stole the contractor's backhoe and hand and power tools. Mr. Wright said that on July 23, 2010, vandals broke into the plant again. He said that the next morning, a sludge valve was open and sludge was found flowing into the ditch and surrounding wooded area. Mr. Wright said that this incident was reported to the Harris County sheriff's office. He said that Magna-Flow was contacted and after approximately twelve hours of cleaning, the plant was placed back on line. Mr. Wright said that clean up of the area continued the next day.

Mr. Wright said that on July 26, 2010, the chain and locks at the wastewater treatment plant were found cut and the backhoe had been run through the fence and gate. He said that the vandals stole additional equipment. Lieutenant Escobar said that he had not been notified of the vandalism. The Board requested that TNG notify Lieutenant Escobar of any future incidents in the District. The Board requested that ABHR notify the District's insurer of the vandalism incidents.

After review and discussion, the Board authorized TNG to investigate the options for a video surveillance system and a perimeter beam at the wastewater treatment plant.

FINANCIAL AND BOOKKEEPING

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

Ms. Sullivan said that she contacted Karen Sears of Acclaim Energy Advisors ("Acclaim") regarding the District's energy usage and rates, and requested that Ms. Sears attend the Board meeting. She said that Ms. Sears provided a draft budget of the District's energy usage during the year, but did not provide information regarding an audit of the Direct Energy invoices. The Board requested that Ms. Sears attend the August Board meeting and provide the information requested and an evaluation of where the District is using the most electricity. Ms. Sullivan said that she will contact Ms. Sears again.

After review and discussion, Director Hoffpauir moved 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. She said that the District's 2009 property taxes are 97.4% collected. Ms. Sullivan distributed and reviewed a list of uncollected taxes on personal property accounts that have been delinquent for at least three years. She requested that the District authorize the delinquent tax attorney to write off these accounts as uncollectible. After review and discussion, Director Chesnutt moved to authorize the delinquent tax attorney to write-off the uncollectible personal property accounts and 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.

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 consideration 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.

REVIEW BIDS AND AWARD CONTRACT FOR CYPRESSWOOD HEIGHTS LIFT STATION AND NATURAL GAS BYPASS PUMP

Mr. Spencer said that the plans and specifications for the Cypresswood Heights lift station and bypass pump have been approved, but the project has not yet been advertised for bids.

AUTHORIZE ADVERTISING FOR BIDS FOR WATER, FORCE MAIN AND DRAINAGE TO SERVE CYPRESSWOOD HEIGHTS DRIVE AND SCHOOL SITE

Mr. Spencer said that plans for the water line, sanitary force main and storm sewer facilities for the entrance road to Cypresswood Heights have been approved by all agencies, but the project is on hold.

BIRNAMWOOD AND CYPRESSWOOD WATERLINES AND EXTENSIONS AND CYPRESSWOOD INTERCONNECT

Mr. Spencer said that the contract for the Birnamwood water line extension and the Cypresswood Interconnect was awarded to D. L. Elliott and that construction is substantially complete. He said that the contractor is addressing the punch list from the final inspection.

WASTEWATER TREATMENT PLANT REHABILITATION PROJECT

Mr. Spencer discussed the proposed improvements to the wastewater treatment plant. He said that the project was awarded to R & B Group and construction is underway.

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

Mr. Spencer said that the contract for the Breckenridge Forest lift station standby pump and water plant no. 3 generator was awarded to C. F. McDonald Electric and construction is underway. He presented and recommended for approval Pay Estimate No. 4 in the amount of \$84,897.90.

WATER PLANT NO. 1 RECOATING

Mr. Spencer said that the contract for recoating water plant no. 1 was awarded to W. W. Payton Corp. He said that the project is underway. Mr. Spencer presented and recommended for approval Pay Estimate No. 1 in the amount of \$57,780.00 and Change Order No. 1 in the amount of \$11,300.00 with the revisions approved last month. Mr. Wright said that he is obtaining pricing for replacement of the roof at the water plant control building.

CONNECTION AND CAPACITY UPDATE

Mr. Spencer stated that there are 2,886 active single-family residential water connections in the District.

DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

Mr. Hunt 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 Gable moved to: 1) approve Pay Estimate No. 4 in the amount of \$84,897.90 for the Breckenridge Forest lift station standby pump and water plant no. 3 generator; 2) approve Pay Estimate No. 1 in the amount of \$57,780.00 and Change Order No. 1 in the amount of \$11,300.00 for the water plant no. 1 recoating project; and 3) approve the operator's report. Director Chesnutt seconded the motion, which passed by unanimous vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Gable reported on the NHCRWA.

WEB SITE

Mr. Wright confirmed that information regarding recycling had been posted on the District's web site.

STRATEGIC PARTNERSHIP AGREEMENT WITH THE CITY OF HOUSTON

Ms. Covan reported on a Strategic Partnership Agreement with the City of Houston (the "City"). She said that information has been provided to the City along with a map of the District's commercial tracts. Ms. Covan said that the City is requesting an enlarged map. Mr. Spencer said that he will provide such map to ABHR for submission to the City.

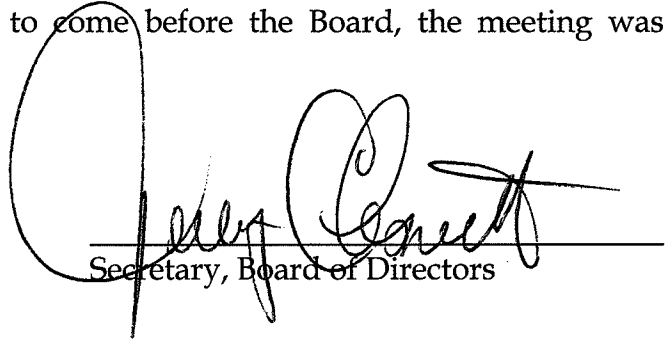
ACTION TAKEN DURING THE MONTH

The Board reviewed the actions taken during the month.

DIRECTORS AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

There were no further reports from Directors and District consultants.

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


Secretary, Board of Directors

(SEAL)



ACTION LIST

1. Operator will work on the contract for collection services. (holdover)
2. Operator will establish water plant no. 1 as the primary plant after completion of the recoating project. (holdover)
3. Operator will proceed with the sale of two right-angle drives. (holdover)
4. Operator will solicit proposals for replacement of the roof at the water plant no. 1 control building. (holdover)
5. Bookkeeper will follow up with Acclaim Energy to obtain report on electricity usage and rates. (holdover)
6. Operator will proceed with repairs to sidewalks and manholes.
7. ABHR will notify the District's insurer of the vandalism.
8. Bookkeeper will request that Acclaim Energy attend the August Board meeting.
9. Engineer will provide map of the District's commercial tracts to ABHR.

LIST OF ATTACHMENTS

	<u>Minutes</u>
	<u>Page</u>
operator's report.....	1
list of damaged sidewalks	2
termination list	2
letter from the Breckenridge Forest Property Owners Association.....	3
bookkeeper's report.....	3
tax assessor/collector's report	4
engineering report	4