

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

June 28, 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 June 28, 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.

Also present at the meeting were David Wright and Dennis Wright of TNG Utility Corp. ("TNG"); Vicky 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 Lynne Humphries and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the May 24, 2010, meeting. After review and discussion, Director Chesnutt moved to approve the minutes of the meetings. Director Hays 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 May was 28,107,000 gallons with 28,838,000 gallons pumped. Mr. Wright said that water accountability was 98.39% during May 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 there were thirty-eight new taps in May. He said that water plant no. 1 will be the primary plant utilized as soon as the recoating project is complete.

The Board reviewed the esplanade water usage report. Mr. David Wright said that the school's water usage and other accounts on the esplanade report are correct.

Mr. David 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.

Mr. David Wright said that he has not been able to contact Business Creditor Management ("BCM") regarding the contract for collection of the District's delinquent utility accounts. The Board requested that Mr. David Wright contact Jessica Holoubek of ABHR and obtain the name of another collection company.

Mr. David Wright said that he contacted the Federal Emergency Management Agency regarding submission of a claim to receive the remainder of the District's available Hurricane Ike disaster funds. He said that the forms are being completed.

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.

Ms. Humphries reviewed a letter from Sandra Hale, a resident of the District, regarding late fees and fees for a returned check for insufficient funds. A copy of the letter from Sandra Hale is attached. After review and discussion, the Board determined to follow the District's Amended Rate Order regarding applicable fees and requested that Mr. David Wright prepare a letter to Ms. Hale responding to her concerns.

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.

HARRIS-GALVESTON COASTAL SUBSIDENCE DISTRICT PERMIT USAGE AND RENEWAL OF PERMIT

Mr. David Wright said that the NHCRWA is aggregating all permits in its jurisdiction and the District's permit will be renewed at the same rate of pumpage as last year. He said that the District can apply for a credit if the entire pumpage amount is not used.

AMENDED RATE ORDER

The Board took no action to adopt an Amended Rate Order.

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 Hays 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 reviewed the May garbage report, a copy of which is attached. She distributed and reviewed a draft letter to homeowners regarding the recycling program, a copy of which is attached. Ms. League said that a welcome packet will also be mailed to residents of the District. The Board provided Ms. League with the names of several vendors in the District that may be interested in participating in the recycling rewards program.

Ms. League said that she is finalizing the Amendment to the garbage contract and will forward the Amendment to ABHR for review. The Board authorized adding a link on the District's web site to recycle bank information and including the letter to homeowners and other recycle bank information on the District's web site. Ms. League requested that TNG provide Republic Waste with a list of District customer names and addresses for the recycling mailing. Mr. David Wright said that he will provide the customer list to Ms. League. Director Chesnutt said that he was charged a fuel recovery fee for his second garbage bin. Ms. League said that she will investigate this matter on all billings to customers with a second cart and issue appropriate credits.

SECURITY

Lieutenant Escobar discussed security in the District. Ms. Humphries asked whether a meeting had been held with the Unity Children's Home. Lieutenant Escobar said that a meeting has not yet been scheduled. Lieutenant Escobar said that the Constable's office received three calls from the Unity Children's Home within the last month. After review and discussion, the Board authorized ABHR to prepare a letter to the Unity Children's Home regarding the District's concerns and requesting that a meeting be scheduled as previously promised.

INTERLOCAL AGREEMENT FOR WATER WISE PROGRAM

The Board considered approving an Interlocal Agreement with the HGCSO that provides for the District's sponsorship of a fourth grade class at Smith Elementary and a fifth grade class at Burchette Elementary in the Learning to be Water Wise and Energy Efficient program. Ms. Humphries stated that the fee per student is \$34.50 and there are approximately 265 students. Ms. Sullivan said that the budget will be amended to

increase the expense for the Learning to be Wise Program. After review and discussion, Director Chesnutt moved to approve the Interlocal Agreement and sponsorship of the fourth and fifth grade classes at Smith Elementary and Burchette Elementary. Director Gable seconded the motion, which passed by unanimous vote.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") CONFERENCE

The Board discussed the AWBD summer conference. Director Hays discussed the new rules for bacteria levels in wastewater treatment plant permits. Mr. Spencer requested that TNG send him a copy of all bacteriological testing results. Mr. Spencer said that the District's wastewater treatment plant permit was renewed prior to the effective date of the new rules. Director Sundstrom distributed information regarding security keys and access control systems for the District.

After discussion, Director Hays moved to authorize reimbursement of the eligible conference expenses to the Directors who attended and to authorize Board members to attend the winter AWBD conference in Galveston, Texas. Director Gable seconded the motion, which passed by unanimous vote.

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. She said that Karen Sears of Acclaim Energy Advisors ("Acclaim") confirmed that the District's new contract and rates begin in October. She said that Acclaim is still analyzing the District electricity rates and usage and discussing the data with Direct Energy. Ms. Sullivan said that she will e-mail the report from Acclaim to each Board member before the July Board meeting.

After review and discussion, Director Chesnutt 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 96.6% collected. After review and discussion, Director Chesnutt moved to authorize the delinquent tax attorney to begin collection of delinquent taxes on July 1, 2010, 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.

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

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. Mr. Spencer presented and recommended for approval Pay Estimate No. 1 in the amount of \$320,821.20.

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. Mr. Spencer said that 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. 3 in the amount of \$22,500.00.

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 discussed changes to the contract including the following recommended work by W. W. Payton Corporation: 1) sand blast and recoat the entrance gate at a cost of \$3,050.00; 2) remove, replace and galvanize the burglar bars on the control building at a cost of \$300.00; 3) sand blast and recoat the burglar bars on the door at a cost of \$732.00; 4) apply special coating for the ground storage tank interior area and heavily pitted areas of the floor at a cost of \$18,300; and 5) replace the roof at the control building at a cost of \$5,000. After review and discussion, the Board determined not to authorize work on the entrance gate and the burglar bars on the control building and door and requested that Mr. Spencer solicit additional proposals for the roof replacement.

CONNECTION AND CAPACITY UPDATE

Mr. Spencer stated that there are 2,837 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 Hays moved to: 1) approve Pay Estimate No. 1 in the amount of \$320,821.20 for the Birnamwood Water Line extension and Cypresswood interconnect 2) approve Pay Estimate No. 3 in the amount of \$22,500.00 for the Breckenridge Forest lift

station standby pump and water plant no. 3 generator; 3) authorize W. W. Payton Corporation to apply the coating on the ground storage tank interior and floor at a cost of \$18,300; and 4) approve the operator's report. Director Gable 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 discussion on the District's web site.

ACTION TAKEN DURING THE MONTH

The Board reviewed the actions taken during the month.

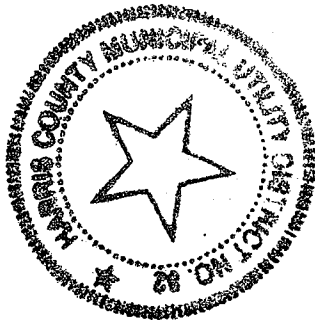
DIRECTORS AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

The Board discussed entering into a Strategic Partnership Agreement with the City of Houston (the "City"). The Board requested that ABHR submit the appropriate inventory form to the City.

Mr. Wright discussed the condition of the sidewalks surrounding the District's facilities including sanitary sewer manholes. The Board authorized TNG to make a list of recommended repairs.

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

(SEAL)



[Handwritten Signature]
Assistant Secretary, Board of Directors

ACTION LIST

1. Operator will work on the contract for collection services. (holdover)
2. Republic Waste will provide amended contract to ABHR.
3. Operator will establish water plant no. 1 as the primary plant after completion of the recoating project. (holdover)
4. Operator will proceed with the sale of two right-angle drives. (holdover)
5. Operator will respond to letter from Sandra Hale.
6. Operator will solicit proposals for replacement of the roof at the water plant no. 1 control building.
7. ABHR will prepare letter to the Unity Children's Home.
8. Bookkeeper will follow up with Acclaim Energy to obtain report on electricity usage and rates. (holdover)

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