

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

April 23, 2018

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 April 23, 2018, 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:

Jerry Chesnutt	President
Matthew Hoffpauir	Vice President
Don Hays	Secretary
Gary Sundstrom	Assistant Vice President
Darryl Smith	Assistant Secretary

and all of the above were present except Director Hays, thus constituting a quorum.

Also present were Steve Reifel of TNG Utility Corp. ("TNG"); Vicky Sullivan of Equi-Tax, Inc.; Michelle Lofton of ETI Bookkeeping Services; Erik Spencer of Van De Wiele & Vogler, Inc. ("Van De Wiele"); Adam Kupstas of Aurous Development Services, Ltd.; Anthea Moran and Greg Lentz of Hilltop Securities, Inc.; Mary Dubois of Acclaim Energy; Sergeant Katherine Vera, of the Precinct 4 Constable's office; Barbara Nussa of Republic Services; and Christina Miller and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the March 26, 2018, regular meeting. Director Sundstrom noted a correction to the minutes. After review and discussion, Director Chesnutt moved to approve the minutes of the meeting, as corrected. Director Smith seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

SECURITY AND CONSTABLE'S REPORT

Sergeant Vera reviewed the security report, a copy of which is attached. She reported being contacted by CVS Pharmacy ("CVS") requesting additional security. The Board requested a representative from CVS attend a Board meeting to discuss the request. Following review and discussion, upon a motion by Director Smith and a second by Director Sundstrom, the Board voted unanimously to approve the security report.

## GARBAGE AND RECYCLING REPORT

Ms. Nussa distributed the March Customer Service Report, a copy of which is attached.

Discussion ensued regarding the October 2, 2018, shred event in the District during National Night Out. Ms. Nussa said a notice to all residents will be included in the utility bill prior to the event. She said the shredding truck will be on site for three hours.

Discussion ensued regarding the new Republic Rewards program effective July 1, 2018. She requested residential customer addresses to cross-reference with the website. Ms. Nussa said customers using the Recycle Bank program will have six weeks to use their Recycle Bank rewards. She said a flyer regarding the new program will be mailed to customers with the May utility bill mailing. Ms. Nussa requested a letter from the District acknowledging the July 1, 2018, effective date of the Republic Rewards program and the discontinuation of the Recycle Bank program as of June 30, 2018.

## REPORT FROM ACCLAIM ENERGY ADVISORS

Ms. Dubois reviewed an electricity pricing report, a copy of which is attached. She requested an item on the May agenda to discuss a new electricity agreement effective January 24, 2019.

## OPERATION OF DISTRICT FACILITIES

Mr. Reifel presented the operator's report, a copy of which is attached, and reviewed the Water Production Report, the Esplanade Water Usage Report, and the Billing and Collections Report. Mr. Reifel next discussed District operations and maintenance.

Mr. Reifel reported the existing light pole in the vicinity of 23915 Spring Way was relocated by CenterPoint Energy in order to allow the installation of a safety trench box.

Following review and discussion, Director Sundstrom moved to approve the operator's report. Director Hoffpauir seconded the motion, which passed unanimously.

## CONDUCT HEARING ON TERMINATION OF WATER SERVICE

Mr. Reifel presented a list of delinquent customers to the Directors and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Sundstrom moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct

that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Hoffpauir and passed by unanimous vote.

#### WATER CONSERVATION PLAN

The Board considered approving the annual report on implementation of the Water Conservation Plan and authorizing submittal of the report to the Texas Water Development Board. Ms. Miller said the annual report, due May 1, 2018, is required because the District has over 3,300 connections and is required by the North Harris County Regional Water Authority ("NHCRWA"). Mr. Reifel said TNG will prepare the report. After discussion, Director Hoffpauir moved to authorize submission of the annual report on implementation of the Water Conservation Plan to the Texas Water Development Board. Director Sundstrom seconded the motion, which passed by unanimous vote.

#### FINANCIAL AND BOOKKEEPING

Ms. Lofton presented the bookkeeper's report, including the investment report, a copy of which is attached, and reviewed the bills presented for payment. After review and discussion, Director Chesnutt moved to approve the bookkeeper's report. Director Smith seconded the motion, which passed by unanimous vote.

#### ARBITRAGE REBATE REPORT FOR SERIES 2013 BONDS

The Board reviewed the arbitrage rebate report for the District's Series 2013 Bonds prepared by OmniCap. Ms. Miller said the District owes no arbitrage to the Internal Revenue Service.

#### TAX ASSESSMENT AND COLLECTIONS

Ms. Sullivan reviewed the tax assessor/collector's report, a copy of which is attached, and the bills presented for payment. After review and discussion, Director Hoffpauir moved to approve the tax assessor/collector's report. Director Smith seconded the motion, which passed unanimously.

#### ENGINEERING

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

#### EASEMENTS AND DEEDS, CONSENTS TO ENCROACHMENT, UTILITY COMMITMENTS

There was no discussion on this matter.

BRECKENRIDGE PARK, SECTION 1, PARTIAL REPLAT NO. 2, WATER, SEWER AND DRAINAGE

Mr. Spencer reported on Breckenridge Park, Section 1, Partial Replat No. 2, water sewer and drainage. He said the contractor is addressing the punch list items following the inspection.

BRECKENRIDGE PARK, SECTION 1, PARTIAL REPLAT NO. 3, WATER, SEWER AND DRAINAGE

Mr. Spencer reported on Breckenridge Park, Section 1, Partial Replat No. 3, water sewer and drainage. He said the preliminary plat has been submitted.

BRECKENRIDGE PARK, SECTION 2

Mr. Spencer reported on the Breckenridge Park, Section 2 project and recommended the Board approve Pay Application 6 and Final in the amount of \$14,660.86, payable to C.E. Barker. He recommended the Board accept the project.

BRECKENRIDGE PARK, SECTION 11, WATER, SEWER AND DRAINAGE

Mr. Spencer reported on Breckenridge Park, Section 11, water, sewer and drainage. He said the contractor is addressing the inspection punch list items.

BRECKENRIDGE PARK, SECTION 13, WATER, SEWER AND DRAINAGE

Mr. Spencer reported on water, sewer and drainage facilities to serve Breckenridge Park, Section 13. He said they are waiting for the Harris County re-inspection.

BRADBURY FOREST, SECTION 7

Mr. Spencer reported on water, sewer and drainage facilities to serve Bradbury Forest, Section 7. He said they are waiting for the Harris County re-inspection.

BRADBURY FOREST SECTION 8

Mr. Spencer updated the Board regarding clearing and grubbing in Bradbury Forest, Sections 8, 9 and 10. He had no Pay Applications to present to the Board. Mr. Spencer said agency comments on detention for Bradbury Forest, Sections 8, 9 and 10 and the water, sewer and drainage plans are being addressed.

SANITARY SEWER REPAIRS IN SPRING RIDGE

Mr. Spencer reported on sanitary sewer repairs in Spring Ridge. He said the contracts are ready to be executed.

### LIFT STATION NO. 3; RESOLUTION EXPRESSING INTENT TO REIMBURSE

Discussion ensued regarding lift station no. 3.

### CONNECTION AND CAPACITY UPDATE

Mr. Spencer discussed the equivalent single family connections in the District.

### BOND APPLICATION NO. 12

Mr. Spencer reported on bond application no. 12. He said the Texas Commission on Environmental Quality staff memorandum and draft order have been received and the pre-purchase inspection of facilities has been requested.

### NORTHSRING RECREATION CENTER DRAINAGE IMPROVEMENTS

Mr. Spencer reported on the Northspring Recreation Center Drainage Improvement Project.

### DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

Mr. Spencer requested the Board consider amending the Service Agreement with TMK Enterprises to increase the annual maintenance costs from \$40,660.85 to \$48,445.40. He said the increased cost is due to the expansion of the detention pond serving Breckenridge Forest, Section 11 and Section 13, the pond serving Breckenridge Park and the additional drainage reserves in Breckenridge Forest, Section 11 and Section 13. The Board reviewed a cost comparison prepared by Van de Wiele & Vogler, a copy of which is attached.

Mr. Spencer reviewed with the Board a Preliminary Cost Sharing Summary, a copy of which is attached, for the Spring Independent School District tract.

After review and discussion, and based on the engineer's recommendation, Director Sundstrom moved to: (1) approve Pay Application No. 6 and Final in the amount of \$14,660.86 for Breckenridge Park, Section 2, water, sewer and drainage; (2) accept the Breckenridge Park, Section 2 project; (3) authorize execution of the contract for sanitary sewer repairs in Spring Ridge; (4) approve the Amended Service Agreement with TMK Enterprises, subject to receipt of Form 1295; and (5) accept the engineer's report. Director Smith seconded the motion, which passed by unanimous vote.

### FINANCIAL SERVICES CONTRACT

Mr. Lentz addressed the Board to discuss financial advisory services offered by Masterson Advisors. After discussion, Director Smith moved to authorize notice of

termination to Hilltop Securities, engage Masterson Advisors as the District's financial advisor, and authorize execution of the Financial Services Contract, subject to final review. Director Sundstrom seconded the motion, which passed by unanimous vote.

#### SERIES 2018 UNLIMITED TAX BONDS

Ms. Moran discussed the District's Series 2018 Unlimited Tax Bonds (the "Bonds").

#### AUTHORIZE PREPARATION OF PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

The Board considered authorizing preparation of the Preliminary Official Statement ("POS") and Notice of Sale ("NOS"). After discussion, Director Sundstrom moved to authorize preparation of the POS and NOS. Director Hoffpauir seconded the motion, which passed by unanimous vote.

#### DISCLOSURES PURSUANT TO MUNICIPAL SECURITIES RULEMAKING BOARD REQUIREMENTS

Ms. Moran said a letter from Masterson Advisors containing disclosures pursuant to Municipal Securities Rulemaking Board Rule G-42 will be presented at the next meeting.

#### ENGAGE RATING COMPANY TO PERFORM CREDIT RATING ANALYSIS

The Board considered engaging Standard & Poor's to perform a credit rating analysis for the District. After discussion, Director Sundstrom moved to authorize Standard & Poor's to perform the credit rating analysis. Director Hoffpauir seconded the motion, which passed by unanimous vote.

#### APPOINT PAYING AGENT/REGISTRAR

The Board considered appointing The Bank of New York Mellon Trust Company, N.A., as the paying agent/registrar for the Bonds. Director Sundstrom moved to appoint The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar for the Bonds. Director Hoffpauir seconded the motion, which passed unanimously.

#### AUTHORIZE ADVERTISEMENT FOR SALE OF SERIES 2018 BONDS AND SCHEDULE BOND SALE

Director Sundstrom moved to authorize advertisement for the sale of the Bonds, and schedule the bond sale for the regular Board meeting on May 30, 2018. Director Hoffpauir seconded the motion, which passed unanimously.

AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

The Board considering authorizing the auditor to prepare the developer reimbursement report for the Bonds. After discussion, Director Sundstrom moved to authorize McCall Gibson Swedlund Barfoot, PLLC, to prepare the developer reimbursement report for the Bonds. Director Hoffpauir seconded the motion, which passed unanimously.

AUTHORIZE ENGINEER TO REQUEST TEXAS COMMISSION ON ENVIRONMENTAL QUALITY INSPECTION OF FACILITIES

Director Sundstrom moved to authorize the District engineer to request an inspection of facilities by the Texas Commission on Environmental Quality.

AUTHORIZE TAX ASSESSOR/COLLECTOR TO REQUEST CERTIFICATE OF ASSESSED VALUE

Director Sundstrom moved to authorize Assessments of the Southwest to request a certificate of assessed value as of January 1 from the Harris County Appraisal District. Director Hoffpauir seconded the motion, which passed by unanimous vote.

ANNEXATION MATTERS

There was no discussion on this matter.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Smith reported on the NHCRWA.

WEBSITE

There was no discussion on this matter.

FINANCING AND REIMBURSEMENT AGREEMENTS; ASSIGNMENTS AND CONSENTS TO ASSIGNMENT

There was no discussion on this matter.

ACTION TAKEN DURING THE MONTH

There was no discussion on this matter.

DIRECTOR AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

There was no discussion on this matter.

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



Secretary, Board of Directors

(SEAL)





ACTION LIST

1. Republic will prepare notice to residents regarding the Republic Rewards program.
2. Operator will prepare annual Water Conservation Plan report and submit report to the Texas Water Development Board.
3. ABHR will send notice of termination to Hilltop Securities.
4. Tax assessor will request Certificate of Value.

LIST OF ATTACHMENTS

	<u>Page</u>
security report .....	1
March Customer Service Report.....	2
Operator’s Report.....	2
bookkeeper’s report.....	3
tax assessor/collector’s report .....	3
engineering report .....	3
cost comparison.....	5
Preliminary Cost Sharing Summary .....	5