

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

May 30, 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 May 30, 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, thus constituting a quorum.

Also present were Steve Reifel of TNG Utility Corp. ("TNG"); 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 of Masterson Advisors LLC; Mary Dubois of Acclaim Energy; Barbara Nussa of Republic Services; Sgt. George Cleary, Corporal John Benavidas of the Harris County Sheriff's Office; Daniel Smith, a resident of the District; Ken Park of Oak Tree Realty; Tim Park of AAA Spring Storage; Wesley Cernosek and Sergio Banda guests of Ken Park; and Hannah Brook and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the April 23, 2018, regular meeting. After review and discussion, Director Smith moved to approve the minutes of the meeting. Director Chesnutt seconded the motion, which passed unanimously.

2018 DIRECTORS ELECTION

The Board discussed the 2018 Director election.

CERTIFICATE OF ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Jerry Chesnutt and Matthew Hoffpauir to the Board of Directors of the District each for a four-year term. After review and discussion, Director Smith moved to approve the Certificate of Election and the distribution of same to Directors Chesnutt and Hoffpauir, and direct that the Certificate of Election be filed

appropriately and retained in the District's official records. Director Sundstrom seconded the motion, which passed by unanimous vote.

DIRECTORS' SWORN STATEMENTS AND OATHS OF OFFICE

Ms. Brook reviewed the Sworn Statement and Oath of Office for Directors Chesnutt and Hoffpauir. After review and discussion, Director Smith moved to approve the Sworn Statements and Oaths of Office and direct the documents be filed in the official records of the District, and the Oaths of Office be filed with the Secretary of State, as required by law. Director Sundstrom seconded the motion, which passed by unanimous vote.

REORGANIZE BOARD AND ELECT OFFICERS

The Board considered reorganizing the Board of Directors. Following discussion, Director Sundstrom moved that all Directors retain their current positions. Director Smith seconded the motion, which passed by unanimous vote.

REGISTRATION FORM

The Board considered authorizing the execution of the District Registration Form, updated to reflect the terms of office. Following review and discussion, Director Hays moved to authorize the execution of the District Registration Form and direct that the Registration Form be filed appropriately and retained in the District's official records. Director Smith seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

Mr. Spencer said a request has been received from Ken Park for annexation of approximately 29 acres into the District for the development of a recreational vehicle resort consisting of 200 sites. Mr. Park distributed a Site Plan for the Spring Creek RV Resort, a copy of which is attached. Mr. Park said the value of each space is approximately \$20,000 - \$25,000. Discussion ensued. After discussion, Director Hays moved to authorize ABHR to prepare an annexation letter agreement, and authorized the District's engineer to prepare a feasibility study upon receipt of the signed annexation agreement and deposit from the property owner for annexation costs. Director Smith seconded the motion, which passed by unanimous vote.

SECURITY AND CONSTABLE'S REPORT

Sergeant Benavidas reviewed the security report, a copy of which is attached. 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 April 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 distributed a draft notice to customers that will be mailed to customers with the utility bill. Mr. Reifel requested the notice be provided to him and to Director Smith.

REPORT FROM ACCLAIM ENERGY ADVISORS

Ms. Dubois reviewed an electricity pricing report, a copy of which is attached. The Board reviewed energy pricing from different vendors and contract terms. After review and discussion, Director Smith moved to select Hudson Energy as the District's electricity provider for a sixty-month term to begin January 2019 not to exceed a rate of 5% over today's price of \$0.0410 per kilowatt hour. Director Hoffpauir seconded the motion, which passed by unanimous vote.

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 said the tap for the Spring Volunteer Fire Department has been completed. The Board reviewed the water cut-off list. Director Sundstrom said the Board has not received requests for write-offs of uncollectible accounts in some time. Director Hays asked TNG to compile a list of write-off accounts for review by the Board.

Mr. Spencer said the meter at the wastewater treatment plant needs to be calibrated. Director Hays said there is a charge on the TNG invoice for cleaning due to buildup of debris at the weir. He said this should be covered under basic operations. Mr. Reifel said he will ask TNG to issue a credit to the District.

Following review and discussion, Director Hoffpauir moved to authorize calibration of the meter at the wastewater treatment plant and to approve the operator's report. Director Smith 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 Smith and passed by unanimous vote.

WATER CONSERVATION PLAN

The Board considered approving the annual report on implementation of the Water Conservation Plan, a copy of which is attached, and authorizing submittal of the report to the Texas Water Development Board. Ms. Brook 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"). After discussion, Director Smith moved to authorize submission of the annual report on implementation of the Water Conservation Plan to the Texas Water Development Board. Director Hoffpauir seconded the motion, which passed by unanimous vote.

CRITICAL LOAD SPREADSHEET

Ms. Brook reviewed the critical load spreadsheet, which had been provided to the District's engineer and operator for review. She said the critical load information on the District's facilities is required to be reviewed at least annually and submitted to the Public Utility Commission, the District's electricity provider and other governmental entities, whether or not there are any changes. After review and discussion, Director Sundstrom moved to authorize ABHR to file the critical load spreadsheet and direct that the spreadsheet be filed appropriately and retained in the District's official records. Director Smith seconded the motion, which passed by unanimous vote.

CONSUMER CONFIDENCE REPORT

The Board reviewed the 2017 Consumer Confidence Report (the "CCR"), a copy of which is attached. Mr. Reifel confirmed that prior to July 1, 2018, a notice will be placed in the utility bills informing the District's customers of the website address where the CCR can be viewed. After review and discussion, Director Smith moved to approve the CCR subject to final approval by ABHR, authorize the operator to notify the District's customers of the website address where the CCR can be viewed, and file the certificate of mailing with the Texas Commission on Environmental Quality ("TCEQ"). Director Chesnutt seconded the motion, which passed by unanimous vote.

TRAVEL REIMBURSEMENT GUIDELINES

The Board discussed the AWBD summer conference expenses eligible for reimbursement. After discussion, Director Sundstrom moved to authorize three hotel nights, four fees of office and a maximum of three meals per day for the summer conference,

all to be submitted in accordance with the District's Travel & Reimbursement Guidelines. Director Hoffpauir 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.

TAX ASSESSMENT AND COLLECTIONS

Ms. Lofton reviewed the tax assessor/collector's report, a copy of which is attached, and the bills presented for payment. After review and discussion, Director Smith moved to approve the tax assessor/collector's report. Director Hays 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

Mr. Spencer discussed the conveyance of Breckenridge Forest, Section 11, Reserves C & H and Breckenridge Forest, Section 13, Reserves A, D & G from D. R. Horton to the District. The Board reviewed a proposal from Berg-Oliver for preparation of the Phase 1 Environmental Site Assessment at a cost of \$2,600.

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 plans have been submitted to agencies for review. Mr. Spencer requested approval of the plans and specifications and authorization to advertise for bids.

BRECKENRIDGE PARK, SECTION 2

Mr. Spencer reported on the Breckenridge Park, Section 2 project. He said he is waiting for the final pay application from Storm Water Solutions.

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 the project is in the one-year warranty period.

BRADBURY FOREST, SECTION 7

Mr. Spencer reported on water, sewer and drainage facilities to serve Bradbury Forest, Section 7. He said the project is in the one year warranty period.

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 and he is waiting for the drainage study report approval.

Mr. Spencer reported on water, sewer and drainage facilities for Bradbury Forest, Section 8. He said agency comments on the plans are being addressed.

SANITARY SEWER REPAIRS IN SPRING RIDGE

Mr. Spencer reported on sanitary sewer repairs in Spring Ridge. He said the project is underway.

LIFT STATION NO. 3

Discussion ensued regarding lift station no. 3 to serve the Spring Independent School District. Mr. Spencer said preliminary engineering and the topographic survey of the force main route are underway.

CONNECTION AND CAPACITY UPDATE

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

NORTHSPRING RECREATION CENTER DRAINAGE IMPROVEMENTS

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

DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

There was no discussion on this matter.

After review and discussion, and based on the engineer's recommendation, Director Sundstrom moved to: (1) authorize Berg Oliver to prepare a Phase 1 Environmental Site Assessment for Breckenridge Forest, Section 11, Reserves C and H and Breckenridge Forest, Section 13, Reserves A, D and G at a cost of \$2,600; (2) approve the plans and specifications and authorize advertising for bids for Breckenridge Park, Section 1 Partial Replat No. 3; and (3) accept the engineer's report. Director Smith 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").

APPROVE PRELIMINARY OFFICIAL STATEMENT ("POS") AND OFFICIAL NOTICE OF SALE ("NOS")

Ms. Moran presented and reviewed with the Board the POS and NOS for the Series 2018 Bonds. Following review and discussion of the POS and NOS, Director Sundstrom moved to approve the POS and NOS for the Series 2018 Bonds, subject to final review. Director Hoffpauir seconded the motion, which passed by unanimous vote.

DISCLOSURES PURSUANT TO MUNICIPAL SECURITIES RULEMAKING BOARD REQUIREMENTS

Ms. Moran presented a letter from Masterson Advisors containing disclosures relating to the engagement of First Southwest as the financial advisor for the Series 2018 Bonds, pursuant to Municipal Securities Rulemaking Board Rule G-42. After review and discussion, Director Smith moved to acknowledge the disclosure letter provided by Masterson Advisors and direct that the letter be filed appropriately and retained in the

District's official records. Director Hays seconded the motion, which passed by unanimous vote.

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

Director Smith moved to authorize advertisement for the sale of the Bonds, and schedule the bond sale for the regular Board meeting on June 25, 2018. Director Hays seconded the motion, which passed unanimously.

ANNEXATION MATTERS

There was no further discussion on this matter.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Smith reported on the NHCRWA.

WEBSITE

Director Smith reported on the District's website. He said a link to the Consumer Confidence Report will be added to the website.

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.



A handwritten signature in blue ink, appearing to read "David Hays".

Secretary, Board of Directors

(SEAL)

ACTION LIST

1. Republic will finalize notice to residents regarding the recycling event and provide notice to the operator and Director Smith.
2. Operator will submit the annual Water Conservation Plan Report.

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