

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

June 25, 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 June 25, 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 David Wright and Steve Reifel of TNG Utility Corp. ("TNG"); Michelle Lofton of ETI Bookkeeping Services; Vickey Sullivan of ETI-Tax, Inc.; Erik Spencer of Van De Wiele & Vogler, Inc. ("Van De Wiele"); Larry Kupstas of Aurous Development Services, Ltd.; Christine Crotwell of Masterson Advisors LLC; Barbara Nussa of Republic Services; Corporal John Benavidas of the Harris County Constable's Office; Brett Beardsley of Charter Development Partners, Inc.; and Hannah Brook and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the May 30, 2018, regular meeting. After review and discussion, Director Smith moved to approve the minutes of the meeting. Director Hoffpauir seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

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 May Customer Service Report, a copy of which is attached. Ms. Nussa said the new recycling program will be active on July 1, 2018.

The Board reviewed a letter from Republic Services, a copy of which is attached, regarding the annual Consumer Price Index price increase. Ms. Brook said effective August 1, 2018, the monthly rate for garbage collection will increase from \$13.11 to \$13.40 per home and the monthly rate for recycling collection will increase from \$2.98 per home to \$3.05 per home.

Ms. Nussa discussed the recycling market and the increasing bans on many imported waste materials, in particular by China, and the downturn in the global recycling market. She said Republic Services continues to search for new markets, but costs continue to rise. Ms. Nussa requested, on behalf of Republic Services, a recycling price increase of \$0.17 per home for a period of six months in addition to the CPI increase of \$0.07 per home. Ms. Nussa said Republic Waste would provide TNG with a notice to customers regarding the increase for inclusion in the water bills and to Director Smith for posting on the District's website. After discussion, the Board agreed to defer further discussion on the \$0.17 increase in recycling costs until the July Board meeting.

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. He said there were fourteen new taps installed during the prior month. Mr. Reifel next discussed District operations and maintenance. The Board reviewed the water cut-off list.

Discussion ensued regarding vehicles bypassing the barricades on Pathfinder Pass and Cypresswood Drive and trespassing on District property at water plant no. 3. An aerial map, a copy of which is attached, was distributed to the Board. The Board discussed the installation of bollard posts at water plant no. 3 to prevent the vehicle traffic.

Director Hays said the District was charged incorrectly for the fire department water taps. Mr. Reifel said he will send a breakdown of the costs to the Board.

Following review and discussion, Director Sundstrom moved to authorize the installation of bollard posts at water plant no. 3 and to approve the operator's report. Director Hays 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 Hays and passed by unanimous vote.

ASSOCIATION OF WATER BOARD DIRECTORS (AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES; AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference and expenses eligible for reimbursement. After review and discussion, and determination that the reimbursements are in accordance with the District's guidelines, Director Sundstrom moved to authorize reimbursement of the eligible conference expenses to the Directors who attended the summer conference and to authorize Board members to attend the winter AWBD conference in Austin, Texas. Director Smith 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 Smith moved to approve the bookkeeper's report. Director Sundstrom seconded the motion, which passed by unanimous vote.

Discussion ensued regarding the renewal of the District's insurance and the proposal from Arthur J. Gallagher Insurance. After review and discussion, Director Smith moved to accept the proposal from Arthur J. Gallagher Insurance. Director Sundstrom 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.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing the delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP, to proceed with the collection of property taxes delinquent as of July 1, 2018. After discussion, Director Smith moved to authorize the delinquent tax attorney to proceed with the collection of delinquent property taxes. Director Hoffpauir seconded the motion, which passed by unanimous vote.

INTERLOCAL AGREEMENT WITH HARRIS-GALVESTON SUBSIDENCE DISTRICT FOR WATER WISE PROGRAM

The Board considered approving an Interlocal Agreement with the Harris-Galveston Subsidence District providing for the District's sponsorship of approximately 122 fourth and fifth grade students at Lewis Smith Elementary School and Gloria Marshall Elementary School in the Learning to be Water Wise program. Ms. Brook stated the fee per student is \$36.46. After review and discussion, Director Smith moved to approve the Interlocal Agreement and sponsorship of students. Director Hoffpauir seconded the motion, which passed by unanimous vote.

ENGINEERING

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

EASEMENTS AND DEEDS, CONSENTS TO ENCROACHMENT, UTILITY COMMITMENTS

There was no report 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 they are waiting for the Harris County one-year re-inspection date.

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 line clearing and grubbing in Bradbury Forest, Sections 8, 9 and 10. He had no Pay Applications to present to the Board.

Mr. Spencer reported on the remainder of the clearing and grubbing for Bradbury Forest, Sections 8, 9 and 10. He recommended award of the contract to K and K Earth Works, LLC, in the amount of \$258,130.00. The Board concurred that, in its judgement, K and K Earth Works was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

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

SANITARY SEWER REPAIRS IN SPRING RIDGE

Mr. Spencer reported on sanitary sewer repairs in Spring Ridge. He said the videos from the additional televising are being reviewed.

LIFT STATION NO. 3

Discussion ensued regarding lift station no. 3 to serve Spring Independent School District ("Spring ISD"). Mr. Spencer said preliminary engineering and the topographic survey of the force main route are underway. He said he met with representatives from Spring ISD and discussed the street acceptance by Harris County and said Spring ISD should meet with Harris County.

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 Smith moved to: (1) approve the plans and specifications and authorize advertising for bids for the Breckenridge Park, Section 1, Partial Replat No. 3, water sewer and drainage; (2) award the contract for clearing and grubbing Bradbury Forest, Section 8 in the amount of \$258,130.00, based upon the engineer's recommendation and subject to approval of the bonds and review of the certificate of insurance and endorsements; and (3) accept the engineer's report. Director Sundstrom seconded the motion, which passed by unanimous vote.

SERIES 2018 UNLIMITED TAX BONDS

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

REVIEW BIDS AND AWARD SALE OF THE DISTRICT'S SERIES 2018 UNLIMITED TAX BONDS

Ms. Crotwell reviewed with the Board the eight bids received on the District's Bonds. A copy of the Bid Results is attached.

The Board considered award of the sale of the Bonds. Ms. Crotwell stated all of the bids had been checked for mathematical accuracy and the low bid was submitted by Raymond James & Associates, Inc. with a net effective interest rate of 3.366214. She

recommended the District accept the bid of Raymond James & Associates, Inc., as submitted.

Director Sundstrom moved to award the sale of the District's Bonds to Raymond James & Associates, Inc. with a net effective interest rate of 3.366214. Director Smith seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$5,365,000 UNLIMITED TAX BONDS, SERIES 2018

Ms. Brook reviewed a Resolution Authorizing Issuance of the District's Bonds (the "Resolution") and explained that the document sets forth the terms and provisions of the issuance and delivery of the Bonds, the payment of principal and interest over the life of the Bonds, and certain District covenants regarding the tax exempt status of the Bonds. After review and discussion, Director Sundstrom moved to adopt the Resolution. Director Smith seconded the motion, which passed by unanimous vote.

APPROVE PAYING AGENT/REGISTRAR AGREEMENT

The Board then considered execution of the Paying Agent/Registrar Agreement with the Bank of New York Mellon Trust Company for the District's Bonds. Ms. Brook said the agreement sets forth the provisions by which the paying agent/registrar will handle registration, transfer and payment of the District's Bonds. Director Sundstrom moved to approve the Paying Agent/Registrar Agreement. Director Smith seconded the motion, which passed by unanimous vote.

APPROVE OFFICIAL STATEMENT

Ms. Brook said the Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates and debt service requirements. After discussion, Director Sundstrom moved to approve the Official Statement. Director Smith seconded the motion, which passed by unanimous vote.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

The Board considered authorizing execution of a Certificate Regarding Provision of Financial Advice stating that the Board of Directors has relied on the financial advisor, Masterson Advisors, for financial advice concerning the issuance of the Bonds. After review and discussion, Director Sundstrom moved to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records. Director Smith seconded the motion, which passed unanimously.

AUTHORIZE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE BOND SALE AND AUTHORIZE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER BONDS TO THE PURCHASER

Director Sundstrom moved to authorize the Board of Directors to sign all documents relating to the bond sale and authorize the attorney and financial advisor to take all necessary action to deliver the bonds to the purchaser. Director Smith seconded the motion, which passed by unanimous vote.

APPROVE CHECK TO THE ATTORNEY GENERAL RELATING TO THE BOND ISSUE TRANSCRIPT REVIEW

Director Sundstrom moved to approve a check to the Attorney General for the review of the bond issue transcript. Director Smith seconded the motion, which passed unanimously.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Director Sundstrom moved to authorize execution of the Amendment to Information Form, providing updated information regarding the total amount of bonds issued by the District, and authorize filing the Information Form with Harris County and the Texas Commission on Environmental Quality (the "TCEQ"). Director Smith seconded the motion, which passed by unanimous vote.

UPDATE FROM DISTRICT ENGINEER ON TEXAS COMMISSION ON ENVIRONMENTAL QUALITY INSPECTION OF FACILITIES

Mr. Spencer updated the Board on the status of the TCEQ inspection of facilities in the bonds.

ANNEXATION MATTERS

There was no discussion on this matter.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Smith reported on the NHCRWA meeting on June 4, 2018.

WEBSITE

Director Smith reported on the District's 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.

DECEMBER BOARD MEETING

The Board considered changing the December meeting due to the holiday that falls on December 24, 2018. After discussion, the Board agreed to meet on December 18, 2018, at ABHR or in the District on December 17, 2018, at 6:00 p.m. The Board agreed to finalize the date at a future meeting.

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

(SEAL)



Secretary, Board of Directors

ACTION LIST

1. Republic will prepare notice to residents regarding recycling costs and provide said notice to the operator and Director Smith.
2. Operator will provide a breakdown of the fire department tap costs to the Board.
3. ABHR will record the Amendment to Information Form and file the Amendment to Information Form with the Texas Commission on Environmental Quality.

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