

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

July 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 July 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.

Also present were 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"); Debbie Gibson of McCall, Gibson, Swedlund, Barfoot, PLLC; Adam Kupstas of Aurous Development Services, Ltd.; Anthea Moran of Masterson Advisors LLC; Barbara Nussa of Republic Services; Sergeant Lindley of the Harris County Constable's Office; Brett Beardsley of Charter Development Partners, Inc.; and Lynne Humphries, Hannah Brook and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the June 25, 2018, regular meeting. Director Chesnutt noted a correction to the minutes. After review and discussion, Director Smith moved to approve the minutes of the meeting, as corrected. Director Sundstrom seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

SECURITY AND CONSTABLE'S REPORT

Sergeant Lindley 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

Ms. Nussa distributed the June Customer Service Report, a copy of which is attached. Director Chesnutt commended a garbage truck driver for performance during a pick-up when the street was blocked.

Discussion ensued regarding the request from Republic Services for a price increase of \$0.17 per home for a period of six months due to the increasing cost of recycling. After discussion, Director Sundstrom moved to approve the recycling cost increase of \$0.17 per customer effective July 1, 2018, for a six-month period, and to re-evaluate recycling at the end of the six-month period to determine whether it is still a cost-effective service for the District's customers. Director Hays seconded the motion, which passed by unanimous vote. Director Sundstrom asked Ms. Nussa to forward a contract amendment to ABHR for review. Mr. Reifel said the next utility bills will be mailed on August 18, 2018. The Board requested Ms. Nussa prepare a notice to customers explaining the recycling cost increase and provide the notice to TNG Utility and Director Chesnutt by August 15, 2018, for review.

DEVELOPER REIMBURSEMENT REPORT; AUTHORIZE DISBURSEMENT OF BOND FUNDS

Ms. Gibson distributed and reviewed a developer reimbursement report for the District's Series 2018, Unlimited Tax Bonds, a copy of which is attached, to reimburse D. R. Horton - Texas, Ltd., Woodmere Development Company, Ltd., and Kendall Lakes for projects approved by the Texas Commission on Environmental Quality (the "TCEQ"). After review and discussion, Director Smith moved to approve the developer reimbursement report for the Series 2018, Unlimited Tax Bonds and authorize disbursement of bond proceeds, subject to the bond closing and receipt of signed Receipts from the developers. Director Hays 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 bollards and cables are being installed at three locations, including water plant no. 3, Pathfinder Pass and Dukes Run, to prevent trespassing on District property and "No Trespassing" signs are being ordered. The Board reviewed the water cut-off list.

Director Sundstrom discussed when it is appropriate to back charge builders for deficiencies found during inspections of District facilities included in a bond issue. Discussion ensued. Mr. Reifel said he would send the inspection report and builder back charges to Mr. Spencer and Director Sundstrom for review.

Following review and discussion, Director Sundstrom moved 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.

AMENDED RATE ORDER

The Board considered amending the Rate Order to provide for an increase in the sewer rate due to the increase in the cost of garbage and recycling services. Ms. Brook said the last increase was in 2013. After discussion, Smith moved to adopt an Amended Rate Order increasing the sewer rate from \$24.28 to \$25.53 per month per single-family residential connection due to garbage and recycling rate adjustments imposed by the District's solid waste and recycling services provider. 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 Sundstrom moved to approve the bookkeeper's report. Director Smith seconded the motion, which passed by unanimous vote.

AUDIT FOR THE FISCAL YEAR END MARCH 31, 2018

Ms. Gibson reviewed the audit for the fiscal year-end March 31, 2018, including the management discussion and analysis. After review and discussion, Director Sundstrom moved to approve the management response letter and the audit, subject to final review, and authorize filing the audit as required by TCEQ rules. Director Smith seconded the motion, which passed by unanimous vote.

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 Sundstrom

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

The Board considered accepting a Special Warranty Deed from Woodmere Development Co., Ltd. ("Woodmere") to convey Reserve A, Breckenridge Park, Section 2 and Reserve B, Breckenridge Park, Section 2 to the District. After discussion, Director Smith moved to accept the Special Warranty Deed from Woodmere. Director Sundstrom seconded the motion, which passed by unanimous vote.

The Board considered accepting a Special Warranty Deed from D. R. Horton - Texas, Ltd. ("D. R. Horton") to convey Restricted Reserve C of Breckenridge Forest, Section 11, Restricted Reserve H of Breckenridge Forest, Section 11, Reserve A of Breckenridge Forest, Section 13, Reserve D of Breckenridge Forest, Section 13, and Reserve G of Breckenridge Forest, Section 13 to the District. After discussion, Director Smith moved to accept the Special Warranty Deed from D. R. Horton. Director Sundstrom seconded the motion, which passed by unanimous vote.

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 bids for the project are due July 27, 2018.

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 12

Mr. Spencer reported on Breckenridge Park, Section 12. He said plans are being finalized.

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 SECTIONS 8, 9 AND 10

Mr. Spencer updated the Board regarding the partial clearing and grubbing in Bradbury Forest, Sections 8, 9 and 10. He presented and recommended for approval Pay Application No. 2 in the amount of \$16,317.00 and Pay Application No. 3 and Final in the amount of \$4,263.00, submitted by Double Oaks Construction. Mr. Spencer recommended acceptance of the project.

Mr. Spencer reported on detention for Bradbury Forest, Sections 8, 9 and 10. He said plans have been submitted to Harris County for approval.

Mr. Spencer reported on water, sewer and drainage for Bradbury Forest, Sections 8, 9 and 10. He said agency comments on the plans are being addressed.

Mr. Spencer reported on the remainder of the clearing and grubbing for Bradbury Forest, Sections 8, 9 and 10. He recommended retracting award of the contract to K & K Earth Works and awarding the contract to the third bidder, Lindsey Construction, in the amount of \$270,395.60, based on the contract time of sixty calendar days. Mr. Spencer said the low bidder, K & K Earth Works, bid a contract time of 100 calendar days and exceeded allowed time on a previous project, and the second low bidder, Heiken Construction, lacks previous work experience and did not provide references. The Board concurred that, in its judgement, Lindsey Construction 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.

SANITARY SEWER REPAIRS IN SPRING RIDGE

Mr. Spencer reported on sanitary sewer repairs in Spring Ridge. He said the videos from the additional televising have been reviewed. Mr. Spencer presented and recommended for approval Change Order No. 1 to the contract with Texas Pride Utilities for sanitary sewer repairs in Spring Ridge to increase the contract in the amount of \$110,502.00, due to quantity increases. The Board determined that Change Order No. 1 is beneficial to the District.

LIFT STATION NO. 3

Discussion ensued regarding lift station no. 3 to serve Spring Independent School District. Mr. Spencer said plans are being prepared.

CONNECTION AND CAPACITY UPDATE

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

NORTHSRING RECREATION CENTER DRAINAGE IMPROVEMENTS

Mr. Spencer reported on the Northspring Recreation Center Drainage Improvement Project. He said construction is underway.

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 Pay Application No. 2 in the amount of \$16,317.00 for partial clearing and grubbing of Bradbury Forest, Sections 8, 9, and 10; (2) approve Pay Application No. 3 and Final in the amount of \$4,263.00 for partial clearing and grubbing of Bradbury Forest, Sections 8, 9, and 10; (3) accept the Bradbury Forest Sections 8, 9, and 10 partial clearing and grubbing project; (4) approve retraction of the contract award to K & K Earth Works for clearing and grubbing Bradbury Forest, Sections 8, 9, and 10; (5) award the contract for Bradbury Forest, Sections 8, 9, and 10 clearing and grubbing to Lindsey Construction in the amount of \$270,395.60, based upon the engineer's recommendation and subject to approval of the bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor; (6) approve Change Order No. 1 in the amount of \$110,502.00 as an increase to the contract with Texas Pride Utilities, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; and (7) accept the

engineer's report. Director Sundstrom seconded the motion, which passed by unanimous vote.

ANNEXATION MATTERS

The Board considered approving a letter agreement with Ress Investment, Inc. for the annexation of approximately 29-acres for the development of an RV Resort. After review and discussion, Director Smith moved to approve the letter agreement with Ress Investment, Inc. Director Sundstrom seconded the motion, which passed by unanimous vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Smith reported on the NHCRWA meeting.

WEBSITE

Director Smith reported on the District's website.

DEVELOPER'S REPORT

There was no report on development

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.

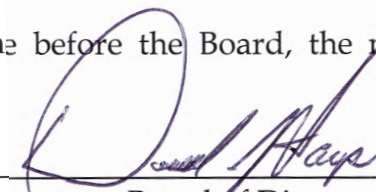
DIRECTOR AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

Ms. Humphries said the District received notification in the form of a Temporary Restraining Order (the "Order"), a copy of which is attached, that a former employee of Triton Consulting is prevented from contacting the District and others. A copy of the Order was provided to Board members.

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. Ms. Nussa will forward a garbage contract amendment to ABHR.
3. Ms. Nussa will prepare a notice to customers regarding the recycling cost increase and provide the notice to Director Chesnutt and Mr. Reifel for review.
4. Mr. Reifel will send inspection report and builder back charges to Mr. Spencer and Director Sundstrom for review.

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