

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

February 25, 2019

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 February 25, 2019, 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
Jack Abercia, Jr.	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; Vickey Sullivan of Equi-Tax, Inc.; Barbara Nussa of Republic Services, Inc.; Shannon Waugh of Off Cinco; Sgt. George Cleary of the Harris County Constable's Office, Precinct 4; Chris Dickson and Randy Corson of Crescere Digital ("Crescere"); Juanita Orsak of Pulte Homes; Bea Chesnutt, a resident of the District; and Hannah Brook and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the January 28, 2019, regular meeting. After review and discussion, Director Sundstrom moved to approve the minutes of the meeting. Director Abercia seconded the motion, which passed unanimously.

WEBSITE

Mr. Dickson addressed the Board and distributed information regarding monthly website hosting by Crescere and maintenance options, a copy of which is attached. He reviewed the cost of website design by Crescere and the company's experience with municipal utility districts. Director Sundstrom said the District is reviewing all options at this time and will get back to Crescere once a decision has been made. Mr. Dickson and Mr. Corson left the meeting. The Board discussed website options with Ms. Waugh and chose the custom layout design and Option 1 for monthly hosting and maintenance of the website.

After review and discussion, Director Sundstrom moved to: (1) engage Off Cinco as the District's new website design and hosting company and authorize execution of the engagement letter with Off Cinco; (2) authorize ABHR to prepare a termination letter to The Texas Network effective May 1, 2019. Director Abercia seconded the motion, which passed by unanimous vote.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

SECURITY AND CONSTABLE'S REPORT

Sgt. Cleary reviewed the security report, a copy of which is attached.

AUTHORIZE AUDITOR TO PREPARE AUDIT FOR THE FISCAL YEAR END MARCH 31, 2019 AND PREPARE DEVELOPER REIMBURSEMENT REPORT

The Board reviewed a letter from McCall Gibson Swedlund Barfoot, PLLC ("McCall Gibson"), a copy of which is attached, regarding preparation of the audit for the fiscal year end March 31, 2019. After review and discussion, Director Abercia moved to authorize McCall, Gibson to conduct the District's audit for the fiscal year end March 31, 2019 for an estimated fee of \$15,250 to \$16,250. Director Hoffpauir seconded the motion, which passed by unanimous vote.

The Board reviewed a letter from McCall Gibson, a copy of which is attached, regarding preparation of the developer reimbursement report for the purchase of facilities application. After review and discussion, Director Abercia moved to authorize McCall, Gibson to prepare the developer reimbursement audit for an estimated fee of \$2,000 - \$3,000. Director Hoffpauir seconded the motion, which passed by unanimous vote.

GARBAGE AND RECYCLING

Ms. Nussa reviewed the January Customer Service Report, a copy of which is attached. After review discussion, Director Sundstrom moved to accept the garbage and recycling report. 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. He said seven new taps were installed during the prior month.

Mr. Reifel discussed District operations and maintenance. He said the valve survey is almost complete and the manhole survey will follow. Mr. Reifel said no further information has been received from the man who stepped into an open manhole.

Director Chesnutt said he, Director Abercia and TNG representatives met with personnel at Indio Scrap Metal ("Indio"). Photographs taken at Indio are attached. Director Chesnutt said Indio was receiving water from a water line run from Vicente's Tire Shop. Mr. Reifel said the water line has been capped. Mr. Spencer said Indio requested a letter from Van de Wiele and approval to re-plat their property. He said as-built plans were requested, but have not been received. Mr. Spencer said an approval letter will not be provided until as-built plans are received and proof of a proper drainage system approved by Harris County has been provided. Discussion ensued regarding communicating with Indio and Vicente's Tire Shop regarding Indio's illegal use of water, the provision of water to Indio by Vicente's Tire Shop and the fines and penalties allowed in the District's Amended Rate Order for such activities. Mr. Reifel said he will provide contact information for Indio and Vicente's Tire Shop to ABHR.

Director Sundstrom asked TNG to continue to track the on-line payment activity. Mr. Reifel requested authorization to prepare the Water Smart Application to the Texas Commission on Environmental Quality ("TCEQ").

Following review and discussion, Director Hays moved to: (1) authorize TNG to prepare and submit the Water Smart Application; (2) authorize a \$10,000 fine to Indio Scrap Metal for violation of provisions of the District's Amended Rate Order; (3) authorize ABHR to prepare letters to Indio and Vicente's Tire Shop; and (4) approve the operator's report. Director Sundstrom 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 Abercia and passed by unanimous vote.

AMEND RATE ORDER

Discussion ensued regarding amending the District's Rate Order to provide for the payment of a security deposit by a non-single-family residential user. After discussion, Director Sundstrom moved to adopt an Amended Rate Order providing for a deposit from a non-single family residential user of three times the average monthly bill, as determined by the District's operator, and direct that the Amended Rate Order be filed appropriately and retained in the District's official records. 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. The Board reviewed the proposed budget for the fiscal year end March 31, 2019. After review and discussion, Director Abercia moved to approve the bookkeeper's report. Director Hays seconded the motion, which passed by unanimous vote.

CRITICAL LOAD SPREADSHEET

The Board reviewed the Critical Load Spreadsheet. After review and discussion, Director Hoffpauir moved to authorize ABHR to update the Critical Load Spreadsheet with current electricity provider information and to file the Critical Load Spreadsheet appropriately. Director Abercia 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. The Board reviewed the Strategic Partnership Agreement revenue report, a copy of which is attached and discussed new and closed businesses. After review and discussion, Director Hays moved to approve the tax assessor/collector's report. Director Abercia seconded the motion, which passed unanimously.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered adopting a Resolution Concerning Exemptions from Taxation. After review and discussion, Director Abercia moved to allow an exemption of \$45,000 for individuals who are disabled or are sixty-five years of age, reject the general homestead exemption from ad valorem taxation, and direct that the Resolution be filed appropriately and retained in the District's official records. 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 discussion on this matter.

BRECKENRIDGE PARK, SECTION 2

Mr. Spencer reported on Breckenridge Park, Section 2. He said the project is in the Harris County one-year warranty period until April 21, 2019.

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 had no pay estimates to present to the Board.

BRECKENRIDGE FOREST, SECTION 12

Mr. Spencer reported on Breckenridge Forest, Section 12. He presented and recommended for approval Pay Application No. 2 in the amount of \$19,229.19.

BRADBURY FOREST SECTIONS 8, 9 AND 10

Mr. Spencer reported on clearing and grubbing for Bradbury Forest, Sections 8, 9 and 10. He had no pay estimates to present to the Board.

Mr. Spencer reported on water, sewer and drainage for Bradbury Forest, Sections 8, 9 and 10. He said the Notice to Proceed was issued to Fellers & Clark.

Mr. Spencer reported on Bradbury Forest, Sections 8, 9 and 10 detention. He had no pay estimates to present to the Board.

SANITARY SEWER REPAIRS IN SPRING RIDGE

Mr. Spencer reported on sanitary sewer repairs in Spring Ridge. He presented Pay Application No. 4 and Final in the amount of \$82,560.70. Mr. Spencer said a claim for damages to CenterPoint Energy is being prepared. Mr. Spencer recommended approving the pay application, but holding it until the video is received from the contractor.

LIFT STATION NO. 3

Discussion ensued regarding lift station no. 3 to serve Spring Independent School District. Mr. Spencer said plans were resubmitted to the City of Houston (the "City") for review. Mr. Spencer requested authorization to solicit bids for clearing the lift station site.

SANITARY SEWER CLEANING AND TELEVISIONING

Mr. Spencer said bids were received for sanitary sewer cleaning and televising older sewer lines. He said the contracts are presented today for execution.

WASTEWATER TREATMENT PLANT EXPANSION

Mr. Spencer reported on the wastewater treatment plant expansion. He said plans are being prepared and options will be discussed the Board and TNG.

REQUEST TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") TO REIMBURSE DEVELOPER FOR BRECKENRIDGE PARK, SECTION 2

Mr. Spencer said a request was submitted to the TCEQ for approval to reimburse the developer for Breckenridge Park, Section 2. He said the TCEQ inspection was held on February 13, 2019.

GIS MAPPING

Mr. Spencer said the next GIS mapping update will occur after Breckenridge Park Replat No. 3, Bradbury Forest, Section 8 and Breckenridge Forest, Section 12 are constructed.

CONNECTION AND CAPACITY UPDATE

Mr. Spencer reported on 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 an inspection was held and the contractor is addressing the punch list. He had no pay estimates to present to the Board.

DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

Mr. Spencer reported on Breckenridge Park West being developed by Woodmere Development. He said bids for clearing and grubbing were rejected by the developer and the project is being re-bid. A copy of the bid tabulation for Breckenridge Park West is attached.

Mr. Spencer reported on the 60-acre tract called Pine Grove being developed by Pulte Homes. He said the land plan and preliminary cost estimate are being prepared. Mr. Spencer said easements will be needed from Spring Independent School District.

Mr. Spencer distributed a commercial and irrigation account usage update as of February 2019, a copy of which is attached.

BOND APPLICATION

Mr. Spencer said the summary of costs for the next bond application is being prepared.

After review and discussion, and based on the engineer's recommendation, Director Hoffpauir moved to: (1) approve Pay Application No. 2 in the amount of \$19,229.19 for Breckenridge Park, Section 12, water, sewer and drainage; (2) approve Pay Application No. 4 and Final in the amount of \$82,560.70 for sanitary sewer repairs in Spring Ridge and authorize the engineer to withhold payment until the video is received from the contractor; (3) authorize Van de Wiele to solicit bids for lift station no. 3 site clearing; and (4) accept the engineer's report. Director Abercia seconded the motion, which passed by unanimous vote.

ANNEXATION MATTERS

Discussion ensued regarding the pending annexation projects. Ms. Brook informed the Board that annexation will proceed once the tracts to be included is determined and feasibility finalized.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

Mr. Abercia reported on the NHCRWA.

WEBSITE

There was no further discussion on the website.

DEVELOPER'S REPORT

Mr. Kupstas reported on development in the District.

FINANCING AND REIMBURSEMENT AGREEMENTS; ASSIGNMENTS AND CONSENTS TO ASSIGNMENT

There was no discussion on this matter.

ACTION TAKEN DURING THE MONTH

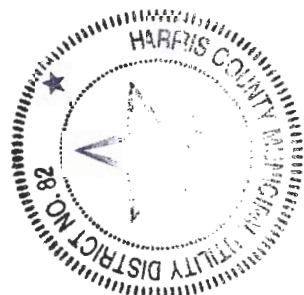
There was no discussion on this matter.

DIRECTOR AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

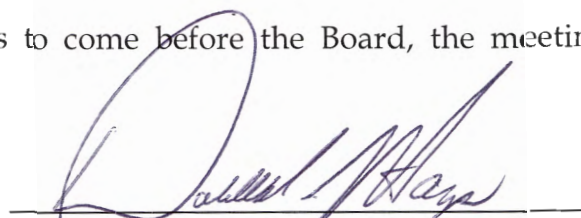
The Board discussed the next Board meeting on March 25, 2019.

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

(SEAL)



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Secretary, Board of Directors

ACTION LIST

1. TNG will reconcile the report regarding on-line utility payments.
2. TNG will follow up on the back charges to Ryland Homes.
3. ABHR will prepare termination letter to The Texas Network.
4. Mr. Reifel will provide contact information for Indio and Joe's Tire Shop to ABHR.
5. ABHR will prepare letters to Indio and Joe's Tire Shop.
6. TNG will prepare and submit the Water Smart Application.
7. ABHR will submit the Critical Load Spreadsheet.

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