

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

August 27, 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 August 27, 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 Smith, 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"); Adam Kupstas of Aurous Development Services, Ltd.; Greg Lentz of Masterson Advisors LLC; Barbara Nussa of Republic Services; Sergeant Garret Lindley of the Harris County Constable's Office; Ed Taravella of Tara Corp.; Jack Abercia, Jr., 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 July 23, 2018, regular meeting. After review and discussion, Director Sundstrom moved to approve the minutes of the meeting. Director Hays seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

ACCEPT RESIGNATION OF DIRECTOR SMITH AND APPOINT NEW DIRECTOR

The Board received a resignation letter from Director Smith, a copy of which is attached. The Board considered accepting the resignation of Director Smith from the Board of Directors. After discussion, Director Sundstrom moved to accept the resignation of Director Smith. Director Hoffpauir seconded the motion, which passed by unanimous vote.

The Board considered appointing a new director. After discussion, Director Sundstrom moved to appoint Jack Abercia to the Board of Directors. Director Hoffpauir seconded the motion, which passed by unanimous vote.

APPROVE SWORN STATE, OATH OF OFFICE AND OFFICIAL BOND OF NEW DIRECTOR

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

REORGANIZE THE BOARD; REGISTRATION FORM

The Board considered reorganizing the Board. After discussion, Director Sundstrom moved that Director Abercia fill the position of Assistant Secretary and all other Directors retain their current positions. Director Hoffpauir seconded the motion, which passed by unanimous vote.

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the term of the newly elected director and the reorganization of the Board. Following review and discussion, Director Sundstrom moved to authorize filing of the updated District Registration Form with the TCEQ, and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Hoffpauir seconded the motion, which passed by unanimous vote.

OPEN MEETINGS ACT TRAINING REQUIREMENTS

Ms. Brook said the Texas Legislature requires each elected or appointed public official to complete a course of training regarding the responsibilities of the governmental body and its members under the Texas Open Meetings Act within ninety days of receiving the appointment.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE; REVIEW OF DISCLOSURE FORMS ADOPTED BY THE TEXAS ETHICS COMMISSION AND LIST OF LOCAL GOVERNMENT OFFICERS

Ms. Brook reviewed Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. Ms. Brook stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. The Board reviewed the List of Local

Government Officers. After review and discussion, Director Sundstrom moved to approve the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Hoffpauir seconded the motion, which passed by unanimous vote.

#### 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 Hoffpauir and a second by Director Sundstrom, the Board voted unanimously to approve the security report.

#### GARBAGE AND RECYCLING

Ms. Nussa distributed the July Customer Service Report, a copy of which is attached. She said the notice to customers regarding the new recycling schedule was provided to the operator for inclusion in the water bill. Ms. Nussa discussed the Amendment to the Solid Waste Collection Agreement providing for the \$.17 increase to the recycling fee per home effective July 1, 2018, until December 31, 2018. After review and discussion, Director Sundstrom moved to authorize execution of the Amendment to the Solid Waste Collection Agreement. Director Hoffpauir seconded the motion, which passed by unanimous vote.

Mr. Wright said the Board approved an increase to the residential sewer rate in July of 2017, but the rate was not adjusted in TNG's billing system and the rate increase was not implemented.

The Board discussed language in the Rate Order to provide for the inclusion of future garbage cost increases.

#### 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 discussed District operations and maintenance.

Mr. Reifel said the customer at 2447 Autumn Springs had a water leak on the customer's side of the meter resulting in high water usage and a water bill of approximately \$1,100. The Board discussed offering a payment plan to the customer and charging the water usage at the lowest tier in accordance with the Amended Rate Order.

Director Hoffpauir said a District sign on Postwood is damaged and in need of repair or replacement. Mr. Wright said TNG will investigate this matter and have the sign repaired or replaced.

Following review and discussion, Director Sundstrom moved to: (1) approve a three-month payment plan and a reduction in the water rate to the lowest tier for the customer at 2447 Autumn Springs; and (2) 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.

#### EVALUATION OF ELECTRICITY CONSUMPTION

Ms. Brook said Senate Bill 902 provides for a district with annual electricity usage of \$200,000 or more to evaluate its electricity consumption, establish goals to reduce electricity consumption, and identify cost-effective energy efficiency measures at least once every five years. Mr. Spencer said the new blowers at the wastewater treatment plant will considerably reduce energy consumption. After discussion, Director Hoffpauir moved to authorize the District engineer and operator to prepare an internal report regarding electricity consumption and energy efficiency measures. Director Abercia 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 Hays 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. She requested authorization to write-off \$2,373.38 in uncollectible personal property taxes. After review and discussion, Director Abercia moved to authorize writing off \$2,373.38 in uncollectible personal property taxes and to approve the tax assessor/collector's report. Director Sundstrom seconded the motion, which passed unanimously.

DISCUSS 2018 TAX RATE, SET PUBLIC HEARING DATE; AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2018 tax rate and authorizing publication of same. Mr. Lentz distributed a 2018 No Growth Cash Flow Analysis, a copy of which is attached, and reviewed the 2018 debt service tax rate recommendation of \$0.45 per \$100 of assessed value. The Board also discussed the proposed maintenance and operations tax rate of \$0.225 per \$100 of assessed value. Following review and discussion, Director Sundstrom moved to authorize publication of a proposed total tax rate of \$0.675 per \$100 of assessed valuation and the notice of public hearing for adoption of a tax rate to be held at the September 24, 2018, Board of Directors meeting. The motion was seconded by Director Hays and carried by unanimous vote.

ENGINEERING

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

EASEMENTS AND DEEDS, CONSENTS TO ENCROACHMENT, UTILITY COMMITMENTS

Mr. Spencer said D.R. Horton desires to move forward with plans for the development of Breckenridge Forest, Section 12. Ms. Brook said D.R. Horton has a capacity reservation letter and developer financing agreement with the District for Breckenridge Forest, Section 12.

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 were received for construction of water, sewer and drainage facilities to serve Breckenridge Park, Section 1, Partial Replat No. 3. Mr. Spencer recommended award of the contract to Fellers & Clark, LP in the amount of \$189,800. The Board concurred that, in its judgement, Fellers & Clark 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.

BRECKENRIDGE PARK, SECTION 2

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

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 awaiting Harris County approval. Mr. Spencer said proposals are being solicited for the storm water pollution prevention services. He requested authorization to advertise for bids for clearing and grubbing.

### BRADBURY FOREST SECTIONS 8, 9 AND 10

Mr. Spencer reported on the remainder of the clearing and grubbing for Bradbury Forest, Sections 8, 9 and 10. He presented and recommended for approval Pay Application No. 1 in the amount of \$57,910.50, submitted by Lindsey Construction.

Mr. Spencer reported on water, sewer and drainage for Bradbury Forest, Sections 8, 9 and 10. He said plans have been approved by the City of Houston and he is awaiting approval from Harris County.

Mr. Spencer said bids were received for construction of detention to serve Bradbury Forest, Sections 8, 9 and 10. Mr. Spencer recommended award of the contract to the second low bidder, Lindsey Construction, Inc., in the amount of \$634,724.00. Mr. Spencer said the low bidder, Site Work Construction, LLC, has weak financial statements and bid 95 calendar days for the project, whereas, Lindsey Construction bid 50 calendar days for the project and the District has satisfactorily worked with Lindsey Construction on other projects. 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 construction is underway.

### 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.

## NORTHSPRING RECREATION CENTER DRAINAGE IMPROVEMENTS

Mr. Spencer reported on the Northspring Recreation Center Drainage Improvement Project. He said construction is underway. Mr. Spencer reviewed and recommended approval of Change Order No. 1 to increase the contract with Camino Services in the amount of \$16,646.00 due to the discovery of a corroded sanitary sewer pipe and to replace inlets. The Board determined that Change Order no. 1 is beneficial to the District.

## DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

Mr. Spencer requested authorization to prepare preliminary designs for the wastewater treatment plant expansion. He said the flow rate at the wastewater treatment plant is currently 70%.

## BOND APPLICATION REPORT

Mr. Spencer requested authorization to begin preparation of a bond application for the wastewater treatment plant expansion. Discussion ensued regarding the use of surplus funds to reimburse the developer for costs associated with Breckenridge Park, Section 2.

After review and discussion, and based on the engineer's recommendation, Director Hays moved to: (1) award the contract for construction of water, sewer and drainage facilities to serve Breckenridge Park, Section 1, Partial Replat No. 3. to Fellers & Clark, LP in the amount of \$189,800, based upon the engineer's recommendation and subject to approval of the bonds and review of the certificate of insurance and endorsements; (2) authorize advertisement for bids for clearing and grubbing to serve Breckenridge Park, Section 12; (3) approve Pay Application No. 1 in the amount of \$57,910.50 for Bradbury Forest, Sections 8, 9, and 10, clearing and grubbing; (4) award the contract for construction of detention to serve Bradbury Forest, Sections 8, 9, and 10 to Lindsey Construction in the amount of \$634,724.00, based upon the engineer's recommendation and subject to approval of the bonds and review of the certificate of insurance and endorsements; (5) approve Change Order No. 1 in the amount of \$16,646.00 as an increase to the contract with Camino Services for the North Spring Recreation Center, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; (6) authorize Van de Wiele to prepare the preliminary design for the wastewater treatment plant expansion; (7) authorize Van de Wiele to begin preparation of a bond application report; and (8) accept the engineer's report. Director Hoffpauir seconded the motion, which passed by unanimous vote.

ANNEXATION MATTERS

Mr. Spencer said the feasibility report for the RV Resort is being prepared.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Chesnutt said Director Abercia will attend NHCRWA meetings in the future and report to the Board.

WEBSITE

Director Sundstrom said he will be coordinating maintenance of the District's website.

DEVELOPER'S REPORT

Mr. Taravalla reported on future development in the District and the annexation of land into the District.

FINANCING AND REIMBURSEMENT AGREEMENTS; ASSIGNMENTS AND CONSENTS TO ASSIGNMENT

There was no discussion on this matter.

NATIONAL NIGHT OUT

Discussion ensued regarding National Night Out on October 2, 2018, at 6:00 p.m. After discussion, the Board authorized spending up to \$1,500 on event expenses. Director Chesnutt said the shredding company is charging \$60.00 per hour.

ACTION TAKEN DURING THE MONTH

There was no discussion on this matter.

DIRECTOR AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

The Board confirmed the December Board meeting would be held in the District on December 17, 2018.

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

(SEAL)



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Assistant Secretary, Board of Directors  
*[Handwritten Signature]*



ACTION LIST

1. ABHR will file the Oath of Office with the Secretary of State.
2. ABHR will file the District Registration Form with the TCEQ.
3. TNG will investigate and have the District sign repaired or replaced.
4. TNG and Van de Wiele will prepare internal report regarding electricity consumption and energy efficiency measures.
5. ETI-Tax will publish notice of the proposed total tax rate.
6. Van de Wiele will begin preparation of a bond application report.
7. Van de Wiele will begin the preliminary design for the wastewater treatment plant expansion

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