

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

April 22, 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 April 22, 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.; Treacy Ware of Off Cinco; Deputy G. Lindley of the Harris County Constable's Office, Precinct 4; Brian Gates of Pulte Homes; and Hannah Brook, Sharon Covan and Megan Bibbs of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the March 25, 2019, regular meeting. After review and discussion, Director Abercia 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.

SECURITY AND CONSTABLE'S REPORT

Deputy Lindley reviewed the security report, a copy of which is attached. Discussion ensued regarding the March 1, 2020, rate increase. The Board asked ABHR to include an item on the August 2019 meeting agenda to discuss the security contract.

GARBAGE AND RECYCLING

Ms. Nussa reviewed the March Customer Service Report, a copy of which is attached. Ms. Nussa provided an update on the status of recycling. She said recycling

costs are still increasing. Director Sundstrom asked Ms. Nussa to provide the Board with statistics regarding the usage of recycling by residents of the District. Ms. Nussa said Republic Services will audit the recycling usage.

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. Director Hoffpauir asked about the status of the light replacement at the sewer treatment plant. Mr. Reifel said the light has not been installed yet.

The Board reviewed the valve survey report and estimate of repair costs, a copy of which is attached to the operator's report. Discussion ensued. Director Sundstrom asked if the valve survey and repairs is included in TNG's contract with the District or whether the work is outside of the contract. Director Hayes asked TNG to identify the valves to be repaired. Mr. Reifel said the cost of locating 83 valves, raising or lowering 57 valves, clearing 74 risers, replacing three gate valves, replacing 5 boxes and lids, and replacing 3 gate valves is \$25,891.00.

Discussion ensued regarding water meter testing in the District. Director Hays asked for the report on prior meter test results and the spreadsheet consisting of the address, the date of the meter reading and flow rates. Mr. Reifel said he will bring the information to the Board.

Following review and discussion, Director Abercia moved to authorize the valve repairs, as stated in the report, and to approve the operator's report. Director Hoffpauir 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 Hays 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 Sundstrom and passed by unanimous vote.

IDENTITY THEFT PREVENTION PROGRAM

The Board conducted the annual review of the Identity Theft Prevention Program (the "Program"). After review and discussion, Director Sundstrom moved to accept the report on the Program from TNG and to make no changes, and direct that the report be filed appropriately and retained in the District's official records. Director Abercia seconded the motion, which passed unanimously.

DEVELOPER REIMBURSEMENT REPORT FOR BRECKENRIDGE PARK, SECTION 2

There was no report on this matter.

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 Hoffpauir moved to approve the bookkeeper's report. Director Sundstrom 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. After review and discussion, Director Abercia moved to approve the tax assessor/collector's report. Director Hoffpauir 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

There was no discussion on this matter.

BRECKENRIDGE PARK, SECTION 2

Mr. Spencer reported on Breckenridge Park, Section 2.

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 they are waiting for the Harris County inspection. Mr. Spencer had no pay applications 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. 4 in the amount of \$111,831.12, submitted by Fellers and Clark.

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 applications to present to the Board.

Mr. Spencer reported on water, sewer and drainage for Bradbury Forest, Sections 8, 9 and 10. He had no pay applications to present to the Board.

Mr. Spencer reported on Bradbury Forest, Sections 8, 9 and 10 detention. He presented and recommended for approval Pay Application No. 6 in the amount of \$13,918.45, submitted by Lindsey Construction.

SANITARY SEWER REPAIRS IN SPRING RIDGE

Mr. Spencer reported on sanitary sewer repairs in Spring Ridge. He said a claim for damages to CenterPoint Energy in the amount of \$32,018.00 has been submitted.

LIFT STATION NO. 3

Discussion ensued regarding lift station no. 3 to serve Spring Independent School District ("Spring ISD"). Mr. Spencer said plans have been resubmitted to Harris County for approval and an easement has been requested from Imperial RR Ltd. He said Imperial RR Ltd. has requested a utility capacity reservation letter, but there are no plans for development yet. The Board considered a one-year utility reservation commitment and authorizing the engineer to calculate capital costs due after one-year.

Mr. Spencer said bids for clearing and grubbing for lift station no. 3 were received. He recommended award of the project to Project Storm, LLC in the amount of \$31,000. Mr. Spencer requested authorization to circulate the contract for signature by the Board.

Mr. Spencer requested authorization to advertise for bids for the lift station, force main and water line. He said the water line would be bid separately.

SANITARY SEWER CLEANING AND TELEVISIONING

Mr. Spencer reported on sanitary sewer cleaning and televising older sewer lines. He said the Notice to Proceed was issued to Texas Pride Utilities.

WASTEWATER TREATMENT PLANT EXPANSION

Mr. Spencer reported on the wastewater treatment plant expansion. He said plans are being prepared.

BRECKENRIDGE PARK WEST

Mr. Spencer reported on Breckenridge Park West. He said the clearing and grubbing will be rebid with the detention contract.

PINE GROVE

Mr. Spencer reported on Pine Grove. He said a drainage study is being prepared.

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. He said there are 3,932 active residential water connections in the District.

NORTHSRING RECREATION CENTER DRAINAGE IMPROVEMENTS

Mr. Spencer reported on the Northspring Recreation Center Drainage Improvement project. He presented and recommended for approval Pay Application No. 4 and Final in the amount of \$7,182.60, submitted by Camino Services. Mr. Spencer said there is one item remaining for the contractor to complete and he will hold the check until completion.

DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

Mr. Spencer presented a proposal from Park Equipment to modify two storm water quality features located on Broad Timbers Dr. in the amount of \$6,235.00. Mr. Spencer said \$6,235.00 is one-half of the cost and the other half is being paid by Park Equipment as part of their research and development. He recommended approval of the proposal from Park Equipment.

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 Sundstrom moved to: (1) approve Pay Application No. 4 in the amount of \$111,831.12 for water, sewer and drainage for Breckenridge Forest, Section 12; (2) approve Pay Application No. 6 in the amount of \$13,918.45 for Bradbury Forest, Sections 8, 9, and 10 detention; (3) authorize preparation of a utility capacity reservation letter to Imperial RR Ltd and calculation of capital recovery costs; (4) award the contract for clearing and grubbing lift station no. 3 to Project Storm, LLC in the amount of \$31,000 and authorize the engineer to circulate the contracts for signature; (5) authorize advertising for bids for the lift station, force main and water line for lift station no. 3; (6) approve Pay Application No. 4 and Final in the amount of \$7,182.60 for Northspring Recreation Center drainage improvements; (7) approve the proposal from Park Equipment in the amount of \$6,235.00 to modify two storm quality features on Broad Timbers Dr.; and (8) accept the engineer's report. Director Hoffpauir seconded the motion, which passed by unanimous vote.

WEBSITE

Discussion ensued regarding the new website design and the Board reviewed a visual presentation of the website. Discussion ensued regarding photographs for the website. After discussion, Director Hoffpauir moved to authorize Off Cinco to make the website live on April 29, 2019. Director Abercia seconded the motion, which passed by unanimous vote.

ANNEXATION MATTERS

Discussion ensued regarding the pending annexation projects. Mr. Spencer said Harris County has requested a drainage easement through the RV Resort site and construction of a public street. Mr. Spencer said the property owner has not decided whether to proceed with the annexation due to the increased cost of drainage and street construction.

The Board considered approving a letter annexation agreement with Woodmere Development Company, Ltd. for a 30.95 acre tract. After discussion, Director Sundstrom moved to approve a letter annexation agreement with Woodmere Development Company, Ltd. Director Hoffpauir seconded the motion, which passed by unanimous vote.

Discussion ensued regarding a proposed annexation by Bradbury Development. After discussion, Director Sundstrom moved to authorize preparation of a letter

annexation agreement and feasibility report. Director Hoffpauir seconded the motion, which passed by unanimous vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

Mr. Abercia reported on the NHCRWA.

DEVELOPER'S REPORT

Mr. Kupstas reported on development in the District. Mr. Gates reported on future development by Pulte Homes.

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 May 29, 2019.

CONVENE IN EXECUTIVE SESSION PURSUIT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board convened in Executive Session at 1:25 p.m. for a private consultation with the attorney regarding pending or contemplated litigation.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

Director Chesnutt announced the Board would reconvene in open session and the date and time of the end of executive session was April 22, 2019, 1:45 p.m. Director Hoffpauir moved to deny the request from Vicente's Tire Shop for a waiver of the penalty applied under the District's Amended Rate Order and to authorize TNG to regularly conduct checks of commercial meter hook-ups in the District. Director Sundstrom seconded the motion, which passed by unanimous vote.

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

(SEAL)


Secretary, Board of Directors



ACTION LIST

1. TNG will research twenty prior meter test results and prepare a spreadsheet.
2. Ms. Nussa will provide statistics regarding usage of recycling by residents.
3. TNG will install the light at the sewer treatment plant.
4. TNG will identify valves being repaired.
5. Engineer will prepare utility capacity reservation letter for Imperial RR Ltd. and calculate capital costs.
6. ABHR will prepare annexation agreement for Bradbury Development.
7. Engineer will prepare annexation feasibility report.

LIST OF ATTACHMENTS

	<u>Page</u>
security report	1
March Customer Service Report.....	1
Operator’s Report.....	2
valve survey report and estimate of repair costs	2
bookkeeper’s report	3
tax assessor/collector’s report	3
engineering report	3