

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

December 3, 2015

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 165 (the "District") met in regular session, open to the public, on the 3<sup>rd</sup> day of December, 2015, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Alan Bentson	President
David Molina	Vice President
Wayne Green	Secretary
Janet Davidson	Assistant Secretary
Keith Maddox	Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Lori Buckner of Myrtle Cruz, Inc.; David Keel of DAC Services, Inc. ("DAC"); Patty Rodriguez of Bob Leared Interests, Inc.; Chris Hoffman and Donnice Hoffman of H2O Consulting, Inc. ("H2O"); Shawn Byron of KGA/DeForest Design, LLC; Ben Scogin of Jones & Carter, Inc. (J&C); Josh Wailes of Mike Stone Associates, Inc. ("MSA"); Nathan Wang of Clay & Co.; Bo Egbert of WCA Waste Corporation of Texas ("WCA"); and Jessica Holoubek and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

Ms. Miller distributed District/Director correspondence received through the District's website and ABHR.

MINUTES

The Board considered approving the minutes of the November 5, 2015, regular meeting. After review and discussion, Director Maddox moved to approve the minutes, as revised. Director Davidson seconded the motion, which passed unanimously.

## TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed the District's Travel Reimbursement Guidelines with respect to the upcoming Association of Water Board Directors winter conference in Galveston. Following review and discussion, Director Maddox made a motion that the Board authorizes a maximum of three per diems, two nights' hotel accommodations and reimbursement of three meals per day for conference attendees. The motion was seconded by Director Davidson and carried unanimously.

## ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Ms. Holoubek stated that no changes are required at this time.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Buckner presented and reviewed the bookkeeper's report. She discussed current public fund investment markets, reviewed the District's investment report, and reviewed budget to actual revenues and expenses and variances. Copies of the bookkeeper's report, investment report, budgets, and a list of bills presented for payment are attached.

Following review and discussion, Director Davidson moved to accept the bookkeeper's report and pay the bills described therein. Director Maddox seconded the motion, which passed unanimously.

## TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Rodriguez presented the tax assessor/collector's report, a copy of which is attached, reviewed the checks presented for payment from the tax account, and reported regarding taxes collected from the 2015 tax levy to date and delinquent taxes from previous tax years.

After review and discussion, upon a motion by Director Maddox and a second by Director Molina, the Board voted unanimously to accept the tax assessor/collector's report and authorize the tax assessor collector to obtain a new aerial photograph of the District.

## STORM WATER QUALITY PERMITS AND OTHER STORM WATER ISSUES

There was no discussion for this agenda item.

## OPERATION OF DISTRICT FACILITIES

Mr. Hoffman distributed and reviewed a management and operations report, a copy of which is attached.

Mr. Hoffman reported 4 new commercial taps and 28 new residential taps were installed during the month of November 2015, reviewed routine maintenance and repairs within the District completed and ongoing during the month of November 2015.

The Board discussed the District's water accountability for the month of November, 2015.

The Board next received and reviewed customer appeals from Constance Hill, Tiffni Clement and La Shanda Watkins.

Following review and discussion, Director Davidson moved to (1) approve the District operator's report; (2) authorize the District operator to extend a 3 month payment plan to customer, Constance Hill; and (3) authorize the District operator to adjust the account of customer, La Shanda Watkins, in accordance with the District's Leak Adjustment Policy, and extend a 3 month payment plan, if needed. The motion, which was seconded by Director Molina, passed unanimously.

The Board then conducted a hearing on the termination of water service to delinquent utility accounts. Mr. Hoffman reported that the residents on the termination list were mailed written notice prior to the meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board to explain, contest, or correct the service bill and to show reason why water service should not be terminated for reason of nonpayment or for nonpayment of delinquent property taxes.

## REPORT REGARDING DEVELOPMENT WITHIN THE DISTRICT

There was no discussion for this agenda item.

## PARK MAINTENANCE

Mr. Wailes reviewed park maintenance and inspection schedules submitted by MSA and discussed repairs and improvements completed in the District during the month of November 2015.

The Board discussed on going issues with graffiti in District parks and requested that MSA file police reports for each event. The Board next reviewed a proposal in the amount of \$420 to remove graffiti in Amhurst Park. Following review and discussion, Director Davidson moved to approve the proposal to remove graffiti in Amhurst Park. The motion, which was seconded by Director Green, passed unanimously.

## MASTER PARKS PLAN

Mr. Byron first discussed the status of design of Miramesa, Section 7, reviewed bids and recommended the Board award the contract to the lowest qualified bidder, Westco Grounds Maintenance Co., Inc. in the amount of \$242,390.50. After review and discussion, and because it would result in the best and most economical completion of the project, Director Davidson moved to approve the award of the contract to Westco Grounds Maintenance Co., Inc., subject to verification of payment and performance bonds and insurance. Director Green seconded the motion which passed unanimously.

The Board discussed Miramesa, Section 1, landscaping improvements and Mr. Byron recommended the Board approve Change Order No. 1 in the amount of \$3,600 for sidewalk repair and mailbox pads.

He next reported regarding Mirabella, Section 2, landscaping improvements and recommended the Board approve Pay Application No. 7 in the amount of \$3,240, payable to Allgreen Associates.

The Board discussed Miramesa, Section 3, landscaping improvements and Mr. DeForest recommended the Board approve Pay Application No. 4 in the amount of \$77,271.11.

Following review and discussion, Director Davidson moved to approve the change orders and pay estimates discussed above. The motion, which was seconded by Director Green, passed unanimously.

## ENGINEERING MATTERS

Mr. Keel presented the engineer's report, a copy of which is attached, and reviewed the status of construction projects in the District.

Mr. Keel discussed the status of design of Cypress Springs South Section Two and requested authorization to advertise for bids for construction.

Mr. Keel reported the status of construction of the following projects and recommended approve of the following pay estimates and change orders, as listed below:

1. water plant no. 4, Pay Estimate No. 5 in the amount of \$91,268.04;
2. U-132, Phase II, Pay Estimate No. 2 in the amount of \$141,929.10;
3. Mirabella, Sections 8, 9, 10 and 11, Pay Estimate No. 2 in the amount of \$508,603.90;
4. Pine Creek at Canyon Lakes West, Section 12, Pay Estimate No. 4 and Final in the amount of \$6,408.73;

5. Pine Creek at Canyon Lakes West, Section 13, Pay Estimate No. 4 and Final in the amount of \$9,960.70;
6. Pine Creek at Canyon Lakes West, Section 14, Pay Estimate No. 4 and Final in the amount of \$3,500.64; and
7. Langham Creek, Phase 2, Change Order No. 4 in the amount of \$49,314 for additional rip rap required by Harris County.

Following review and discussion, Director Green moved to (1) approve the engineering report; (2) approve the pay estimates and change order listed above; and (3) authorize the District engineer to advertise for bids for construction for facilities to serve Cypress Springs South, Section 2. Director Molina seconded the motion, which passed unanimously.

#### DEVELOPMENT FINANCING AGREEMENT WITH MIRAMESA NORTH COMMERCIAL, LLC

The Board next considered approving a Development Financing Agreement between the District and Miramesa North Commercial, LLC for the development of a 7 acre commercial tract at Fry Road and Mirabella Drive. Following review and discussion, Director Davidson moved to approve the financing agreement. Director Green seconded the motion, which passed unanimously.

#### AMENDMENT TO INTERLOCAL AGREEMENT WITH HARRIS COUNTY FLOOD CONTROL

Ms. Holoubek next discussed a proposed amendment to the District's Interlocal Agreement with Harris County Flood Control District for the improvement/construction of Langham Creek, Phase 2 to incorporate additional work authorized in Change Order No. 3. Following review and discussion, Director Davidson moved to approve the amendment, subject to final attorney review. The motion was seconded by Director Maddox and passed unanimously.

#### DEEDS, EASEMENTS, ENCROACHMENTS AND OTHER RIGHT-OF-WAY CROSSINGS

There was no discussion for this agenda item.

#### GARBAGE COLLECTION SERVICES

Mr. Egbert reported regarding garbage collection services.

#### SECURITY REPORT

The Board discussed recent calls and patrol.

DISTRICT WEBSITE

The Board next reviewed a report submitted by Acclaim Energy Advisors for electricity cost and usage from October 2014 through October 2015. Following review and discussion, the Board concurred to authorize ABHR to post the report to the District website.


WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

Ms. Holoubek discussed the status of notification from the West Harris County Regional Water Authority ("WHCRWA") regarding an increase in fees and implementation dates. Following review and discussion, the Board concurred to authorize posting of notice regarding the increase in utility bills and on the District website.

JANUARY MEETING DATE

The Board concurred to meet next on January 7, 2016.

There being no additional business to consider, the meeting was adjourned.

  
Secretary, Board of Directors

(SEAL)



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