

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

April 4, 2019

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 4th day of April, 2019, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, 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
Kheng Swee Goh	Assistant Secretary
Vacant	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.; Donnice Hoffman of H2O Consulting, Inc. ("H2O"); Josh Wailes of Mike Stone Associates, Inc. ("MSA"); David Morrison of Land Tejas Development Company; Bob DeForest of KGA/DeForest Design, LLC ("KGA"); Michael Willett of Touchstone District Services; and Jessica Carr 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 at ABHR, including correspondence from customer Forrest Allen.

SECURITY REPORT

Director Bentson discussed patrol in the District and the status of purchasing LIDAR speed enforcement lasers for patrol use in the District.

MINUTES

The Board considered approving the minutes of the March 7, 2019, regular meeting. Following review and discussion, Director Molina moved to approve the minutes, as submitted. Director Green seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Rodriguez presented the tax assessor/collector's report and delinquent tax report, copies of which are attached, reviewed the checks presented for payment from the tax account, reported regarding taxes collected from the 2018 tax levy to date and delinquent taxes from previous tax years. Ms. Rodriguez also presented a list of accounts eligible for write off as uncollectable, a copy of which is attached to these minutes.

Following discussion and review of the information provided by the District tax assessor collector, Director Molina moved to (1) accept the tax assessor/collector's report; (2) authorize payment of the bills; and (3) authorize the District tax assessor collector to write off certain accounts as uncollectable. Director Green seconded the motion, which passed unanimously.

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 Green moved to accept the bookkeeper's report, including payment of the bills listed. Director Molina seconded the motion, which passed unanimously.

STORM WATER QUALITY PERMITS AND OTHER STORM WATER ISSUES

There was no discussion for this agenda item.

OPERATION OF DISTRICT FACILITIES

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

The Board also discussed the District's water accountability for the month of February, 2019. Ms. Hoffman reported 20 new residential taps were installed during the month of March, 2019. She also reviewed routine maintenance and repairs within the District completed and ongoing during the month of March, 2019 and recommended replacement of the Miltronics Controller at Lift Station No. 3 in the amount of \$5,250, plus installation expense.

Discussion ensued regarding a customer appeal presented under public comment. Following review of information provided by both the customer and the District operator, the Board concurred to defer discussion pending additional research and asked that Ms. Hoffman let the customer know that the appeal is under review.

Ms. Hoffman distributed and reviewed an annual report on the District's Identity Theft Prevention Program ("Program") reflecting the effectiveness of the Program in addressing Identity Theft risk. He noted that H2O is required to prepare an annual report as Program Administrator. Ms. Hoffman stated that the annual report indicates no significant incidents of Identity Theft detection and she recommends no changes to the Program at this time.

Following review and discussion, Director Molina moved to (1) approve the District operator's report; and (2) accept the annual report on the Program and direct that it be filed appropriately and retained in the District's official records. The motion, which was seconded by Director Green, passed unanimously.

Mr. Hoffman next presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills or taxes 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 Molina 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 Green and passed by unanimous vote.

SG-OWNER'S ASSOCIATION MATTERS

The Board next reviewed invoices for landscaping and Miramesa detention pond slope erosion repair invoices submitted by S-G Owner's Association. Following review and discussion, the Board concurred to only pay invoices related to work at the District's detention pond.

Ms. Carr next reviewed and Amended and Restated Maintenance Agreement with S-G Owner's Association. Following review and discussion, Director Molina moved to approve an Amended and Restated Maintenance Agreement with S-G Owner's Association. Director Green seconded the motion, which passed unanimously.

PARK MAINTENANCE AND NRCS/FEMA GRANTS

Mr. Wailes reviewed a park and landscape management report, a copy of which is attached, and presented a proposal in the amount of \$891.25 to repair lighting in Tealbrook Park. Following review and discussion, upon a motion by Director Molina and a second by Director Green, the Board voted unanimously to (1) approve the park and landscape management report; and (2) approve the proposal presented.

MASTER PARKS PLAN

The Board reviewed a landscape architect report from KGA DeForest Design, LLC, a copy of which is attached, discussed future park development and reported that Harris County, Precinct 3 currently has no plans for development of a sidewalk along the drainage channel at Canyon Lakes West.

Mr. DeForest next reported the status of Miramesa South Landscape Improvements and recommended the Board approve Pay Application No. 9 and Final in the amount of \$29,851.14, payable to Westco Grounds Maintenance.

Following review and discussion, Director Molina moved to (1) approve the landscape architect report; and (2) approve Pay Application No. 9 and Final in the amount of \$29,851.14, payable to Westco Grounds Maintenance. Director Green seconded the motion, which 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 stated that bids were received for Miramesa West Outfall Extension. Upon the recommendation of Jones & Carter, Mr. Keel recommended that the Board award the contract to Fellers & Clark in the amount of \$827,000. The Board concurred that, in its judgment, 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.

Mr. Keel stated that bids were received for Miramesa Drive, Section 1. Upon the recommendation of Jones & Carter, Mr. Keel recommended that the Board award the contract to Fellers & Clark in the amount of \$1,227,000. The Board concurred that, in its judgment, 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.

Mr. Keel stated that bids were received for Miramesa West, Section 1. Upon the recommendation of Jones & Carter, Mr. Keel recommended that the Board award the contract to Fellers & Clark in the amount of \$1,225,000. The Board concurred that, in its judgment, 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.

Mr. Keel stated that bids were received for Miramesa Drive, Section 4. Upon the recommendation of Jones & Carter, Mr. Keel recommended that the Board award the contract to Fellers & Clark in the amount of \$700,000. The Board concurred that, in its judgment, 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.

Mr. Keel stated that bids were received for Miramesa West Lift Station. Upon the recommendation of Jones & Carter, Mr. Keel recommended that the Board award the contract to 5J Services in the amount of \$743,750. The Board concurred that, in its judgment, 5J Services 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.

Mr. Keel stated that bids were received for Miramesa, Section 4 (Westin Homes). Upon the recommendation of Jones & Carter, Mr. Keel recommended that the Board award the contract to Fellers & Clark in the amount of \$300,000. The Board concurred that, in its judgment, 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.

Mr. Keel stated that bids were received for Storm Water Quality Features to serve Mirabella. Mr. Keel recommended that the Board award the contract to Specialty Construction TX in the amount of \$457,726.50. The Board concurred that, in its judgment, Specialty Construction TX 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.

Mr. Keel stated that bids were received for Generators at Lift Station Nos. 3, 5 and 10. Mr. Keel recommended that the Board award the contract to McDonald, Inc. in the amount of \$197,469. The Board concurred that, in its judgment, McDonald, Inc. 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.

Mr. Keel stated that bids were received for Sanitary Sewer Overflow Initiative 2019. Mr. Keel recommended that the Board award the contract to Source Point Solutions in the amount of \$30,280.95. The Board concurred that, in its judgment,

Source Point Solutions 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.

Mr. Keel stated that bids were received for Mass Grading for Miramesa West. Upon the recommendation of Jones & Carter, Mr. Keel recommended that the Board award the contract to Lindsey Construction in the amount of \$1,501,641. The Board concurred that, in its judgment, 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.

Mr. Keel next reported the status of the following projects, pay applications and change orders:

1. Miramesa, Section 10; Pay Estimate No. 3 in the amount of \$25,314.55, payable to Principal Services;
2. Lancaster, Cured in Place Pipe ("CIPP"); Pay Estimate No. 7 in the amount of \$7,333.20, payable to Insituform Technologies, LLC; and
3. Mass Grading for LOMR-F for Miramesa West; Change Order No. 2 decreasing the contract amount by \$351,555.10.

Mr. Keel discussed repair to Langham Creek/U132 repairs and requested authorization to engage AGS Consultants for surveying services in the amount of \$17,050.

Mr. Keel reported regarding Langham Creek storm repair and desiltation and requested authorization to engage Tolunay-Wong Engineers for geotechnical surveying services.

Following review and discussion, Director Molina moved to (1) approve the engineering report; (2) award the contract for Miramesa West Outfall Extension in the amount of \$827,000, to Fellers & Clark, based upon the recommendation of Jones & Carter ("J&C") and DAC and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; (3) award the contract for Miramesa Drive, Section 1 in the amount of \$1,227,000, to Fellers & Clark, based upon the recommendation of J&C and DAC and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; (4) award the contract for Miramesa West, Section 1 in the amount of \$1,225,000, to Fellers & Clark, based upon the recommendation of J&C and DAC, and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; (5) award the contract for Miramesa Drive, Section 4 in the amount of \$700,000, to Fellers & Clark, based upon the recommendation of J&C and DAC, and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if

any, provided by the contractor; (6) award the contract for Miramesa West Lift Station in the amount of \$743,750, to 5J Services, based upon the recommendation of J&C and DAC, and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; (7) award the contract for Miramesa, Section 4 (Westin Homes) in the amount of \$300,000, to Fellers & Clark, based upon the recommendation of J&C and DAC, and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; (8) award the contract for Storm Water Quality Features to serve Mirabella in the amount of \$457,726.50, to Specialty Construction TX, based upon the recommendation of DAC, and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; (9) award the contract for Generators at Lift Station Nos. 3, 5 and 10 in the amount of \$197,469, to McDonald Inc., based upon the recommendation of DAC, and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; (10) award the contract for Sanitary Sewer Overflow Initiative 2019 in the amount of \$30,280.95, to Source Point Solutions, based upon the recommendation of DAC, and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; (11) award the contract for Mass Grading for Miramesa West in the amount of \$1,501,641, to Lindsey Construction, based upon the recommendation of J&C and DAC, and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; (12) upon the recommendation of the District engineer, approve the pay estimates listed above; (13) approve Change Order No. 2 in the amount of \$351,555.10, as a decrease to the contract with Double Oak Construction, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; (14) authorize engagement of AGS Consultants for surveying services in the amount of \$17,050; and (15) authorize engagement of Tolunay-Wong Engineers for geotechnical surveying services. Director Green seconded the motion, which passed unanimously.

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

The Board next considered a Licensing Agreement for Use of a Landscaping Reserve between the District and Shane and Brittany Bush wherein the District authorizes the Bushes to fence in a reserve area adjacent to their lot for use, subject to certain maintenance provisions imposed upon the Bushes for the fenced in area. Following review and discussion, Director Molina moved to approve a Licensing Agreement for Use of a Landscaping Reserve between the District and Shane and Brittany Bush. Director Goh seconded the motion, which passed unanimously.

GARBAGE COLLECTION SERVICES

There was no discussion for this agenda item.

DISTRICT WEBSITE

There was no discussion for this agenda item.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

Director Molina reported regarding WHCRWA contracts for waterline construction.

DISTRICT ELECTION

Mr. Willett discussed plans and preparation for public inform distribution events associated with the upcoming District bond election.

There being no additional business to consider, the meeting was adjourned at 7:28 p.m.


Secretary, Board of Directors



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