

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

May 3, 2018

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 May, 2018, 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
Janet Davidson	Assistant Secretary
Keith Maddox	Assistant Vice President

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

Also present at the meeting 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"); Josh Wailes of Mike Stone Associates, Inc. ("MSA"); Julie Ward of Read King Commercial Real Estate; and Heather Trachtenberg 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.

Director Green commented regarding resident inquiry he received regarding sinkholes around fire hydrants.

MINUTES

The Board considered approving the minutes of the April 5, 2018 regular meeting. Following review and discussion, Director Davidson moved to approve the minutes, as submitted. Director Molina seconded the motion, which passed unanimously.

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

The Board discussed the upcoming Association of Water Board Directors ("AWBD") summer conference. After discussion, Director Davidson moved to (1) authorize reimbursement costs for a maximum of 4 per diems, 3 hotel nights, with an additional per diem and hotel night for investment office training, and 2 meals per day for all directors who attend the AWBD summer conference, noting that meal reimbursements must meet the requirements of the Travel Reimbursement Guidelines; and (2) require that all expenses submitted for reimbursement be accompanied by detailed receipts. The motion was seconded by Director Molina, and passed unanimously.

The Board discussed amending the District Travel Reimbursement Policy at the June, 2018 Board meeting.

## 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 (1) accept the bookkeeper's report and pay the bills described therein; and (2) direct the District bookkeeper to hold Check Nos. 13411 and 13413, subject to attorney review. Director Molina 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 2017 tax levy to date and delinquent taxes from previous tax years.

Following discussion and review of the information provided by the taxpayer and the District tax assessor collector, Director Davidson moved to accept the tax assessor/collector's report and payment of the bills. Director Green seconded the motion, which passed unanimously.

## STORM WATER QUALITY PERMITS AND OTHER STORM WATER ISSUES

The Board next considered approving a Submerged Storm Sewer Agreement for Mirabella Drive, Section 1. Following review and discussion, Director Davidson moved

to authorize execution of the Submerged Storm Sewer Agreement for Mirabella Drive, Section 1. Director Molina seconded the motion, which passed unanimously.

#### OPERATION OF DISTRICT FACILITIES

Mr. 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 April, 2018. Mr. Hoffman reported 36 new residential taps and 1 new commercial tap were installed during the month of April, 2018, reviewed routine maintenance and repairs within the District completed and ongoing during the month of April, 2018 and recommended the following repairs:

1. Replacement of Flowserve bowl assembly for booster pumps 1 and 2 at water plant no. 3 for \$15,000 each;
2. Repair of lift pump no. 2 at the wastewater treatment plant for an estimated cost of \$4,750; and
3. Repair of lift pump no. 3 at lift station no. 1 for an estimated amount of \$7,250.

Mr. Hoffman presented the following customer appeals:

1. Frederick Lewis; 7243 Leafwind Drive; requesting a 6 month payment plan;
2. Betty Brown; 19818 Creston Cove; requesting a leak adjustment;
3. Ben Sanders; 8027 Indian Desert Drive; requesting a payment plan; and
4. Mr. Zaidi; requesting return of \$498 in deposits plus interest.

Mr. Hoffman next reviewed the District's Critical Load List and explained that the District is required to file this annually with the Office of Homeland Security & Emergency Management, Public Utility Commission of Texas and the Texas Division of Emergency Management, whether or not the District has made any facility or personnel changes. Ms. Trachtenberg said that the District engineer and operator have reviewed the revised Critical Load List and provided updated information.

Mr. Hoffman reviewed a proposed Consumer Confidence Report ("CCR") with the Board and said that he will work with Mr. Keel to finalize the report and present it to the Board for review at the District's May 10, 2018 special canvassing meeting.

The Board next considered amending the District Rate Order to incorporate amended operational fees.

Following review and discussion, Director Davidson moved to (1) approve the District operator's report; (2) approve the repairs recommended above; (3) authorize the District operator to offer payment plans to customers, Frederick Lewis, Betty Brown and Ben Sanders; (4) authorize the operator to file the District's Critical Load list with regulatory agencies, as discussed; and (5) amending the District Rate Order, as discussed. The motion, which was seconded by Director Molina, passed unanimously.

The Board took no action on Mr. Zaidi's request.

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 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 Davidson 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 Molina and passed by unanimous vote.

#### PARK MAINTENANCE AND NRCS/FEMA GRANTS

Mr. Wailes reviewed a park and landscape management report, a copy of which is attached.

Mr. Wailes and Mr. Keel next reported the status of the District's application to the Federal Emergency Management Agency ("FEMA") for Langham Creek repairs.

#### MASTER PARKS PLAN

The Board reviewed a landscape architect report from KGA DeForest Design, LLC, a copy of which is attached. No action was taken.

#### ENGINEERING MATTERS

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

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

1. Miramesa Section 9; Pay Estimate No. 5 and Final in the amount of \$18,092.63, along with a Certificate of Acceptance;

2. 14 acre commercial tract (Sugar Land 6, Ltd.); Pay Estimate No. 1 in the amount of \$270,482.95 and Change Order No. 1 increasing the contract total by \$24,627; and
3. Generators at lift station nos. 1, 2 and 4; Pay Estimate No. 2 in the amount of \$147,564.90.

Mr. Keel also recommended that the Board authorize commitment of capacity to DD Fry, LLC to serve a proposed 350 unit apartment development

Following review and discussion, Director Molina moved to (1) approve the engineering report; (2) approve the change order listed above, based upon the Board's finding that the Change Order is beneficial to the District and Jones & Carter's recommendation; (3) approve the pay estimates listed above; and (4) approve a commitment of capacity to DD Fry, LLC, as discussed above. Director Davidson seconded the motion, which passed unanimously.

#### BOND APPLICATIONS

Mr. Keel discussed the status of the District's pending bond application no. 16 and proposed bond application no. 17.

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

There was no discussion for this agenda item.

#### ANNEXATION MATTERS

Ms. Trachtenberg next discussed the status of the District's pending request for consent from the City of Houston to annexation of 2 properties

#### SECURITY REPORT

Director Bentson reported regarding security staffing and patrol.

#### GARBAGE COLLECTION SERVICES

There was no discussion for this agenda item.

#### DISTRICT WEBSITE

The Board received analytics and subscriber reports.

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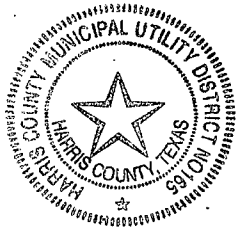
The Board discussed the results of the election of the Board of Directors of the West Harris County Regional Water Authority, Precinct 5.

DEVELOPMENT IN THE DISTRICT

Ms. Ward and Mr. Keel discussed development in the District.

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

  
Secretary, Board of Directors



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