

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

June 6, 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 6<sup>th</sup> day of June, 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
Scott Barr	Assistant Vice President

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

Also present at the meeting were Scott Barr, District resident; Lori Buckner of Myrtle Cruz, Inc.; David Keel of DAC Services, Inc. ("DAC"); Patty Rodriguez of Bob Leared Interests, Inc.; Josh Board of H2O Consulting, Inc. ("H2O"); Josh Wailes of Mike Stone Associates, Inc. ("MSA"); David Morrison of Land Tejas Development Company; Michael Willett of Touchstone District Services; Christie Leighton of Best Trash, LLC; Angel Ruvalcaba of KGA/DeForest Design, LLC ("KGA"); 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 at ABHR.

SECURITY REPORT

Director Bentson discussed patrol in the District and purchase of an additional L-Dar unit. Following review and discussion, Director Molina moved to authorize purchase of an additional L-Dar unit, as discussed. 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 and reported a preliminary taxable value for 2019 of \$1,628,027,249.

The Board also considered adopting (1) a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value as of June 1, 2019; and (2) a Resolution Revoking a Waiver of Special Appraisal.

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; (3) authorize Perdue, Brandon, Fielder, Collins & Mott, LLP to proceed with the delinquent tax collection; (4) approve a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value; and (5) approve a Resolution Revoking a Waiver of Special Appraisal. Director Goh seconded the motion, which passed unanimously.

## NEW DIRECTOR MATTERS

The Directors considered appointing Scott Barr to the vacant Board seat. Upon a motion by Director Molina and a second by Director Goh, the Board voted unanimously to appoint Scott Barr to the vacant Board seat.

The Board then acknowledged receipt of a Sworn Statement, Oath of Office, and Official Bond for newly appointed Director, Scott Barr.

After review and discussion, Director Molina 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 Goh seconded the motion, which passed by unanimous vote.

Ms. Holoubek stated State Law requires each elected public official to complete a course of training regarding responsibilities of the governmental body and its members under the Texas Open Meetings Act, Chapter 551. Ms. Holoubek stated that Director Barr must complete training within 90 days of taking the oath of office. No action was necessary for this agenda item.

Ms. Holoubek stated a Director must disclose if he or she has a current business relationship with any contractor or consultant doing business with the District if that

relationship results in either gifts (as defined in the Law) in excess of \$100 or taxable income of \$2,500 or more to the Director or his/her immediate family, or if he/she has a family relationship with a District vendor. She stated disclosure forms must be filed in such cases. No action was necessary for this agenda item.

The Board considered reorganizing. Following discussion, Director Molina moved to reorganize the Board as follows:

Alan Bentson	President
David Molina	Vice President
Wayne Green	Secretary
Kheng Swee Goh	Assistant Secretary
Scott Barr	Assistant Vice President

Director Goh seconded the motion, which passed by unanimous vote.

The Board then considered authorizing filing an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the terms of the newly elected directors and the reorganization of the Board. Following review and discussion, Director Molina made a motion 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 Goh seconded the motion, which passed by unanimous vote. Ms. Holoubek reported that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain and update annually a List of Local Government Officers in the District's official records.

#### PROPOSAL FROM TOUCHSTONE DISTRICT SERVICES

The Board received a proposal and presentation from Mr. Willett, but took no action and deferred further discussion of the proposal to Director Bentson.

#### MINUTES

The Board considered approving the minutes of the May 2, 2019, regular meeting and May 8, 2019, special meeting. Following review and discussion, Director Molina moved to approve the minutes, as submitted. 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 Molina moved to accept the bookkeeper's report, including payment of the bills listed. Director Green 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

Mr. Board 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 May, 2019. Mr. Hoffman reported 20 new residential taps were installed during the month of May, 2019. He also reviewed routine maintenance and repairs within the District completed and ongoing during the month of May, 2019 and recommended the Board authorize purchase of a new refrigerator effluent sampler at the wastewater treatment plant for an estimated cost of \$8,500.

Mr. Board reported that H2O is working with customer, Theresa Ellison, to resolve issues with delivery of her utility bills.

Ms. Holoubek 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. Holoubek said that the District engineer and operator have reviewed the revised Critical Load List and provided updated information.

Following review and discussion, Director Barr moved to (1) approve the District operator's report; (2) authorize purchase of a new refrigerator effluent sampler at the wastewater treatment plant for an estimated cost of \$8,500; and (3) authorize ABHR to file the District's Critical Load list with regulatory agencies, as discussed. The motion, which was seconded by Director Molina, passed unanimously.

Mr. Board 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 Barr 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.

#### PARK MAINTENANCE AND NRCS/FEMA GRANTS

Mr. Wailes reviewed a park and landscape management report, a copy of which is attached, and presented (1) a proposal for refurbishment of park perimeter fencing in Amhurst Park for an estimated cost of \$18,827.62; and (2) a proposal for refurbishment of park perimeter fencing in Cypress Springs Park for an estimated cost of \$19,462.80. Following review and discussion, upon a motion by Director Molina and a second by Director Green, the Board voted unanimously to approve both proposals presented.

#### MASTER PARKS PLAN

Mr. Ruvalcaba reviewed a landscape architect report from KGA DeForest Design, LLC, a copy of which is attached, and requested authorization to advertise for bids for construction of the Canyon Lakes West Infill Sidewalk.

The Board also considered approving an Amended and Restated Maintenance Agreement with S-G Owner's Association, Inc.

Following review and discussion, Director Molina moved to (1) approve the landscape architect report; (2) authorize KGA to advertise for bids for construction of the Canyon Lakes West Infill Sidewalk; and (3) approve an Amended and Restated Maintenance Agreement with S-G Owner's Association, Inc. The motion was seconded by Director Green and passed by unanimous vote.

#### 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 first discussed televising sanitary sewer line in Lancaster, Section 2 and presented a proposal from Source Point Solutions for unit pricing per linear foot for televising services. Ms. Holoubek reviewed a proposed Services Agreement.

Mr. Keel stated that 9 bids were received for paving facilities for Bridge Creek Terrace Drive. Upon the recommendation of Jones & Carter, Mr. Keel recommended that the Board award the contract to Lindsey Construction in the amount of \$1,135,777. 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. Lancaster CIPP Phase 1; Pay Estimate No. 8 and Final in the amount of \$28,756.80;
2. Lancaster CIPP, Phase 2 (point repairs) ; Pay Estimate No. 8 and Final in the amount of \$13,978.25;
3. Miramesa, Section 10; Pay Estimate No. 4 and Final in the amount of \$35,637.62;
4. Miramesa West Mass Grading for LOMR-F; Pay Estimate No. 1 in the amount of \$51,750 and Pay Estimate No. 2 in the amount of \$91,598.04;
5. Langham Creek storm repair/de-silt; Pay Estimate No. 1 in the amount of \$145,548;
6. Miramesa Section 4; Pay Estimate in the amount of \$277,114.13;
7. Storm water quality feature to serve Mirabella; Pay Estimate No. 1 in the amount of \$80,367.44 and Change Order No. 1 increasing the contract by \$38,280; and
8. Generators at lift station nos. 3, 5 and 10; Pay Estimate No. 1 in the amount of \$55,737.

The Board determined that Change Order No. 1 listed above is beneficial for the District.

The Board also discussed the status of construction of the Miramesa West lift station and considered approving a Service Outlet Location and Data Statement for Electrical Service.

Mr. Keel discussed funding for construction of the Miramesa West Outfall Extension and the Board considered adopting a Resolution Regarding Intent to reimburse the operating fund in the amount of \$827,000.

The Board also reviewed a proposal from Brown & Gay Engineers for design of Langham Creek Mass Grading in U500-02 Basin Phase 2 and discussed funding the District's proportionate share of the project from operating funds.

Following review and discussion, Director Molina moved to (1) approve the engineering report; (2) award the contract for paving facilities for Bridge Creek Terrace Drive in the amount of \$1,135,777, to Lindsey Construction, 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) based upon the recommendation

of J&C and DAC, approve the pay estimates listed above; (4) approve Change Order No. 1 in the amount of \$38,280, as an increase to the contract for Storm water quality feature to serve Mirabella, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; (5) approve a Proposal from Brown & Gay Engineers for design of Langham Creek Mass Grading in U500-02 Basin Phase 2; (6) approve a Service Outlet Location and Data Statement for Electrical Service at the Miramesa West Lift Station; (7) authorize funding the Miramesa West Outfall Extension project from the operating fund and approve a Resolution Regarding Intent to Reimburse the operating fund in the amount of \$827,000. Director Barr seconded the motion, which passed unanimously.

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

There was no discussion for this agenda item.

#### GARBAGE COLLECTION SERVICES

Ms. Leighton presented correspondence notifying the District of a Consumer Pricing Index ("CPI") increase effective as of June 1, 2018.

The Board next considered amending the District Rate Order to increase the sanitary sewer base fee by \$0.85 to pass the increase in cost of garbage collection services to District customers. Following review and discussion, Director Molina moved amend the Rate Order, as discussed. Director Goh seconded the motion, which passed unanimously.

#### DISTRICT WEBSITE


There was no discussion for this agenda item.

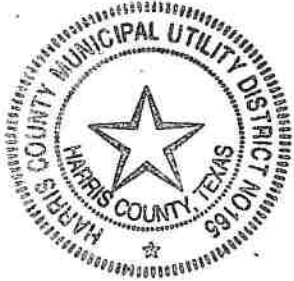
#### WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

Mr. Keel reported regarding WHCRWA schedules to complete different segments of waterline construction.

Directors Molina and Goh reported to the Board regarding a recent water conservation meeting hosted by Harris County Municipal Utility District No. 500.

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

  
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Secretary, Board of Directors





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