

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

March 7, 2024

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 7th day of March 2024, 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
Scott Nilsson	Assistant Secretary
Scott Barr	Assistant Vice President

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

Also attending the meeting were Lori Buckner of Myrtle Cruz, Inc. ("MCI"); Maurice Mullaly and David Keel of DAC Services, Inc. ("DAC"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); David Colunga of Taylor Morrison of Texas, Inc. ("Taylor Morrison"); Wes Alvey, Chris Hoffman and Donnice Hoffman of H2O Consulting, Inc. ("H2O"); Josh Wailes of Mike Stone Associates, Inc. ("MSA"); David Beyer of Storm Water Solutions, LLC ("Storm Water"); Rob Oliver with SWA Group; Tyler Lindgren of KGA/DeForest Design, LLC ("KGA"); Christie Leighton of Best Trash, LLC; and Brooke Milbauer, and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

Director Bentson offered any members of the public attending the meeting the opportunity to make a public comment. There being no members of the public requesting to make public comment, Director Bentson moved to the next agenda item.

TAX ASSESSMENT AND COLLECTIONS MATTERS AND DELINQUENT TAX COLLECTION

Ms. Rodriguez discussed the tax assessor/collector's report and delinquent tax report, reviewed the checks presented for payment from the tax account, reported taxable values for the District and defined areas within the boundaries of the District, reported regarding taxes collected to date and delinquent taxes from previous tax years.

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; and (2) authorize payment of the bills. Director Barr seconded the motion, which passed unanimously.

GARBAGE/RECYCLING COLLECTION

Ms. Leighton discussed trash and recycling collection in the District and customer calls received since the last meeting.

SECURITY REPORT

The Board reviewed and discussed a patrol report received from Harris County Constable Precinct 5 for the month of February 2024.

MINUTES

The Board considered approving the minutes of January 4, 2024, regular meeting. Following review and discussion, Director Molina moved to approve the minutes. Director Barr seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Buckner reviewed the bookkeeper's report. She discussed current public fund investment markets, reviewed the District's investment report, 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. Ms. Buckner added the following handwritten checks for approval:

1. Check No. 2526 in the amount of \$612.28, payable to David Molina;
2. Check No. 1257 in the amount of \$119,607.44, payable to Sequeira Civil Construction;
3. Check No. 1258 in the amount of \$74,709.24, payable to Sequeira Civil Construction; and
4. Check No. 3255 in the amount of \$65.00, payable to Mar Kish Mosby to replace lost Check No. 2902.

She also requested that the Board authorize voiding unused Check No. 1256.

Following review and discussion, Director Molina moved to (1) accept the bookkeeper's report and payment of the bills, including the additional handwritten checks listed above; (2) void unused Check No. 1256, as recommended; and (3) amend the District budget for the fiscal year ending September 30, 2024, as discussed. Director Barr seconded the motion, which passed unanimously.

ANNUAL REPORT

Ms. Milbauer reviewed an Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the District's bond resolutions. Following review and discussion, Director Molina moved to approve the Annual Report, authorize the attorney to submit the District's updated financial and operating data in compliance with the continuing disclosure provisions contained in the bond resolutions, and direct that the Annual Report be filed appropriately and retained in the District's official records. Director Barr seconded the motion, which passed unanimously.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

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

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed an insurance renewal proposal from McDonald & Wessendorff Insurance. Following review and discussion, upon a motion by Director Molina and a second by Director Barr, the Board voted unanimously to authorize renewal of the District's insurance policies through McDonald & Wessendorff Insurance.

OPERATION OF DISTRICT FACILITIES

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

Mr. Alvey reported 94 new residential taps and one commercial tap installed during the month of February 2024 and requested authorization for the following repair, replacements and maintenance:

1. Replace pump no. 3 at Water Plant No. 1 for an estimated cost of \$6,795.75;
2. Repair seals and bearings on pump no. 2 at Water Plant No. 1 for an estimated cost of \$21,760; and
3. Pull the motor and replace the tension bearing at Water Plant No. 4 for an estimated cost of \$4,365.

Mr. Hoffman reviewed customer appeals, copies of which are attached. Following discussion, the Board concurred to authorize action, as recommended by the District operator.

Ms. 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 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 (1) approve the District operator's report; (2) authorize the repairs and replacements listed above, as recommended; and (3) 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. Director Barr seconded the motion, which passed unanimously.

CRITICAL LOAD ANNUAL FILING

The Board reviewed the District's critical load spreadsheet, which had been previously provided to the District's operator, engineer, and bookkeeper for review. A copy of the critical load spreadsheet is attached. Ms. Milbauer noted that the critical load information on the District's facilities is required to be reviewed at least annually and provided to certain entities, which include the District's electricity provider, the Public Utility Commission, and other governmental entities. After review and discussion, Director Molina made a motion to approve the critical load spreadsheet, authorize providing it to the appropriate entities, and direct that a copy be retained in the District's official records. Director Barr seconded the motion, which carried unanimously.

EMERGENCY PREPAREDNESS PLAN

Ms. Milbauer said retail and wholesale water suppliers with residential customers located in a county other than Harris and Fort Bend counties must prepare and submit to the Texas Commission on Environmental Quality ("TCEQ") an emergency preparedness plan demonstrating the ability to operate their water system at a certain water pressure during an extended power outage, along with a timeline for implementing the plan. Ms. Milbauer noted that the District's operator and engineer are reviewing the Emergency Preparedness Plan and may have changes. Following review and discussion, Director Molina moved to authorize the District's consultants to make the changes necessary and file and updated plan with the TCEQ. Director Barr seconded the motion, which passed unanimously.

REVIEW WATER CONSERVATION PLAN; APPROVE ANNUAL REPORT AND WATER CONSERVATION IMPLEMENTATION REPORT; ADOPT ORDER ADOPTING AMENDED AND RESTATED WATER CONSERVATION PLAN

Mr. Hoffman reviewed the Water Conservation Plan Annual Report and Five-Year Implementation Report on the Water Conservation Plan with the Board. Ms. Milbauer stated that the Texas Commission on Environmental Quality rules require that the District review and adopt an Amended and Restated Water Conservation Plan prior to May 1, 2024. Ms. Milbauer reviewed an Amended and Restated Water Conservation Plan with the Board.

After review and discussion, Director Molina moved to (1) approve the Water Conservation Annual Report and Five-Year Implementation Report, direct that the reports be filed appropriately and retained in the District's official records, and authorize the District's Operator to submit the reports to the appropriate government agencies; and (2) adopt an Order Adopting Amended and Restated Water Conservation Plan, direct that the Order be filed appropriately and retained in the District's official records, and authorize the District Operator to submit the Amended and Restated Water Conservation Plan to the appropriate government agencies. Director Barr seconded the motion, which passed by unanimous vote.

ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

Ms. Milbauer reported that the District is required to review the District's Drought Contingency Plan annually. Mr. Hoffman confirmed that no changes need to be made at this time.

OR

Ms. Milbauer reported that the District is required to review the District's Drought Contingency Plan annually. After review and discussion, Director Molina moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records. Director Barr seconded the motion, which passed by unanimous vote.

REPORT FROM STORM WATER SOLUTIONS

Mr. Beyer reviewed a Storm Water Management Program report provided by Storm Water, a copy of which is attached. He reviewed the following work proposals:

1. 6" pipe repair proposal for 8515 Cape Royal Drive;
2. Towne Lake Green concentrator 4045 Cleanout;
3. Towne Lake Green concentrator Cleanout;
4. Longenbaugh Road Detention Pond Rehabilitation;
5. Longenbaugh Road stormwater quality maintenance proposal;
6. Marvida South Phase II stormwater quality maintenance proposal;
7. Marvida North Phase II stormwater quality maintenance proposal;
8. Marvida bioswale cleanup and re-grade;
9. Marvida bioswale maintenance proposal;

10. Consulting proposal for Phase II Asset Management Project;
11. Mirabella West stormwater quality maintenance proposal; and
12. Consulting proposal for stormwater quality maintenance permits research and resolution

Following review and discussion, Director Molina moved to approve the report and all proposals recommended. Director Barr seconded the motion, which passed unanimously.

PARK MAINTENANCE

Mr. Wailes reviewed a park and landscape management report, a copy of which is attached. He requested to make irrigation repairs in Remington Grove Park for an estimated amount of \$1,470 and removal of nutria in Canyon Lakes West for an estimated amount of \$2,500. Following review and discussion, Director Molina moved to approve the landscape management report. The motion was seconded by Director Barr and passed unanimously.

KGA/DEFOREST DESIGN, LLC REPORT

Ms. Lindgren reported the status of the following projects, and presented the following pay applications and change orders:

1. Bridge Creek Sections 8 and 9 Landscape Improvements; Pay Application No. 11 in the amount of \$15,143.24, payable to Earth First;
2. Marvida Pod A Phase 2 Landscape Improvements; Pay Application No. 1 in the amount of \$41,372.87, payable to Earth First;
3. Marvida Phase 1 Landscape Improvements; Pay Application No. 19 in the amount of \$88,286.21, payable to Earth First;
4. Marvida, Sections 17 and 20 Landscape Improvements; Pay Application No. 9 in the amount of \$3,024, payable to Triple E; and
5. Marvida Section 21 Landscape Improvements; Pay Application No. 11 in the amount of \$630, payable to Triple E; Change Order No. 3 with no net change to the contract amount; and Change Order No. 4 deducting \$4,410 from the contract total.

The Board determined that the change order listed above are beneficial to the District.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from KGA; (2) approve the pay estimates presented, as recommended by KGA; and (3) upon the recommendation of KGA and finding that the change orders listed above are beneficial to the District, approve the change orders. Director Barr seconded the motion, which was passed by unanimous vote.

SWA GROUP REPORT

The Board reviewed a landscape architect report from SWA, a copy of which is attached, requesting authorization to advertise for bids for construction of Avalon at Cypress West - Entry Channel Landscape, reporting the status of the following projects, and recommending and requesting approval of the following pay applications:

1. Avalon at Cypress - Mason Road Phase 2 Landscape; Pay Estimate No. 8 in the amount of \$35,014, payable to Gulf Coast Landscape Services, Inc.; and
2. Avalon at Cypress West - Avalon Landing Lane Phase I Landscape; Pay Estimate No. 6 in the amount of \$2,269.39, payable to Junction Landscape.

Following review and discussion, Director Molina moved to (1) approve SWA's report; and (2) approve the pay estimates presented in the attached report, upon the recommendation of SWA. Director Barr seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Mullaly reviewed the plans and specifications and requested the Board authorize him to advertise for bids for the construction of Westgreen Boulevard, Section 6/Kinder Morgan Crossing.

Mr. Mullaly stated that bids were received for construction of water, sewer and drainage to serve Bridge Creek, Section 12 and recommended that the Board award the contract to Gonzalez Construction in the amount of \$1,066,499.27. The Board concurred that, in its judgment, Gonzalez 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. Mullaly stated that bids were received for paving to serve Bridge Creek, Section 12 and recommended that the Board award the contract to Hurtado Construction in the amount of \$768,988.24. The Board concurred that, in its judgment, Hurtado 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. Mullaly stated that bids were received for construction of water, sewer and drainage to serve Avalon View Drive and recommended that the Board award the contract to Unitas Construction in the amount of \$597,907. The Board concurred that, in its judgment, Gonzalez 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. Mullaly stated that bids were received for construction of paving to serve Avalon View Drive and recommended that the Board award the contract to Unitas Construction in the amount of \$437,477. The Board concurred that, in its judgment, Gonzalez 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. Mullaly discussed the engineer's report, a copy of which is attached, and reviewed the status of construction projects in the District and presented the following pay applications and change orders:

1. Marvida, Section 30; Pay Estimate No. 1 in the amount of \$39,221.55, payable to Blazey Construction;
2. Avalon at Cypress West, Section 1 water, sewer and drainage; Pay Estimate No. 4 and Final in the amount of \$153,116.90, payable to Gonzalez Construction;
3. Avalon at Cypress, Section 8 paving; Pay Estimate No. 1 in the amount of \$122,353, payable to Harris Construction;
4. Avalon at Cypress, Section 11 water, sewer and drainage; Pay Estimate No. 3 and Final in the amount of \$34,445.85, payable to Unitas Construction;
5. Bridge Creek, Section 13 water, sewer, drainage, and paving; Pay Estimate No. 2 in the amount of \$290,805.84, payable to R Construction Civil; Change Order No. 1 adding \$3,472 to the paving portion of the contract;
6. Marvida, Section 29 water, sewer, and drainage; Pay Estimate No. 4 and Final in the amount of \$16,274.99, payable to Fellers & Clark;
7. Mason Road Bridge at Langham Creek; Pay Estimate No. 8 in the amount of \$197,033.88, payable to Earth Builders;
8. Water Plant No. 6; Pay Estimate No. 18 in the amount of \$108,798.75, payable to Long & Son;
9. Lancaster Water Line Replacement; Pay Estimate No. 11 in the amount of \$35,152.24, payable to Sequeira Civil; and
10. Emergency Generators at Lift Stations Nos. 7, 11, 12, and 16; Pay Estimate No. 6 in the amount of \$19,125.00, payable to McDonald Municipal.

Mr. Mullaly presented Certificates of Substantial Completion for the following projects:

1. Marvida, Section 16 paving;
2. Marvida, Section 16 water, sewer, and drainage; and
3. Marvida, Section 17 paving.

The Board concurred that the change orders listed above are beneficial to the District.

Following review and discussion, Director Molina moved to (1) approve the engineering report; (2) based upon the recommendation of Quiddity, BGE and DAC, approve pay estimates listed above; (3) approve the change orders listed above based upon the Board's finding that the change orders are beneficial to the District and BGE's, Quiddity's and DAC's recommendations; (4) accept projects for Certificates of Completion presented for execution above; (5) award the contracts for construction of water, sewer and drainage and paving facilities presented above, based upon the BGE's, DAC's and Quiddity's recommendations and receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractors; and (6) authorize the engineer to advertise for bids for construction of Westgreen Boulevard, Section 6/Kinder Morgan Crossing. Director Barr seconded the motion, which was passed by unanimous vote.

DEEDS AND EASEMENTS

There was no discussion on this agenda item.

2024 DIRECTORS ELECTION

Ms. Milbauer presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received 2 candidate applications for the 2 director positions for the May 4, 2024, Directors Election.

Ms. Milbauer then presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office (the "Order Cancelling") stating that the May 4, 2024, Directors Election is cancelled and that the unopposed candidates, Alan Bentson and Scott Nilsson, are declared elected to office to serve from the May 4, 2024, election until the May 6, 2028, Directors Election. She reviewed the posting requirements for the Order Cancelling.

Following review and discussion, Director Molina moved to (1) accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors and direct that the Certificate be filed appropriately and retained in the District's official records; (2) adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office, authorize the Secretary's agent to post the Order Cancelling, as required, direct that the Order Cancelling be filed appropriately and retained in the District's official records; and (3) authorize ABHR to post notice of the cancellation at the District's regular posting for agendas. Director Barr seconded the motion, which passed unanimously.

DEVELOPER'S REPORT

Mr. Colunga reported regarding development in the District.

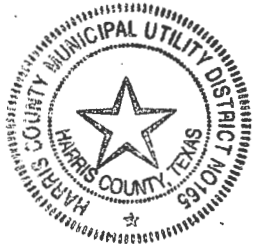
DISTRICT WEBSITE

There was no discussion or action taken on this agenda item.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion for this agenda item.

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



A handwritten signature in black ink, consisting of several loops and flourishes, positioned above a horizontal line.

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

tax assessor/collector's report and delinquent tax report	1
bookkeeper's report, investment report, budgets, and a list of bills presented for payment.....	2
Management and operations report.....	3
critical load spreadsheet.....	4
park and landscape management report.....	6
landscape architect report.....	7
engineer's report	8