

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

February 1, 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 1st day of February 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"); Blake Dalton of Taylor Morrison of Texas, Inc. ("Taylor Morrison"); Wes Alvey 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; Kelly Gard of KGA/DeForest Design, LLC ("KGA"); and Jessica Holoubek, Brooke Milbauer, and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending via teleconference was Chris Hoffman of H2O.

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.

GARBAGE/RECYCLING COLLECTION

There was no discussion for this agenda item.

SECURITY REPORT

The Board reviewed and discussed a patrol report received from Harris County Constable Precinct 5 for the month of January 2023.

MINUTES

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

ASSOCIATION OF WATER BOARD DIRECTORS CONFERENCES

The Board discussed the Association of Water Board Directors winter conference. The Board then considered authorizing attendance at the summer conference. After discussion, Director Molina moved to approve reimbursement of all eligible expenses for Directors who attended the winter conference, which the bookkeeper confirmed were submitted in accordance with the District's guidelines, and to authorize attendance of any interested Directors at the summer conference. Director Barr seconded the motion, which carried 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.

Following review and discussion, Director Molina moved to (1) accept the bookkeeper's report and payment of the bills. Director Barr seconded the motion, which passed unanimously.

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 Barr moved to (1) accept the tax assessor/collector's report; and (2) authorize payment of the bills. Director Molina seconded the motion, which passed unanimously.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board reviewed a tax rate analysis with the Board, copy of which is attached. Ms. Holoubek then presented and reviewed a Resolution Concerning Exemptions from

Taxation reflecting that the Board grants a general residential homestead exemption of 10% (but not less than \$5,000) and grants an exemption of \$20,000 of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older. Director Molina moved to adopt the Resolution Concerning Exemptions from Taxation and direct that the Resolution be filed appropriately and retained in the District's official records. Director Barr seconded the motion, which passed unanimously.

DISTRICT FACILITIES REPORT FOR INSURANCE PROVIDER

The Board reviewed a District facility report for renewal of District insurance coverage. Following review and discussion, Director Molina moved to approve the facilities and parks values reported. Director Barr 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.

Mr. Hoffman reported 35 new residential taps installed during the month of January 2023 and requested authorization for the following repair, replacements and maintenance:

1. isolation and cleaning of onsite lift station at Wastewater Treatment Plant No. 2; and
2. an additional proposal related to ongoing rehabilitation of the well at Water Plant No. 1 in the amount of \$218,805 for replacement of and repairs to pumping equipment.

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 installation 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.

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 then reviewed a transfer letter for Marvida Phase II South Storm Water Quality Permit. Following review and discussion, Director Molina moved to approve the transfer letter. Director Barr seconded the motion, which passed unanimously.

PARK MAINTENANCE

Director Green entered the meeting.

Mr. Wailes reviewed a park and landscape management report, a copy of which is attached. 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 Section 7 Landscape Improvements; Pay Application No. 9 and Final in the amount of \$33,063.00, payable to Triple E;
2. Marvida Phase 1 Landscape Improvements; Pay Application No. 18 in the amount of \$88,286.21, payable to Earth First;
3. Marvida Recreation Center Facility; Pay Application No. 22 in the amount of \$4,275.00, payable to DL Meacham, LP ("DL Meacham");
4. Marvida Pod A Landscape Improvements; Pay Application No. 10 and Final in the amount of \$84,405.20, payable to Earth First;
5. Marvida, Section 13 Landscape Improvements; Pay Application No. 9 in the amount of \$1,260.23, payable to Triple E;
6. Marvida, Sections 18 and 19 Landscape Improvements; Pay Application No. 11 in the amount of \$1,260.22 and Pay Application No. 12 and Final in the amount of \$47,283.50, both payable to Triple E;
7. Marvida, Sections 17 and 20 Landscape Improvements; Pay Application No. 8 in the amount of \$1,260.00, payable to Triple E; and
8. Marvida Section 21 Landscape Improvements; Pay Applications Nos. 9 both in the amount of \$1,260.00 and \$1,260.00, both payable to Triple E.

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. 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. 7 in the amount of \$1,836.00, payable to Gulf Coast Landscape Services, Inc.; and
2. Avalon at Cypress West – Avalon Landing Lane Phase I Landscape; Pay Estimate No. 5 in the amount of \$21,199.79, payable to Junction Landscape.

Following review and discussion, Director Molina moved to (1) approve SWA's report; (2) authorize SWA to advertise for bids for construction of Avalon at Cypress West – Entry Channel Landscape; and (3) 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 the Stream and Wetland Restoration Langham Creek Channel.

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 16 paving; Pay Estimate No. 4 and Final in the amount of \$63,817.73, payable to D&J Construction;
2. Avalon at Cypress West, Section 1 paving; Pay Estimate No. 4 and Final in the amount of \$48,141.42, payable to Harris Construction Co., LLC;
3. Avalon at Cypress West, Section 2 water, sewer, and drainage; Pay Estimate No. 2 in the amount of \$17,100.00, payable to Bay Utilities, LLC;
4. Avalon at Cypress, Section 8 water, sewer, and drainage; Pay Estimate No. 1 in the amount of \$765,965.43, payable to Bay Utilities, LLC;
5. Bridge Creek Westgreen Phase 2; Pay Estimate No. 3 in the amount of \$18,072.90, payable to Park Construction;

6. Bridge Creek, Section 13 water, sewer, drainage, and paving; Pay Estimate No. 1 in the amount of \$94,122.90, payable to R Construction Civil;
7. Marvida, Section 13 water, sewer, drainage; Change Order No. deducting \$79,351.80 from the District's contract with Durwood Greene Construction for adjustment to final quantities;
8. Marvida, Section 16 water, sewer, and drainage; Pay Estimate No. 4 and Final in the amount of \$58,574.75, payable to Blazey Construction Services, LLC;
9. Marvida, Section 16 paving; Change Order No. 1 deducting \$104,089.73 from the District's contract with D&J Construction for adjustments of quantities, additional irrigation sleeves and additional mobilization for lot grading and Change Order No. 2 deducting \$13,793.40 from the contract for adjustment of final quantities;
10. Marvida, Section 17 paving; Change Order No. 1 increasing \$38,193.51 the District's contract with Fellers & Clark for material cost increases and adjustment of final quantities;
11. Marvida, Section 29 water, sewer, and drainage; Pay Estimate No. 3 in the amount of \$62,194.47, payable to Fellers & Clark;
12. Marvida Lift Station No. 2; Pay Estimate No. 14 in the amount of \$90,000.00 and Pay Estimate No. 15 in the amount of \$60,210.00, both payable to Putnam, Inc.;
13. Mason Road Bridge at Langham Creek; Pay Estimate No. 8 in the amount of \$197,033.88, payable to Earth Builders;
14. Water Plant No. 6; Pay Estimate No. 18 in the amount of \$108,798.75, payable to Long & Son;
15. Lancaster Water Line Replacement; Pay Estimate No. 11 in the amount of \$35,152.24, payable to Sequeira Civil; and
16. 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; and (4) authorize the engineer to advertise for bids for the Stream and Wetland Restoration Langham Creek Channel. 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. Holoubek then reviewed an Order Calling Directors Election.

Ms. Holoubek discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of the County.

Following review and discussion, Director Molina moved to (1) adopt the Order Calling Directors Election; and (2) authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required. Director Barr seconded the motion, which passed unanimously.

DEVELOPER'S REPORT

Mr. Dalton reported regarding development in the District.

Ms. Holoubek reviewed a Partial Assignment of Right to Reimbursement Proceeds between and among the District, Cypress 856, Ltd., and Astro Marvida, LP. Following review and discussion, Director Molina moved to approve the Partial Assignment of Right to Reimbursement Proceeds and direct that it be filed appropriately and retained in the District's official records. Director Barr seconded the motion, which passed unanimously.

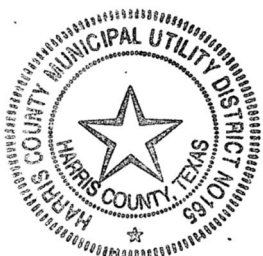
DISTRICT WEBSITE

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.



/s/ Wayne Green
Secretary, Board of Directors

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