

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

December 7, 2017

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 December, 2017, 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 Davidson, 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"); Bob DeForest of KGA/DeForest Design, LLC; 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.

MINUTES

The Board considered approving the minutes of the November 2, 2017 regular meeting. Following review and discussion, Director Molina moved to approve the minutes. Director Maddox 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 and pay the bills described therein. Director Maddox 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, delinquent taxes from previous tax years and the status of previously authorized payment plans for delinquent tax balances.

The Board also considered adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value and a Resolution to Rescind the Waiver of Special Appraisal for the benefit of Canyon Lakes 1892, Ltd. as it applies to a portion of the property owned by S-G Owners Association.

Following discussion and review of the information provided by the taxpayer and the District tax assessor collector, Director Molina moved to (1) accept the tax assessor/collector's report; (2) approve a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value; (3) approve a Resolution to Rescind the Waiver of Special Appraisal for the benefit of Canyon Lakes 1892, Ltd. as it applies to a portion of the property owned by S-G Owners Association; and (4) authorize the tax assessor collector to obtain a new aerial photograph of the District for an amount not to exceed \$950. Director Maddox 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. 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 November, 2017. Mr. Hoffman reported 30 new residential taps and 2 new commercial taps were installed during the month of November, 2017, reviewed routine maintenance and repairs within the District completed and ongoing during the month of November, 2017.

Mr. Hoffman presented the following customer appeals:

1. William Huhn; 20715 Tuskin Oaks; requesting a leak adjustment; and

2. Angela Mathews; 7315 Lapis Meadows; requesting an investigation of high usage.

Following review and discussion, Director Maddox moved to (1) approve the District operator's report; (2) authorize the District operator to offer a billing/use adjustment to customer William Huhn, in accordance with the District's leak adjustment policy; and (3) authorize the District engineer to replace customer Angela Matthews' water meter. The motion, which was seconded by Director Green, passed unanimously.

Mr. Hoffman next presented a list of delinquent customers for termination of service due to non-payment of delinquent taxes. Mr. Hoffman reported the residents on the termination list were delinquent in payment of their water and sewer bills and 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 Maddox 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.

REPORT REGARDING DEVELOPMENT WITHIN THE DISTRICT

Mr. Keel reported regarding recent development in the District.

Director Bentson updated the Board regarding a previous request from Riverway Properties to annex a 570 acre parcel of land and plans for a possible May, 2018 bond election.

PARK MAINTENANCE

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

MASTER PARKS PLAN

Mr. DeForest presented a landscape architect report, a copy of which is attached.

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. Canyon Lakes West, Section 12; Pay Estimate No. 3 and Final in the amount of \$4,976.59;
2. Miramesa Lift Station; Pay Estimate No. 4 in the amount of \$22,437; Change Order No. 2 increasing the contract amount by \$13,945.11; and CenterPoint Facilities Extension Agreement;
3. Miramesa, Section 3; Pay Estimate No. 4 in the amount of \$11,140.64;
4. Langham Creek storm repair/de-silt; proposal from Geotech Engineering in the amount of \$41,875; and
5. Miramesa Southeast Commercial Corner, Phase I (Storm Sewer); Pay Estimate No. 2 and Final in the amount of \$2,808.01 and Certificate of Acceptance.

The Board also considered approving a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Projects and Bonds.

Following review and discussion, Director Green moved to (1) approve the engineering report; (2) approve the pay estimates listed above; (3) approve the proposal listed above; (4) approve the change order listed above, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; and (5) approve a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Projects and Bonds. Director Maddox seconded the motion, which passed unanimously.

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

The Board next considering authorizing signature upon a Special Warranty Deed conveying a 0.7682 acre parcel of land to Greenhouse 529 Partners.

Following review and discussion, upon a motion by Director Maddox and a second by Director Molina, the Board voted unanimously to (1) authorize signature upon a Special Warranty Deed conveying a 0.7682 acre parcel of land to Greenhouse 529 Partners; and (2) approve a proposal from Berg Oliver Associates, Inc. for environmental services associated with the proposed conveyance of a lift station and detention reserve in Miramesa, Section 1.

Ms. Holoubek next discussed a landowner request that the District purchase detention pond that the District is currently maintaining.

SECURITY REPORT

The Board received a patrol report from Harris County Constable Precinct 5.

GARBAGE COLLECTION SERVICES

There was no discussion for this agenda item.

DISTRICT WEBSITE

The Board received analytics and subscriber reports. There was no discussion for this agenda item.

The Board next discussed electricity cost and usage from October 2016 through October 2017. Following review and discussion, the Board concurred to authorize ABHR to post the report to the District website.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

Ms. Holoubek discussed the notification from the WHCRWA regarding an increase in fees and implementation dates. Following review and discussion, the Board concurred to authorize posting of notice regarding the increase in utility bills and on the District website.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

bookkeeper's report, investment report, budgets, and a list of bills presented for payment.....	1
tax assessor/collector's report and delinquent tax report	2
management and operations report.....	2
park and landscape management report.....	3
landscape architect report.....	3
engineer's report	3