

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

April 2, 2015

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 2nd day of April, 2015, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, 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 were Lori Buckner of Myrtle Cruz, Inc.; David Keel of DAC Services, Inc. ("DAC"); Patty Rodriguez of Bob Leared Interests, Inc.; Chris and Donnice Hoffman of H2O Consulting, Inc. ("H2O"); Bob DeForest of KGA/DeForest Design, LLC; Marcus Garcia of Jones & Carter, Inc.; Bo Egbert of WCA Waste Corporation of Texas; Sherrie Knoepful and Kendall Purgatorio of Mike Stone Associates, Inc.; and Jessica Holoubek and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There was no public comment.

MINUTES

The Board considered approving the minutes of the March 5, 2015 regular meeting. After review and discussion, Director Davidson moved to approve the minutes. 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 Davidson moved to accept the bookkeeper's report and pay the bills described therein, including check no. 11785 in the amount of \$554.10 payable to David Molina, check no. 11787 in the amount of \$36 payable to Off Cinco, check no. 1815 in the amount of \$165 payable to Rapid Research, check no. 1816 in the amount of \$77,670 payable to Corrosion Eliminators and check no. 1817 in the amount of \$126,791.20 payable to Nova Painting. Director Green seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Rodriguez presented the tax assessor/collector's report, a copy of which is attached, reviewed the checks presented for payment from the tax account, and reported regarding taxes collected from the 2014 tax levy to date and delinquent taxes.

After review and discussion, upon a motion by Director Davidson and a second by Director Green, the Board voted unanimously to accept the tax assessor/collector's report.

OPERATION OF DISTRICT FACILITIES

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

Mr. Hoffman reported 71 new residential taps during the month of March, 2015 and reviewed routine maintenance and repairs within the District completed and ongoing during the month of March, 2015, and requested the Board approve repair to lift pump no. 3 at lift station no. 3 for an amount not to exceed \$3,500.

The Board discussed the District's water accountability for the month of March, 2015, capacity.

Mr. Hoffman next discussed a customer appeal from Sharon Harmon.

Following review and discussion, Director Davidson moved to (1) approve the District operator's report; (2) approve repair to lift pump no. 3 at lift station no. 3 for an amount not to exceed \$3,500; and (3) to authorize the District operator to extend an installment payment agreement to Sharon Harmon. The motion, which was seconded by Director Green, passed unanimously.

The Board then conducted a hearing on the termination of water service to delinquent utility accounts. Mr. Hoffman reported that the residents on the termination list were mailed written notice prior to the meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board to explain, contest, or correct the service bill and to show reason why water service should not be terminated for reason of nonpayment. Director Davidson moved that since the residents on the attached list were neither present at the meeting nor had presented any statement on

the matter, water service should be terminated in accordance with the procedures set forth in the Rate Order. Director Green seconded the motion, which carried unanimously.

EMERGENCY PREPAREDNESS

The Board discussed District emergency preparedness and concurred to authorize ABHR to update the District media information kit and distribute, as necessary.

GARBAGE COLLECTION

Mr. Egbert next discussed a proposal from WCA to change to Automated Front Loading to accommodate 96 gallon carts, including a change in service days. Discussion ensued regarding offering multiple types of pick up depending upon the navigability of streets in each subdivision. The Board took no action on this agenda item and requested further information from WCA to consider at their next meeting.

REPORT REGARDING DEVELOPMENT WITHIN THE DISTRICT

Ms. Miller presented information from James Henrie of Land Tejas Development Company regarding residential development in Miramesa. Mr. Keel reported regarding residential development of 11 lots long Mountaindale Drive.

ANNEXATION OF LAND INTO THE DISTRICT

Ms. Holoubek reported regarding the submission of documents to the City of Houston requesting consent for the annexation of a 2.756 acre tract of land into the District.

MASTER PARKS PLAN AND PARK MAINTENANCE

The Board reviewed park maintenance and inspection schedule submitted by Lancaster Community Association, Inc. ("LCAI").

The Board next reviewed bids for park maintenance and received a presentation from Ms. Knoepful.

Mr. DeForest reported the progress of improvements at River Pines Park recommended the Board approve Pay Application No. 5 in the amount of \$17,958.58, payable to Stone Castle Constructors.

Mr. DeForest next presented proposals for design services for landscaping improvements in Miramesa, Sections 6 and 7, and discussed the status of design of landscaping improvements for Miramesa, Section 3.

Following review and discussion, Director Davidson moved to (1) authorize KGA to advertise for bids for construction of landscaping improvements in Miramesa, Section 3; (2) approve the pay estimate listed above for River Pines Park; (3) approve proposals for design of Miramesa, Sections 6 and 7; and (4) authorize ABHR to send a letter terminating the services of Lancaster Community Association, Inc. effective May 7 and to approve a Services Agreement with Mike Stone Associates, Inc. The motion, which was seconded by Director Green, passed unanimously.

Ms. Holoubek next discussed proposed conveyance by Land Tejas Development Company of Tennessee Gas Pipeline as landscaping reserves in Mirabella for future recreational use. Following discussion, the Board concurred to authorize preparation of documents to transfer the property, subject to confirming title and an environmental survey report.

PROFESSIONAL ENGINEERING SERVICES AGREEMENT

The Board took no action on this agenda item.

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. Garcia first discussed the status of preparation of plans for the expansion of the U-132 channel and requested the Board approve a letter to Harris County confirming the District's intent to maintain the detention basin, storm sewer and storm water quality features.

Mr. Keel next reported the status of construction of the following projects and recommended payment of associated estimates and invoices and approval of change orders listed:

1. West Road and Mirabella Drive, Pay Estimate No. 8 and Final in the amount of \$25,613.52;
2. Mirabella, Section 1, Pay Estimate No. 5 and Final in the amount of \$20,518 and Change Order no. 1 in the amount of \$5,000;
3. Mirabella, Section 6, Pay Estimate No. 4 and Final in the amount of \$22,663.40;
4. Mirabella, Section 7, Pay Estimate No. 4 and Final in the amount of \$8,608.93;
5. Mirabella Drive Extension, Pay Estimate No. 7 and Final in the amount of \$33,715.94;
6. Pine Creek at Canyon Lakes West, Section 9, Pay Estimate No. 4 and Final in the amount of \$13,674.75;

7. Water plant no. 2 coating, Pay Estimate No. 1 in the amount of \$77,670; and
8. Recoating of water plant no. 1, Pay Estimate No. 2 in the amount of \$126,791.20 and Change Order No. 1 in the amount of \$7,613.

Mr. Keel also discussed the status of water, sewer and drainage to serve Mirabella, Section 4 and requested the Board execute a Submerged Storm Sewer Agreement with Harris County.

Mr. Keel discussed the District's Sanitary Sewer Overflow Initiative and schedule, reviewed bids and recommended the Board award the contract to the lowest qualified bidder, Source Point Solutions in the amount of \$31,597.23. After review and discussion, and because it would result in the best and most economical completion of the project, Director Davidson moved to approve the award of the contract to Source Point Solutions, subject to verification of payment and performance bonds and insurance. Director Green seconded the motion which passed unanimously.

Following review and discussion, Director Davidson moved to (1) approve the engineering report; (2) authorize Jones & Carter to advertise for bids for construction of the projects requested above; (3) approve pay estimates listed and recommended for approval; and (4) approve a Submerged Storm Sewer Agreement with Harris County for Mirabella, Section 4. Director Green seconded the motion, which passed unanimously.

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

The Board next considered accepting the following conveyances to the District:

1. Special Warranty Deed for Water Plant No. 4;
2. Dedication of Right of Way for Greenhouse Road at Langham Creek to Harris County; and
3. Dedication of Right of Way for Langham Creek Crossing at Mirabella, Section 11.

Upon a motion by Director Davidson and a second by Director Green, the Board voted unanimously to accept the conveyances listed above.

STORM WATER QUALITY PERMITS AND OTHER STORM WATER ISSUES

There was no discussion for this agenda item.

SECURITY REPORT

The Board discussed recent calls and patrol.


WEBSITE UPDATES

There was no discussion for this agenda item.

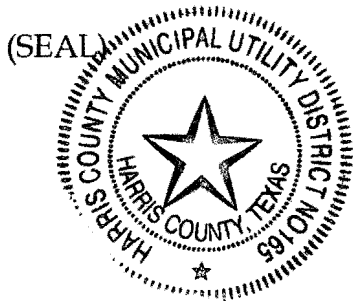
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion for this agenda item.

There being no additional business to consider, the meeting was adjourned at 7:43 p.m.



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

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