

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

December 2, 2021

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 December 2021, 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 of the above were present, thus constituting a quorum.

Also attending the meeting either in person or by telephone were Lori Buckner of Myrtle Cruz, Inc.; David Keel and Maurice Mullaly of DAC Services, Inc. ("DAC"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Donnice Hoffman, Wes Alvey and Chris Hoffman of H2O Consulting, Inc. ("H2O"); Josh Wailes of Mike Stone Associates, Inc. ("MSA"); David Colunga of Taylor Morrison of Texas, Inc. ("Taylor Morrison"); Lacey Hamilton of KGA/DeForest Design, LLC; Justin Patton of Land Tejas Development Company; Robert Oliver of SWA Group; Christie Leighton of Best Trash, LLC; and Jessica Holoubek, 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 by telephone the opportunity to make public comment. There being no members of the public requesting to make public comment, Director Bentson moved to the next agenda item.

SECURITY REPORT

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

MINUTES

The Board considered approving the minutes of the November 4, 2021, regular meeting. Following review and discussion, Director Molina moved to approve the minutes presented. Director Barr seconded the motion, which passed unanimously.

SERIES 2021 UNLIMITED TAX REFUNDING BONDS

There was no discussion for this agenda item.

SERIES 2021 UNLIMITED TAX ROAD BONDS (DEFINED AREA NO. 1)

There was no discussion for this agenda item.

TAX ASSESSMENT AND COLLECTIONS MATTERS AND DELINQUENT TAX COLLECTION

Ms. Rodriguez discussed 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 and 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.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR BOARD OF DIRECTORS WINTER CONFERENCE

Ms. Holoubek reviewed the District's Travel Reimbursement Guidelines (the "Guidelines") and the Board discussed expenses for the upcoming Association of Water Board Directors winter conference (the "Conference"). Following review and discussion, Director Molina made a motion to authorize up to two nights of lodging at the Conference rate, up to three days of per diem, and up to six meals for any Director attending the conference, if submitted in accordance with the District's Guidelines. 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. Following review and discussion, Director Molina moved to (1) accept the bookkeeper's report; and (2) authorize payment of the bills, including check no. 1021 in the amount of \$24,485, payable to C4 Partners. 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.

The Board discussed the District's water accountability for the month of November 2021. Mr. Hoffman reported 35 new residential taps installed during the month of November 2021. He also reviewed routine maintenance and repairs within the District completed and ongoing during the month of November 2021.

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 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 Molina moved to (1) approve the District operator's report; (2) authorize the District operator to offer a leak adjustment to the owner of account no. 48714; 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.

STORM WATER QUALITY PERMITS AND OTHER STORM WATER ISSUES

There was no discussion for this agenda item.

PARK MAINTENANCE AND PROPOSED ENTRY ON DISTRICT PROPERTY

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 park and landscape management report. Director Barr seconded the motion, which passed unanimously.

KGA/DEFOREST DESIGN, LLC REPORT

Ms. Hamilton reviewed a landscape architect report from KGA, a copy of which is attached.

Ms. Hamilton discussed plans for Marvida, Section 14 Landscape Improvements and presented a proposal for design service for same.

Ms. Hamilton next discussed the status of construction of the Bridge Creek Recreation Center Facility and recommended that the Board approve Pay Application No. 11 in the amount of \$76,802.07, payable to Millis Development.

Ms. Hamilton reported regarding construction of Miramesa South Phase 2 Landscape Improvements and recommended approval of Pay Estimate No. 1 in the amount of \$3,251.70, payable to Triple E.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from KGA; (2) authorize design of Marvida Section 14 Landscape Improvements and approve an associated proposal for same; and (3) approve all pay estimates discussed above, as recommended by KGA. Director Barr seconded the motion, which carried unanimously.

SWA GROUP REPORT

Mr. Oliver discussed plans for Avalon at Cypress Recreation Center – Public and requested authorization to advertise for bids for construction. Following review and discussion, Director Molina moved to authorize SWA to advertise for bids for construction of Avalon at Cypress Recreation Center – Public. Director Barr seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

Mr. Mullaly discussed the engineer's report, a copy of which is attached, and reviewed the status of construction projects in the District.

Mr. Mullaly first discussed plans for a force main in Marvida Terrace Drive Street Dedication, Section 1 and requested authorization to design that facility.

Mr. Mullaly discussed the status of design of Bridge Creek Terrace Drive, Section 3 paving and Bridge Creek, Sections 6 and 7 paving and requested authorization to advertise for bids for construction and to an incentive payment of \$2,000 for each day up to the total of twenty (20) days that the Work has achieved Final Completion prior to the expiration of the time limits set in the Contract, up to a total maximum payment of \$40,000.

Mr. Mullaly stated that bids were received for construction of Bridge Creek West Green and recommended that the Board award the contract to Beyer Construction ("Beyer") in the amount of \$869,962.35. The Board concurred that, in its judgment, Beyer 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 next reported that bids were received for construction of Marvida Lift Station No. 2 and recommended that the Board award the contract to Putnam, Inc. ("Putnam") in the amount of \$1,198,500. The Board concurred that, in its judgment, Putnam 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, drainage and paving to serve Marvida, Section 20 and recommended that the Board award the contract to Fellers & Clark ("Fellers") in the amount of \$850,000. The Board concurred that, in its judgment, Fellers 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 said bids were received for construction of Longenbaugh Road Detention Pond and recommended that the Board award the contract to Rebel Contractors ("Rebel") in the amount of \$1,644,588.70. The Board concurred that, in its judgment, Rebel 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 reported that BGE received bids for construction of Avalon at Cypress Avalon River Road Street Dedication, Section 1 Water Distribution System, Sanitary Collection System, Storm Drainage and recommended that the Board award the contract to R Construction Civil, LLC ("R Construction") in the amount of \$969,710.60. The Board concurred that, in its judgment, R 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 also reported that BGE received bids for construction of Avalon at Cypress Avalon River Road Street Dedication, Section 1 Paving and recommended that the Board award the contract to Harris Construction Company, LLC ("Harris Construction Company") in the amount of \$336,347.80. The Board concurred that, in its judgment, Harris Construction Company 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 reported the status of the following projects, and presented the following pay applications and change orders:

1. Water Plant No. 2 Fence Replacement; Pay Estimate No. 2 in the amount of \$36,012.60, payable to Republic Masonry & Fencing, LLC;
2. Water Plant No. 5: Pay Estimate No. 15 in the amount of \$358,625, payable to Long & Sons;
3. Expansion of wastewater treatment plant no. 1; Pay Estimate No. 13 in the amount of \$454,645.57, payable to R.P. Constructors and Change Order No. 4 increasing the contract in the amount of \$75,713;

4. Wastewater treatment plant no. 2; Pay Estimate No. 11 in the amount of \$732,513.42, payable to ALLCO, LLC;
5. Force main and Waterline to serve Wastewater Treatment Plant No. 2; Pay Estimate No. 1 in the amount of \$87,354.18, payable to \$87,354.18;
6. Marvida, Section 2 and 3 water, sewer and drainage; Pay Estimate No. 4 in the amount of \$30,281.25, payable to Bay Utilities;
7. Marvida, Section 4 and 5 water, sewer and drainage; Pay Estimate No. 6 in the amount of \$14,566.83, payable to Bay Utilities and Change Order No. 2 deducting \$14,408.95 from the contract;
8. Marvida, Section 6 and 7 water, sewer and drainage; Pay Estimate No. 6 in the amount of \$99,488.33, payable to Park Construction;
9. Marvida, Section 8 water, sewer and drainage; Pay Estimate No. 1 in the amount of \$263,231.55 and Pay Estimate No. 2 in the amount of \$862,218.45, both payable to Bay Utilities;
10. Marvida Lift Station No. 1; Pay Estimate No. 3 in the amount of \$109,251.91 and Pay Estimate No. 4 in the amount of \$66,942, both payable to Reddico Construction;
11. Marvida Drainage Phase I Grading; Pay Estimate No. 13 in the amount of \$246,518.59, Pay Estimate No. 14 in the amount of \$181,617.77 and Change Order No. 3 increasing the contract by \$17,200;
12. Marvida Drainage Phase I; Pay Estimate No. 10 in the amount of \$121,530.10 and Pay Estimate No. 11 in the amount of \$21,005.68, both payable to Paskey Incorporated;
13. Marvida Drainage Phase 2 North; Pay Estimate No. 1 in the amount of \$47,665.07, Pay Estimate No. 2 in the amount of \$102,289.48 and Pay Estimate No. 3 in the amount of \$132,241.95, all payable to Paskey Incorporated;
14. Marvida Drainage Phase 2 South; Pay Estimate No. 3 in the amount of \$360,365.85, payable to Allgood;
15. Traffic signal at Morrison Grove and Fry Road; Pay Estimate No. 6 in the amount of \$19,710.98, payable to Traf-Tex, Inc.;
16. West Road Section 1 Conspan; Pay Estimate No. 4 in the amount of \$99,513 and Pay Estimate No. 5 in the amount of \$289,069.20, both payable to John Reed & Co.;
17. West Road, Section 2 Paving; Pay Estimate No. 2 in the amount of \$42,300.72 and Pay Estimate No. 3 in the amount of \$48,872.92, both payable to Lindsey Construction;
18. Mason Road Phase 1 Paving; Pay Estimate No. 3 in the amount of \$31,970.76, payable to Unitas Construction;
19. Avalon at Bridge Creek Ultimate Channel; Pay Estimate 6 in the amount of \$251,749.55, payable to Allgood and Change Order No. 3 increasing the contract in the amount of \$125,456.84;
20. Avalon at Cypress Section 3, water, sewer and drainage; Pay Estimate No. 3 in the amount of \$27,233.35, payable to Unitas Construction; and

21. Langham Creek Phase 2; Pay Estimate No. 1 in the amount of \$516,599.52, payable to Serco Construction.

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

Mr. Mullaly discussed a capacity commitment request from Presnell Engineering for a C-Store and Express Car Wash located at the intersection of Fry Road and Longenbaugh Road, but Board requested additional information and took no action.

Following review and discussion, Director Molina moved to (1) approve the engineering report; (2) authorize design of Marvida Terrace Drive Street Dedication Section 1; (3) authorize J&C to advertise for bids for construction of Bridge Creek Terrace Drive, Section 3 paving and Bridge Creek, Sections 6 and 7 paving with an incentive payment of \$2,000 for each day up to the total of twenty (20) and a total maximum payment of \$40,000; (4) based upon the recommendation of Jones & Carter, Inc. ("J&C"), BGE, Inc. ("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, J&C's and DAC's recommendations; (4) award the contract for construction of Bridge Creek West Green to Beyer in the amount of \$869,962.35, based upon the engineer's recommendation 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; (5) award the contract for construction of Marvida Lift Station No. 2 to Putnam in the amount of \$1,198,500, based upon the engineer's recommendation 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; (6) award the contract for construction of water, sewer, drainage and paving to serve Marvida, Section 20 to Fellers in the amount of \$850,000, based upon the engineer's recommendation 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; (7) award the contract for construction of Longenbaugh Road Detention Pond to Rebel in the amount of \$1,644,588.70, based upon the engineer's recommendation 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; (8) award the contract for Avalon at Cypress Avalon River Road Street Dedication, Section 1 Water Distribution System, Sanitary Collection System, Storm Drainage and recommended that the Board award the contract to R Construction in the amount of \$969,710.60, based upon the engineer's recommendation 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; and (9) award the contract for construction of Avalon at Cypress Avalon River Road Street Dedication, Section 1 Paving to Harris Construction Company in the amount of \$336,347.80, based upon the engineer's recommendation 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. Director Barr seconded the motion, which passed by unanimous vote.

DISTRICT ADMINISTRATIVE BUILDING

There was no discussion for this agenda item.

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

The Board considered accepting the following conveyances to the District:

1. Sanitary Sewer Easement (0.0098 Acre; 0.0228 Acre) from WLH Communities-Texas LLC;
2. Water Line Easement (0.0069 Acre; 0.0211 Acre; 0.0241 Acre) from WLH Communities-Texas LLC;
3. Sanitary Sewer Easement (0.8222 Acre) from Taylor Morrison of Texas, Inc;
4. Abandonment of Storm Sewer and Drainage Easement (0.7803 Acre); and
5. Drainage Easement (1.377 Acres) from Giro Realty Investments, Ltd.

Following review and discussion, Director Molina moved to accept the conveyances presented for Board approval. Director Barr seconded the motion, which passed unanimously.

DEVELOPMENT IN THE DISTRICT

Mr. Patton and Mr. Colunga discussed development in the District.

The Board considered approve Development Financing Agreements with Fry Road Residential Partners, LLC and Clay Residential-Marvida, LLP. The Board also reviewed Set Aside Letter Agreements with Giro Realty and Fry Road Residential Partners, LLC. Following review and discussion, Director Molina moved to approve (1) Development Financing Agreements with Fry Road Residential Partners, LLC and Clay Residential-Marvida, LLP; and (2) Set Aside Letter Agreements with Giro Realty and Fry Road Residential Partners, LLC. Director Barr seconded the motion, which passed unanimously.

GARBAGE/RECYCLING COLLECTION SERVICES

Ms. Leighton discussed holiday collection schedules and the Board concurred to authorize Off Cinco to send a website email notification to subscribers regarding same.

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DISTRICT WEBSITE

There was no discussion nor action taken on this agenda item. The Board concurred to authorize update of the District website to include updated energy usage information.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

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 on February 1, 2022.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071 TEXAS GOVERNMENT CODE


At 7:41 p.m., Director Bentson announced the Board would convene in executive session to conduct a private consultation with attorney to discuss pending or contemplated litigation, or a settlement offer. Ms. Holoubek, Ms. Milbauer and Ms. Miller were also present during executive session.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 7:44 p.m. The Board took no action following executive session.

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





Secretary, Board of Directors

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