

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

March 3, 2022

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 3<sup>rd</sup> day of March 2022, 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 except Director Green, thus constituting a quorum.

Also attending the meeting 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"); Sherri Greenwood of BKD, LLP ("BKD"); Wes Alvey, Donnice Hoffman, 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"); Angel Ruvulcaba of KGA/DeForest Design, LLC; Robert Oliver of SWA Group; David Wood of Robert W. Baird & Co. Incorporated; Justin Patton of Land Tejas Development Company; 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 February 3, 2022, regular meeting. Following review and discussion, Director Molina moved to approve the minutes presented. Director Barr seconded the motion, which passed unanimously.

## 2022 DIRECTORS ELECTION

Ms. Holoubek 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 3 candidate applications for the 3 director positions for the May 7, 2022, Directors Election.

Ms. Holoubek then presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office (the "Order Cancelling") stating that the May 7, 2022, Directors Election is cancelled and that the unopposed candidates, David Molina, Scott Barr and Wayne Green, are declared elected to office to serve from the May 7, 2022, election until the May 2, 2026, 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 notify Harris County that the election has been cancelled. Director Barr seconded the motion, which passed unanimously.

## SUPPLEMENTAL REIMBURSEMENT REPORT FOR BOND ANTICIPATION NOTE SERIES 2021 ("BAN")

Ms. Greenwood reviewed a draft of a supplemental developer reimbursement audit setting forth the amounts to be reimbursed to Astro Marvida LP. After review and discussion, Director Molina moved to approve the supplemental developer reimbursement report and authorize developer reimbursement, subject to receipt of a signed receipt by the developer receiving funds. Director Barr seconded the motion, which passed unanimously. Followed by a roll call vote, the motion passed unanimously with all Directors voting in favor of the motion.

SERIES 2022 UNLIMITED TAX ROAD BONDS (DEFINED AREA NO. 1)

Mr. Wood reviewed bids received for the sale of the District's \$8,130,000 Defined Area No. 1 Unlimited Tax Road Bonds, Series 2022, and stated that the low bidder was Huntington Securities, Inc. with a net effective interest rate of 3.311773%.

Ms. Holoubek reviewed a Resolution Authorizing the Issuance of the District's \$8,130,000 Defined Area No. 1 Unlimited Tax Road Bonds, Series 2022.

Ms. Holoubek then reviewed a Paying Agent/Registrar Agreement.

The Board next considered approving an Official Statement for the District's \$8,130,000 Defined Area No. 1 Unlimited Tax Road Bonds, Series 2022. Ms. Holoubek reported that the Preliminary Official Statement previously approved will be updated to reflect pricing information on the bonds.

Ms. Holoubek reviewed various documents relating to the bond sale and asked the Board to authorize the attorney and the financial advisor to take all necessary steps to deliver the bonds to the purchaser.

The Board next reviewed a Certificate Regarding Provision of Financial Advice confirming that the Board has relied solely upon the advice of Robert W. Baird & Co. concerning the issuance of the Bonds and investments of proceeds of the Bonds.

Following review and discussion, Director Molina moved that the Board (1) award the sale of the District's \$8,130,000 Defined Area No. 1 Unlimited Tax Road Bonds, Series 2022 to Huntington Securities, Inc.; (2) adopt a Resolution Authorizing the Issuance of the District's \$8,130,000 Defined Area No. 1 Unlimited Tax Road Bonds, Series 2022; (3) authorize execution of the Paying Agent/Registrar Agreement with Zions Bancorporation; (4) approve the Official Statement; (5) authorize the Board of Directors to sign the bond documents and authorize the attorney and financial advisor to take all necessary steps to deliver the bonds to the purchaser; (6) approve the Certificate Regarding Provision of Financial Advice; (7) approve a draft reimbursement report prepared by BKD and authorize disbursement of bond proceeds, subject to closing of the bond and finalization of the reimbursement report. Director Barr seconded the motion, which passed unanimously.

SERIES 2022 DEFINED AREA NO. 2 UNLIMITED TAX ROAD BONDS

Mr. Wood next reviewed bids received for the sale of the District's \$4,910,000 Defined Area No. 2 Unlimited Tax Road Bonds, Series 2022, and stated that the low bidder was The GMS Group, LLC with a net effective interest rate of 3.467444%.

Ms. Holoubek reviewed a Resolution Authorizing the Issuance of the District's \$4,910,000 Defined Area No. 2 Unlimited Tax Road Bonds, Series 2022.

Ms. Holoubek then reviewed a Paying Agent/Registrar Agreement.

The Board next considered approving an Official Statement for the District's \$4,910,000 Defined Area No. 2 Unlimited Tax Road Bonds, Series 2022. Ms. Holoubek reported that the Preliminary Official Statement previously approved will be updated to reflect pricing information on the bonds.

Ms. Holoubek reviewed various documents relating to the bond sale and asked the Board to authorize the attorney and the financial advisor to take all necessary steps to deliver the bonds to the purchaser.

The Board next reviewed a Certificate Regarding Provision of Financial Advice confirming that the Board has relied solely upon the advice of Robert W. Baird & Co. concerning the issuance of the Bonds and investments of proceeds of the Bonds.

Following review and discussion, Director Molina moved that the Board (1) award the sale of the District's \$4,910,000 Defined Area No. 2 Unlimited Tax Road Bonds, Series 2022 to The GMS Group, LLC; (2) adopt a Resolution Authorizing the Issuance of the District's \$4,910,000 Defined Area No. 2 Unlimited Tax Road Bonds, Series 2022; (3) authorize execution of the Paying Agent/Registrar Agreement with Zions Bancorporation; (4) approve the Official Statement; (5) authorize the Board of Directors to sign the bond documents and authorize the attorney and financial advisor to take all necessary steps to deliver the bonds to the purchaser; (6) approve the Certificate Regarding Provision of Financial Advice; and (7) approve a draft reimbursement report prepared by BKD and authorize disbursement of bond proceeds, subject to closing of the bond and finalization of the reimbursement report. Director Barr seconded the motion, which passed unanimously.

#### 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.

#### 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; (2) authorize payment of the bills; and (3) amend the budget for the fiscal year ending September 30, 2022 for adjustments to line items for tap and patrol expenses. Director Barr seconded the motion, which passed unanimously.

## ANNUAL REPORT

Ms. Holoubek 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. Holoubek stated that no changes are required at this time.

## 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.

## OPERATION OF DISTRICT FACILITIES AND AMEND RATE ORDER

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 February 2022. Mr. Hoffman reported 1 new commercial tap and 21 new residential taps installed during the month of February 2022. He also reviewed routine maintenance and repairs within the District completed and ongoing during the month of January 2022, and requested authorization to repair the spare process water pump at the wastewater treatment plant for an estimated amount of \$3,155.

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.

Mr. Hoffman reviewed a customer appeal requesting a leak adjustment.

Mr. Hoffman discussed the Water Conservation Plan Annual Report with the Board.

Mr. Hoffman reviewed the Water Loss Audit with the Board.

Following review and discussion, Director Molina moved to (1) approve the District operator's report; (2) 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; (3) authorize repairs and maintenance, as recommended by H2O; (4) authorize a leak adjustment, as requested by the customer and as recommended by the District operator; (5) approve the Water Conservation Annual Report, direct that the report be filed appropriately and retained in the District's official records, and authorize the District's Operator to submit the report to the appropriate government agencies; and (6) approve the Water Loss Audit, direct that the audit be filed appropriately and retained in the District's official records, and authorize the District's Operator to submit the audit to the Texas Water Development Board. 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

Mr. Wailes reviewed a park and landscape management report, a copy of which is attached. Following review and discussion, Director Nilsson moved to approve the park and landscape management report. Director Barr seconded the motion, which passed unanimously.

#### KGA/DEFOREST DESIGN, LLC REPORT

Mr. Ruvulcaba reviewed a landscape architect report from KGA, a copy of which is attached.

Mr. Ruvulcaba reported regarding construction of Bridge Creek Sections 2 and 3 Landscape Improvements and recommended approval of Pay Estimate No. 5 in the amount of \$2,002.24, payable to Terry's Landscape.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from KGA; and (2) approve Pay Estimate No. 5 in the amount of \$2,002.24, payable to Terry's Landscape for Bridge Creek Sections 2 and 3 Landscape Improvements. Director Barr seconded the motion, which carried unanimously.

### SWA GROUP REPORT

Mr. Oliver discussed the status of construction of Avalon at Cypress West Road and Mason Road landscape project and recommended that the Board approve Pay Estimate No. 4 in the amount of \$139,386, payable to Earthcare Management, Inc.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from SWA; and (2) approve Pay Estimate No. 4 in the amount of \$139,386, payable to Earthcare Management, Inc. for construction of Avalon at Cypress West Road and Mason Road landscape project, as recommended by SWA. Director Barr seconded the motion, which carried unanimously.

### ENGINEERING MATTERS

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

Mr. Mullaly stated that bids were received for construction of the Bridge Creek Section 8, water, sewer, drainage and paving and recommended that the Board award the contract to Fellers & Clark ("Fellers") in the amount of \$328,400 with (20) calendar days. 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 stated that bids were received for construction of the Bridge Creek Section 9, water, sewer, drainage and paving and recommended that the Board award the contract to Fellers in the amount of \$480,990 with (25) calendar days. 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 stated that bids were received for construction of Avalon at Cypress Lift Station Fencing and recommended that the Board award the contract to Republic Masonry and Fencing ("Republic") in the amount of \$89,237.50. The Board concurred that, in its judgment, Republic, 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 Bridge Creek; Mason Road Phase 3 utilities and recommended that the Board award the contract to Lonnie Lischka Co. ("Lischka") in the amount of \$698,780.80. The Board concurred that, in its judgment, Hassell, 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 Bridge Creek; Mason Road Phase 3 paving and recommended that the Board award the contract to Hassell Construction Group ("Hassell") in the amount of \$683,485.20. The Board concurred that, in its judgment, Hassell, 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 Bridge Creek Section 6 and 7 paving and recommended that the Board award the contract to Harris Construction ("Harris") in the amount of \$706,715.60. The Board concurred that, in its judgment, Harris, 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 Bridge Creek Terrace Drive, Section 3 paving and recommended that the Board award the contract to R Construction Co. ("RCO") in the amount of \$1,069,424.75. The Board concurred that, in its judgment, RCO, 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 Plant No. 6 and recommended that the Board award the contract to Long & Son, Inc. ("Long") in the amount of \$7,410,910. The Board concurred that, in its judgment, Long, 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. Avalon at Cypress Lift Station; Pay Estimate 3 in the amount of \$47,475, payable to Sequiera Civil Constructors ("Sequiera");
2. Avalon at Cypress Section 1 water, sewer and drainage; Pay Estimate No. 4 in the amount of \$79,132.41, payable to Lindsey Construction, Inc. ("Lindsey");
3. Avalon at Cypress Section 1 Paving; Pay Estimate No. 4 in the amount of \$251,821.89, payable to RCO;
4. Avalon at Cypress Section 3 water, sewer and drainage; Pay Estimate No. 4 in the amount of \$12,355.70, payable to Unitas Construction ("Unitas");



5. Avalon at Cypress - Avalon River Road water, sewer and drainage; Pay Estimate No. 1 in the amount of \$33,057, payable to RCO;
6. Bridge Creek Section 5; Change Order No. 1 increasing the District's contract with Blazey Construction ("Blazey") in the amount of \$16,495.06 and Change Order No. 2 increasing the contract with Blazey in the amount of \$61,527.80;
7. Marvida, Section 6 and 7 water, sewer and drainage; Pay Estimate No. 9 in the amount of \$333,439.22, payable to Park Construction;
8. Marvida, Section 9 water, sewer, drainage and paving; Pay Estimate No. 1 in the amount of \$649,192.14, payable to Beyer Construction ("Beyer");
9. Marvida, Section 10 water, sewer and drainage; Pay Estimate No. 2 in the amount of \$340,601.40, payable to Texasite, LLC;
10. Marvida, Section 11 water, sewer and drainage; Pay Estimate No. 2 in the amount of \$1,181,584.94, payable to Fellers;
11. Marvida, Section 12 water, sewer and drainage; Pay Estimate No. 1 in the amount of \$313,262.60, payable to Fellers;
12. Marvida, Section 15 water, sewer, drainage and paving; Pay Estimate No. 1 in the amount of \$298,800, payable to Gonzalez Construction;
13. Marvida, Section 18 water, sewer and drainage; Pay Estimate No. 1 in the amount of \$382,880.74, payable to Principal Services ("Principal");
14. Marvida, Section 19 water, sewer, drainage and paving; Pay Estimate No. 1 in the amount of \$223,682.45, payable to Principal;
15. Marvida Terrace Drive Section 1 water, sewer and drainage; Pay Estimate No. 2 in the amount of \$68,854.50, payable to Fellers;
16. Marvida Terrace Drive Sections 2 and 3 water, sewer and drainage; Pay Estimate No. 1 in the amount of \$37,926, payable to Fellers;
17. Marvida Lift Station No. 1; Pay Estimate No. 7 in the amount of \$102,045.42 payable to Reddico Construction;
18. Marvida Drainage Phase I Grading; Pay Estimate No. 17 in the amount of \$302,826.95, payable to Paskey and Change Order No. 4 in the amount of Paskey;
19. Marvida Drainage Phase I; Pay Estimate No. 14 in the amount of \$202,620.89 payable to Paskey;
20. Marvida Drainage Phase 2 South; Pay Estimate No. 6 in the amount of \$945,999.67, payable to Allgood Construction ("Allgood");
21. Marvida Drainage Phase 2 North; Pay Estimate No. 6 in the amount of \$329,572.49, payable to Paskey;
22. Westgreen, Section 6 paving; Pay Estimate No. 3 in the amount of \$202,699.10, payable to Allgood;
23. Morrison Grove Drive, Phase I paving; Change Order No. 2 increasing the District's contract with Beyer in the amount of \$65,740.50;
24. West Road, Section 1; Pay Estimate No. 2 in the amount of \$54,815.09, payable to Lindsey;

25. West Road, Section 2 paving; Pay Estimate No. 5 in the amount of \$577,072.44, payable to Lindsey;
26. Mason Road Phase 2 Paving; Pay Estimate No. 3 in the amount of \$155,897.10, payable to Unitas;
27. Water Plant No. 2 Fence Replacement; Pay Estimate No. 6 in the amount of \$8,708.44, payable to Republic;
28. Expansion of wastewater treatment plant no. 1; Pay Estimate No. 16 in the amount of \$249,719.06, payable to R.P. Constructors and Change Order No. 5 increasing the contract amount by \$23,600;
29. Wastewater treatment plant no. 2; Pay Estimate No. 14 in the amount of \$537,033.64, payable to ALLCO, LLC;
30. Lift Station SCADA System; Pay Estimate No. 2 in the amount of \$140,902.58, payable to W-Industries;
31. Longenbaugh Road Dedication and Reserves water, sewer, drainage and paving; Pay Estimate No. 2 in the amount of \$185,272.69, payable to Fellers;
32. Force main and Waterline to serve Wastewater Treatment Plant No. 2; Pay Estimate No. 4 in the amount of \$158,113.15 and Pay Estimate No. 5 in the amount of \$24,182.40, both payable to Sequeira;
33. Marvida, Section 8 paving; Pay Estimate No. 2 in the amount of \$158,686.74, payable to Beyer; and
34. Langham Creek Phase 2; Pay Estimate No. 4 in the amount of \$1,113,200.70, payable to Serco Construction;

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

Ms. Holoubek reviewed a Resolution Authorizing Application to the Texas Commission on Environmental Quality ("TCEQ") for Authorization to Use Surplus Funds to partially pay for a 12" waterline along Mason Road to Bridge Creek north of Water Plant No. 5.

Following review and discussion, Director Molina moved to (1) approve the engineering report; (2) based upon the recommendation of J&C, 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) based upon the recommendation of J&C, BGE, and DAC, award the contracts for construction of projects listed above, based upon the recommendations of J&C, BGE and DAC, 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 (5) approve a Resolution Authorizing Application to the Texas Commission on Environmental Quality ("TCEQ") for Authorization to Use Surplus Funds to partially pay for a 12" waterline along Mason Road to Bridge Creek

north of Water Plant No. 5. Director Barr seconded the motion, which passed by unanimous vote.

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

The Board considered accepting the following conveyances:

1. Water Line Easement (0.0039 Acre) by Taylor Morrison of Texas, Inc., as the grantor;
2. Sanitary Sewer Easement (0.0069 Acre) by Taylor Morrison of Texas, Inc., as the grantor;
3. Sanitary Sewer Easement (0.0086 Acre; 0.0119 Acre; 0.0921 Acre) by M/I Homes of Houston, LLC, as the grantor;
4. Storm Sewer Easement (0.0100 Acre; 0.0138 Acre) by M/I Homes of Houston, LLC, as the grantor;
5. Water Line Easement (0.0086 Acre; 0.0089 Acre) by M/I Homes of Houston, LLC, as the grantor;
6. Special Warranty Deed (Detention Tract - 9.1668 Acres) by Giro Realty Investments, Ltd., as the grantor; and
7. Special Warranty Deed (5 detention tracts) by Astro Marvida, L.P., as the grantor.

Following review and discussion, Director Molina moved to accept the conveyances listed above. Director Barr seconded the motion, which passed unanimously.

DEVELOPMENT IN THE DISTRICT

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

GARBAGE/RECYCLING COLLECTION SERVICES

There was no discussion for this agenda item.

DISTRICT WEBSITE

There was no discussion nor action taken on this agenda item.

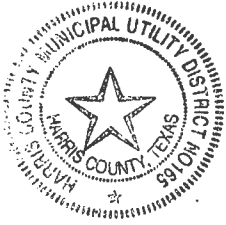
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion nor action taken on this agenda item.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071 TEXAS GOVERNMENT  
CODE

The Board determined that it was not necessary to convene in executive session.

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



A handwritten signature in black ink, appearing to be "C. R. ...", written over a horizontal line.

Secretary, Board of Directors

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