

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

June 2, 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 2nd day of June 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, thus constituting a quorum.

Also attending the meeting were Erin Garcia of Myrtle Cruz, Inc. ("MCI"); David Keel and Maurice Mullaly of DAC Services, Inc. ("DAC"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); 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 ("SWA"); Justin Patton of Land Tejas Development Company; Dane Turner of Best Trash, LLC; and 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 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 May 5, 2022, regular meeting. Following review and discussion, Director Molina moved to approve the

minutes as presented. Director Green 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, copies of which are attached, reviewed the checks presented for payment from the tax account, reported preliminary 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 and requested authorization to obtain a new aerial photo of the District.

Ms. Rodriguez reviewed tax accounts eligible for write off as uncollectable.

Following discussion and review of the information provided by the District's tax assessor collector, Director Molina moved to (1) accept the tax assessor/collector's report; (2) authorize payment of the bills; (3) authorize the tax assessor/collector to write off eligible accounts, as recommended; and (4) authorize the delinquent tax attorney to proceed with delinquent tax collection when appropriate. Director Green seconded the motion, which passed unanimously.

2022 DIRECTORS ELECTION

The Board considered approving a Certificate of Election, reflecting the election of David Molina, Wayne Green, and Scott Barr to the Board, each for a four-year term.

Ms. Milbauer reviewed the Sworn Statements and Oaths of Office for Directors Molina, Green and Barr.

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the terms of the newly elected directors.

After review and discussion, Director Molina moved to (1) approve the Certificate of Election and the distribution of same to Directors Molina, Green and Barr, and direct that the Certificate of Election be filed appropriately and retained in the District's official records; and (2) approve the Sworn Statements and Oaths of Office and direct that the documents be filed appropriately and retained in the District's official records, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Green seconded the motion, which passed by unanimous vote.

The Board did not reorganize.

TRAVEL REIMBURSEMENT GUIDELINES AND ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

Ms. Milbauer discussed the District's Travel Reimbursement Guidelines (the "Guidelines") in connection with the upcoming AWBD summer conference, and discussion ensued regarding specific expenses eligible and ineligible for the conference. Following discussion, Director Molina made a motion to authorize up to four per diems, three hotel nights, and six meals for each director attending the AWBD summer conference, all to be submitted in accordance with the District's Guidelines. Director Green seconded the motion, which carried unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia 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. 1086 in the amount of \$5,992.62, payable to Contech Engineering, check no. 1087 in the amount of \$6,205, payable to Sangalang Engineering and check no. 1088 in the amount of \$42,491.09, payable to Jones & Carter. Director Barr seconded the motion, which passed unanimously.

Discussion ensued regarding MCI's cyber security protocols and insurance coverage.

OPERATION OF DISTRICT FACILITIES AND AMEND RATE ORDER

Mr. Hoffman distributed and reviewed a management and operations report, a copy of which is attached, and discussed severe weather event preparedness.

The Board discussed the District's water accountability for the month of May 2022. Mr. Hoffman reported 7 commercial and 128 new residential taps installed during the month of May 2022. He also reviewed routine maintenance and repairs within the District completed and ongoing during the month of May 2022 and requested authorization to clean aeration basin no. 2 at the wastewater treatment plant expansion for an estimated cost of \$20,000.

Mr. Hoffman updated the Board regarding additional information collected regarding a customer appeal presented at the April 2022 meeting requesting a leak adjustment.

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.

Mr. Hoffman reviewed the Consumer Confidence Report (“CCR”), a copy of which is attached, regarding the quality of the District’s water and stated that it will be filed with the TCEQ and distributed to District residents by July 1, 2022.

Following review and discussion, Director Molina moved to (1) approve the District operator’s report; (2) authorize cleaning of aeration basin no. 2 at the wastewater treatment plant expansion for an estimated cost of \$20,000; (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; (4) authorize the District operator to further adjust billing for Customer Account No. 57905 to reflect a service start date of August 6, 2021; and (5) approve the CCR and authorize it to be distributed to the District’s residents. Director Barr seconded the motion, which passed unanimously.

REPORT FROM STORM WATER SOLUTIONS

Mr. Keel reviewed a Storm Water Management Program report and presented the following proposals for the Board’s review and approval:

1. Proposal in the amount of \$13,000 for repair of an outfall pipe in Tealbrook, Section 3; and
2. Proposal in the amount of \$2,650 for vector clean out of unit CDS 3030-6c in the Villas at Canyon Lakes West.

Following review and discussion, Director Molina moved to approve the report and proposals. Director Barr seconded the motion, which passed unanimously.

PARK MAINTENANCE

Mr. Wailes reviewed a park and landscape management report, a copy of which is attached, and requested authorization to install 4 dog waste stations for \$850 each in Amhurst Park and Cypress Springs Park.

Following review and discussion, Director Molina moved to approve the park and landscape management report and authorize the installations, as recommended above. 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, and requested authorization to advertise the following projects for bids for construction:

1. Marvida, Sections 10 and 11 Landscape Improvements;
2. Marvida, Section 9 Landscape Improvements; and
3. Marvida, Section 12 Landscape Improvements; and
4. Marvida Pod A Landscape Improvements.

Mr. Ruvulcaba reported regarding construction of Bridge Creek Sections 2 and 3 Landscape Improvements and recommended approval of Pay Estimate No. 8 in the amount of \$765, payable to Terry's Landscape.

Mr. Ruvulcaba reported regarding landscaping improvements in Miramesa South, Phase 2 and recommended that the Board approve Pay Estimate No. 6 in the amount of \$1,512, payable Triple E Landscapes.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from KGA; (2) authorize KGA to advertise for bids for construction of projects listed above, as requested and recommended; and (3) approve the pay estimates presented, as recommended by KGA. Director Barr seconded the motion, which carried unanimously.

SWA GROUP REPORT

Mr. Oliver reviewed a landscape architect report from SWA, a copy of which is attached.

Mr. Oliver discussed the status of construction of Avalon at Cypress Phase 1 Conveyance Channel (West Channel) and recommended that the Board approve Pay Estimate No. 5 in the amount of \$89,950.50, payable to Earth First Landscapes LLC.

Mr. Oliver reviewed bids received for the construction of the public scope of the Avalon at Cypress Recreation Center and recommended that the Board award the contract to the second lowest bidder, Millis Development and Construction, LLC ("Millis Development") in the amount of \$1,120,783.39 due to irregularities in the low bidder's bid form. The Board concurred that, in its judgment, Millis Development, 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.

After review and discussion, Director Barr moved to (1) accept the landscape architect report from SWA; and (2) approve all pay estimates presented, as recommended by SWA; and (3) based upon the recommendation of SWA, award the contract for the public scope of the Avalon at Cypress Recreation Center to Millis Development, 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 Green seconded the motion, which carried unanimously.

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 said that Quiddity has requested that the District allow a handrail change to the conspan bridge that would require District maintenance.

Mr. Mullaly requested authorization to advertise for bids for construction of the following projects:

1. Marvida, Section 25 water, sewer, and drainage;
2. Marvida, Section 25 paving;
3. Marvida, Section 26 water, sewer, and drainage;
4. Marvida, Section 26 paving;
5. Marvida, Section 27 water, sewer, and drainage;
6. Marvida, Section 27 paving;
7. Marvida, Section 28 water, sewer, and drainage;
8. Marvida, Section 28 paving;
9. Marvida, Section 29 water, sewer, and drainage;
10. Marvida, Section 29 paving;
11. Marvida, Section 30 water, sewer, and drainage; and
12. Marvida, Section 30 paving.

Mr. Mullaly stated that 2 bids was received for construction of water, sewer, and drainage in Marvida, Section 24 and recommended that the Board award the contract to the second lowest bidder, Gonzalez Construction ("Gonzalez") in the amount of \$687,858.71. The Board concurred that, in its judgment, Gonzalez, 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 discussed plans for installation of cured-in-place-pipe sanitary sewer rehabilitation in Amhurst, Section 2 and presented a BuyBoard proposal from Insituform Technologies in the amount \$615,254 and recommended that the Board award the contract to Insituform Technologies ("Insituform"). The Board concurred that, in its judgment, Insituform, 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 7 bids was received for construction of water, sewer, and drainage in Marvida, Section 23 and recommended that the Board award the contract to the second lowest bidder, Fellers & Clark ("Fellers"), in the amount of \$973,500. 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 next discussed sanitary sewer televising and rehabilitation as part of the District's Sanitary Sewer Overflow Initiative for 2022 and recommended that the Board award a Services Agreement with Source Point Solutions ("Source Point") in the amount of \$72,500.

Mr. Mullaly reported the status of the following projects, and presented the following pay applications and change orders:

1. Avalon at Cypress Channel Crossing; Pay Estimate No. 2 in the amount of \$500,822.79, payable to Lonnie Lischka Co. ("Lischka");
2. Avalon at Cypress Lift Station; Pay Estimate 6 in the amount of \$148,798.64, payable to Sequiera Civil Construction ("Sequiera");
3. Avalon at Cypress, Section 2 paving; Pay Estimate No. 1 in the amount of \$44,231.40, payable to Fellers;
4. Avalon at Cypress, Section 3 water, sewer, drainage, and paving; Change Order No. 1 with no change to the contract amount;
5. Avalon at Cypress Section 5 paving; Pay Estimate No. 1 in the amount of \$50,487.30, payable to Fellers;
6. Avalon at Cypress Section 6 paving; Pay Estimate No. 1 in the amount of \$36,626.40, payable to Fellers;
7. Avalon at Cypress - Avalon River Road paving; Pay Estimate No. 2 in the amount of \$17,370, payable to Harris Construction ("Harris");
8. Bridge Creek Section 7 water, sewer, and drainage; Pay Estimate No. 1 in amount of \$414,929.05, payable to Hurtado Construction Company ("Hurtado");
9. Bridge Creek Section 8 water, sewer, and drainage; Pay Estimate No. 1 in amount of \$283,926.50, payable to Fellers;
10. Bridge Creek Section 9 water, sewer, and drainage; Pay Estimate No. 1 in amount of \$421,733.50, payable to Fellers;
11. Bridge Creek West Green; Pay Estimate No. 3 in the amount of \$309,181.95, payable to Blazey Construction ("Blazey");
12. Marvida, Sections 6 and 7, water, sewer, drainage, and paving; Change Order No. 3 increasing the District's contract with Park Construction Associates, LLC by \$35,326.00;
13. Marvida, Section 9 water, sewer, drainage, and paving; Change Order No. 3 increasing the District's contract with Beyer Construction ("Beyer") by \$82,131.40;
14. Marvida, Section 10 and 11 paving; Pay Estimate No. 4 in the amount of \$226,927.56, payable to Durwood Green Construction ("Durwood");

15. Marvida, Section 12 water, sewer, and drainage; Change Order No. 2 subtracting \$15,616.10 from the District's contract with Fellers; Pay Estimate No. 4 in the amount of \$81,730.73, payable to Fellers;
16. Marvida, Section 12 paving; Pay Estimate No. 2 in the amount of \$54,833.62, payable to Durwood; Change Order No. 1 increasing the contract amount by \$101,384.50;
17. Marvida, Section 13 water, sewer, and drainage; Change Order No. 1 increasing the District's contract with Texasite LLC ("Texasite") by \$45,320.07;
18. Marvida, Section 14, water, sewer, and drainage; Pay Estimate No. 2 in the amount of \$236,594.23, payable to Texasite;
19. Marvida, Section 14, paving; Pay Estimate No. 1 in the amount of \$731,521.80, payable to Principal Paving Contractor ("Principal");
20. Marvida, Section 15; Pay Estimate No. 3 in the amount of \$86,915.64, payable to Gonzalez;
21. Marvida, Section 21, water, sewer, and drainage; Pay Estimate No. 2 in the amount of \$458,547.07, payable to Texasite;
22. Marvida Terrace Drive Sections 2 and 3 water, sewer and drainage; Change Order No. 1 increasing the District's contract with Fellers by \$15,550.00 and Change Order No. 2 subtracting \$941.50 from the contract total; Pay Estimate No. 3 in the amount of \$417,349.20 and Pay Estimate No. 4 in the amount of \$102,619, both payable to Fellers;
23. Marvida Lift Station No. 1; Change Order No. 2 subtracting \$2,539.45 from the District's contract with Reddico Construction ("Reddico");
24. Marvida Drainage Phase I Grading; Pay Estimate No. 20 in the amount of \$72,088.65 and Pay Estimate No. 21 in the amount of \$446,638.91, each payable to Paskey Incorporated ("Paskey");
25. Marvida Drainage Phase I; Pay Estimate No. 18 in the amount of \$174,619.62, payable to Paskey;
26. Marvida Drainage Phase 2 North; Change Order No. 1 increasing the District's contract with Paskey in the amount of \$86,976.54;
27. Marvida Drainage Phase 2 South; Change order No. 1 increasing the District's contract with Allgood Construction ("Allgood") in the amount of \$122,840, Change Order No. 2 increasing the contract in the amount of \$80,902.67 and Change Order No. 3 increasing the contract in the amount of \$440,470;
28. Westgreen, Section 6, water, sewer, and drainage; Change Order No. 3 subtracting \$66,271.20 from the District's contract with Clearwater Utilities ("Clearwater");
29. Morrison Grove Drive, Phase I paving; Change Order No. 2 increasing the District's contract with Beyer in the amount of \$65,740;
30. West Road, Section 1 Conspan; Pay Estimate No. 7 in the amount of \$59,080.90, payable to John Reed & Co;

31. West Road, Section 2 paving; Pay Estimate no. 8 in the amount of \$20,087.75, payable to Lindsey Construction ("Lindsey");
32. Mason Road, Phase I paving; Pay Estimate no. 5 in the amount of \$1,900, payable to Unitas Construction ("Unitas");
33. Mason Road, Phase II drainage; Pay Estimate No. 3 in the amount of \$9,787.90, payable to Crostex Construction ("Crostex");
34. Mason Road, Phase II paving; Pay Estimate No. 4 in the amount of \$4,085, payable to Unitas;
35. Detention and drainage to serve the southwest corner of Fry and Longenbaugh Road; Pay Estimate No. 2 in the amount of \$722,351.20, payable to Rebel Contractors ("Rebel");
36. Water Plant No. 5; Pay Estimate no. 19 in the amount of \$127,277.55, payable to Long & Son, Inc.; Change Order No. 4 increasing the District's contract in the amount of \$83,376.27;
37. Expansion of wastewater treatment plant no. 1; Pay Estimate No. 19 in the amount of \$162,754.38, payable to R.P. Constructors;
38. Wastewater treatment plant no. 2; Pay Estimate No. 17 in the amount of \$616,227.77, payable to ALLCO Constructors;
39. Emergency generators at lift stations nos. 6, 8 and 9; Pay Estimate No. 3 in the amount of \$178,600.50 and Pay Estimate No. 4 and Final in the amount of \$30,121.90, payable to McDonald Industries;
40. Force main and Waterline to serve Wastewater Treatment Plant No. 2; Pay Estimate No. 7 in the amount of \$8,645.79, payable to Sequiera;
41. Mason Road Phase III Drainage; Pay Estimate No. 1 in the amount of \$412,443.81, payable to Lischka;
42. Mason Road Phase III Paving; Pay Estimate No. 1 in the amount of \$41,918.40, payable to Hassell Construction; and
43. Langham Creek Detention Phase II; Pay Estimate No. 7 in the amount of \$1,092,939.83 and Pay Estimate No. 8 in the amount of \$541,772.69, both payable to Serco Construction.

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) authorize Quiddity to advertise for bids for construction for the Marvida projects listed above; (3) based upon the recommendation of Quiddity, BGE and DAC, approve pay estimates listed above; (4) 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; (5) based upon the recommendation of Quiddity and DAC, award the contracts for construction of water, sewer and drainage in Marvida, Section 24 to Gonzalez, 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) based upon the recommendation

of DAC, award the contracts for installation of cured-in-place-pipe sanitary sewer rehabilitation in Amhurst, Section 2 to Insituform, 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) based upon the recommendation of Quiddity and DAC, award the contracts for construction of water, sewer and drainage in Marvida, Section 23 to Fellers, 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 (8) based upon the recommendation of DAC, approve a proposal from Source Point Solutions and a Services Agreement for sanitary sewer televising and rehabilitation as part of the District's Sanitary Sewer Overflow Initiative for 2022. Director Barr seconded the motion, which passed by unanimous vote.

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

The Board next considered accepting a Special Warranty Deed for multiple landscaping reserves in Marvida. Following review and discussion, Director Molina moved to accept the Special Warranty Deed. 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

Mr. Turner presented correspondence notifying the District of a Consumer Pricing Index ("CPI") increase effective as of June 1, 2022. Following review and discussion, Director Molina moved to accept the CPI. Director Barr seconded the motion, which passed unanimously.

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

At 7:45 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. ABHR was also present during executive session.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 7:49 p.m. Director Molina moved to approve the settlement agreement, as discussed in executive session. The motion was seconded by Director Barr and passed unanimously.

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



A handwritten signature in black ink, consisting of several loops and flourishes, positioned above a horizontal line.

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

tax assessor/collector's report and delinquent tax report2
Management and operations report.....3
Consumer Confidence Report.....4
park and landscape management report.....4
KGA landscape architect report.....4
SWA landscape architect report5
Engineer's report.....6