

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

July 7, 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 7th day of July 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 Lori Buckner 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 and Chris Hoffman of H2O Consulting, Inc. ("H2O"); Josh Wailes of Mike Stone Associates, Inc. ("MSA"); David Colunga and Blake Dalton of Taylor Morrison of Texas, Inc. ("Taylor Morrison"); Lacey Hamilton of KGA/DeForest Design, LLC; Robert Oliver of SWA Group ("SWA"); Justin Patton and David Morrison of Land Tejas Development Company; Darrin Fentress of -BGE, Inc.; David Beyer of Storm Water Solutions, LLC; Michael Crouch of Landmark Properties and Development; and Jessica Holoubek 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 and discussed a patrol report received from Harris County Constable Precinct 5.

MINUTES

The Board considered approving the minutes of the June 2, 2022, regular meeting. Following review and discussion, Director Molina moved to approve the minutes as presented. Director Barr seconded the motion, which passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference and considered authorizing attendance at the winter conference. After discussion, Director Molina moved to approve reimbursement of all eligible expenses for Directors who attended the summer conference, which the District's bookkeeper confirmed follow the District's Travel Reimbursement Guidelines, and to authorize attendance of any interested Directors at the winter conference. 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 the following handwritten checks:

1. Check No. 1098 in the amount of \$174,619.62, payable to Paskey, Inc. for Pay Estimate No. 18 for Marvida Drainage Phase 1;
2. Check No. 1099 in the amount of \$67,816, payable to Paskey, Inc. for Pay Estimate No. 19 for Marvida Drainage Phase 1;
3. Check No. 1100 in the amount of \$72,088.65, payable to Paskey, Inc. for Pay Estimate No. 20 for Marvida Phase 1 Excavation and Grading;
4. Check No. 1101 in the amount of \$446,638.91, payable to Paskey, Inc. for Pay Estimate No. 21 for Marvida Phase 1 Excavation and Grading; and
5. Check No. 1102 in the amount of \$8,113.41, payable to Paskey, Inc. for Pay Estimate No. 22 for Marvida Phase 1 Excavation and Grading.

Director Barr 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.

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue") to proceed with the collection of 2021 real property taxes that are delinquent on July 1, 2022.

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; and (3) authorize the delinquent tax attorney to proceed with delinquent tax collection when appropriate. Director Barr seconded the motion, which passed unanimously.

RESOLUTION REQUESTING APPRAISAL OF PROPERTY AND CERTIFICATE OF ESTIMATED APPRAISED VALUE

The Board next considered authorizing the District's Tax Assessor-Collector to request appraisal of properties and certificates of estimated appraised value for the District and Defined Areas Nos. 1 and 2. Following review and discussion, Director Green moved to approve resolutions to the Harris County Appraisal District requesting same. 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, and discussed severe weather event preparedness.

The Board discussed the District's water accountability for the month of June 2022. Mr. Hoffman reported 3 commercial and 122 new residential taps installed during the month of June 2022. He also reviewed routine maintenance and repairs within the District completed and ongoing during the month of June 2022 and requested authorization to install a 6" water line with 2" meter to serve wastewater treatment plant no. 2 for an estimated cost of \$29,200.

Mr. Hoffman reviewed a customer appeal requesting a leak adjustment and a customer appeal requesting reimbursement in the amount of \$126.82 for the customer's repair of a sanitary sewage block at the District's wye.

Discussion ensued regarding amending the District's Rate Order and the Board concurred to defer discussion until the August 2022 Board meeting. The Board also

concluded to add an agenda item for the August 2022 Board meeting to amend the District's operating agreement with H2O to address increases in pricing of brass and meters and to consider increasing tap costs.

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.

Following review and discussion, Director Molina moved to (1) approve the District operator's report; (2) authorize installation of a 6" water line with 2" meter to serve wastewater treatment plant no. 2 for an estimated cost of \$29,200; (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) to grant the customer appeals requested. Director Barr seconded the motion, which passed unanimously.

REPORT FROM STORM WATER SOLUTIONS

Mr. Beyer reviewed a Storm Water Management Program report, a copy of which is attached. 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. 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 reported regarding construction of Bridge Creek Sections 2 and 3 Landscape Improvements and recommended approval of Pay Estimate No. 9 and Final in the amount of \$16,714.59, payable to Terry's Landscape. She also recommended that the Board approve Change Order No. 2 increasing the District's contract in the amount of \$2,500.

Ms. Hamilton next discussed construction of Bridge Creek Section 5 Landscape Improvements and recommended approval of Pay Estimate No. 1 in the amount of \$71,508.83, payable to Earthcare Management. She also recommended that the Board approve Change Order No. 1 increasing the District's contract in the amount of \$12,145 and Change Order No. 2 increasing the District's contract for an additional amount of \$3,969.25.

Ms. Hamilton reported regarding construction of Marvida Phase I Landscape Improvements and recommended approval of Pay Estimate No. 1 in the amount of \$285,876.67 and Pay Estimate no. 2 in the amount of \$482,219.46, both payable to Earth First.

Ms. Hamilton next discussed construction of the Marvida Recreation Center Facility and recommended approval of Pay Estimate No. 1 in the amount of \$180,392.89, payable to DL Meacham. She also recommended that the Board approve Change Order No. 1 deducting \$347,814 from the District's contract, Change Order No. 2 deducting \$339,821 from the District's contract and Change Order No. 3 deducting \$178,612.50 from the District's contract.

The Board determined, upon the recommendation of KGA, that all change orders presented are beneficial to the District.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from KGA; (2) approve the pay estimates presented, as recommended by KGA; (3) approve the change orders presented, upon the recommendation of KGA and finding that the change orders are beneficial to the District; and (4) rescind the District's previous award of contract for construction of Marvida Sections 10 and 11 Landscape Improvements. 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 first discussed the status of construction of Avalon at Cypress West Road and Mason Road landscape project and recommended that the Board approve Change Order No. 1 increasing the District's contract with Earthcare Management by \$7,567.15. The Board determined that the change order is beneficial to the District.

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. 6 in the amount of \$50,996.64, payable to Earth First Landscapes LLC.

Mr. Oliver next discussed plans for (1) Mason Road Phase 2 Landscape Improvements; and (2) Avalon at Cypress West Road & Avalon River Road Landscape Improvements and requested authorization to advertise for bids for construction of both.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from SWA; (2) approve all pay estimates presented, as recommended by SWA; (3) authorize SWA to advertise for bids for construction of projects as requested and discussed above; and (4) upon the recommendation of SWA, approve Change Order No. 1 increasing the District's contract with Earthcare Management by \$7,567.15 finding that the change order is beneficial to the District. 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 stated that 8 bids were received for construction of water, sewer, and drainage in Avalon Landing Street Dedication 1 and recommended that the Board award the contract to the second lowest bidder, Sequiera Civil Construction ("Sequiera") in the amount of \$2,892,469. The Board concurred that, in its judgment, Sequiera, 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 5 bids were received for construction of paving in Avalon Landing Street Dedication 1 and recommended that the Board award the contract to the second lowest bidder, Sequiera in the amount of \$1,660,996.14. The Board concurred that, in its judgment, Sequiera, 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 Channel Crossing; Pay Estimate No. 3 in the amount of \$7,252.20, payable to Lonnie Lischka Co. ("Lischka");
2. Avalon at Cypress Lift Station; Pay Estimate 7 in the amount of \$101,414.57, payable to Sequiera;
3. Avalon at Cypress Lift Station Fencing; Pay Estimate No. 1 in the amount of \$27,583.43, payable to Republic Masonry & Fencing;
4. Avalon at Cypress, Section 2 water, sewer and drainage; Pay Estimate No. 2 in the amount of \$383,523.37, payable to Fellers Construction ("Fellers"); Change Order No. 1 increasing the contract amount by \$28,654.02;

5. Avalon at Cypress Mason Road Section 3; Pay Estimate No. 2 in the amount of \$57,195.82, payable to Lischka;
6. Avalon at Cypress Mason Road Section 3 paving; Pay Estimate No. 2 in the amount of 4258,916.41, payable to Hassell Construction Group ("Hassell"); Change Order No. 1 increasing the contract amount by \$39,604.16;
7. Avalon at Cypress Section 6 water, sewer and drainage; Change Order No. 1 increasing the District's contract with Fellers in the amount of \$14,682.33;
8. Avalon at Cypress Section 7 water, sewer and drainage; Pay Estimate No. 1 in the amount of \$44,136.55, payable to Sequeira;
9. Avalon at Cypress West Road paving; Pay Estimate No. 3 in the amount of \$421,812.59, payable to Unitas Construction ("Unitas");
10. Bridge Creek Section 3 water, sewer, and drainage; Pay Estimate No. 1 in amount of \$204,372.46, Pay Estimate No. 2 in the amount of \$2,036,146.58 and Pay Estimate No. 3 in the amount of \$17,640.46, all payable to Blazey Construction ("Blazey");
11. Bridge Creek Section 3 paving; Pay Estimate No. 1 in amount of \$345,993.13 and Pay Estimate No. 2 in the amount of \$619,745.47, both payable to Blazey;
12. Bridge Creek Section 6 water, sewer and drainage; Pay Estimate No. 2 in amount of \$13,302, payable to Hurtado Construction Co. ("Hurtado");
13. Bridge Creek Section 6 and 7 paving; Pay Estimate No. 1 in amount of \$460,566.54 and Pay Estimate No. 2 in the amount of \$204,228, both payable to Harris Construction ("Harris"); Change Order No. 1 increasing the contract amount by \$35,040 and Change Order No. 2 increasing the contract amount by \$30,000;
14. Bridge Creek Sections 8 and 9; Pay Estimate No. 1 in the amount of \$284,597.80, payable to Hassel; Change Order No. 1 increasing the contract amount by \$35,667;
15. Bridge Creek Westgreen; Change Order No. 1 increasing the District's contract with Blazey by \$23,820.70;
16. Marvida, Section 9 water, sewer, drainage, and paving; Pay Estimate No. 5 in the amount of \$63,360, payable to Beyer Construction ("Beyer");
17. Marvida, Section 11 water, sewer and drainage; Pay Estimate No. 4 and Final in the amount of \$29,013.73, payable to Fellers;
18. Marvida, Section 12 water, sewer, and drainage; Pay Estimate No. 5 in the amount of \$87,941.90, payable to Fellers;
19. Marvida, Section 12 paving; Pay Estimate No. 3 in the amount of \$718,594.88 and Pay Estimate No. 4 in the amount of \$146,655.40, both payable to Durwood Green Construction ("Durwood");
20. Marvida, Section 13 paving; Pay Estimate No. 3 in the amount of \$648,129.38 and Pay Estimate No. 4 in the amount of \$333,193.60, both

- payable to Durwood; Change Order No. 1 increasing the District's contract by \$5,134.73;
21. Marvida, Section 14, water, sewer, and drainage; Change Order No. 1 increasing the District's contract with Texasite LLC ("Texasite") by \$45,320.07;
 22. Marvida, Section 14, paving; Pay Estimate No. 2 in the amount of \$230,912.75, payable to Principal Paving Contractor ("Principal");
 23. Marvida, Section 15 water, sewer and drainage; Pay Estimate No. 4 in the amount of \$559,932.47 and Pay Estimate No. 5 in the amount of \$163,512.12, both payable to Gonzalez Construction ("Gonzalez");
 24. Marvida, Section 17 paving; Pay Estimate No. 1 in the amount of \$32,257,80 payable to Fellers;
 25. Marvida, Section 18 paving; Pay Estimate No. 2 in the amount of \$519,492.55 and Pay Estimate No. 3 in the amount of \$54,645.26, both payable to Beyer; Change Order No. 1 increasing the contract amount by \$64,648.14;
 26. Marvida, Section 18 water, sewer and drainage; Pay Estimate No. 4 in the amount of \$107,311.48, payable to Principal; Change Order No. 1 increasing the contract amount by \$34,238.34;
 27. Marvida, Section 19 water, sewer and drainage; Pay Estimate No. 5 in the amount of \$49,938.46, payable to Principal; Change Order No. 1 increasing the contract amount by \$28,689.44;
 28. Marvida, Section 20 paving; Pay Estimate No. 2 in the amount of \$430,013.66, payable to Beyer; Change Order No. 1 increasing the contract amount by \$35,846.16;
 29. Marvida, Section 21, paving; Pay Estimate No. 1 in the amount of \$68,500.80, payable to Allgood;
 30. Marvida Terrace Drive Sections 2 and 3 water, sewer and drainage; Pay Estimate No. 5 in the amount of \$398,285.48, payable to Fellers; Change Order No. 3 increasing the contract amount by \$46,200;
 31. Marvida Lift Station No. 2; increasing the District's contract with Putnam, Inc. in the amount of \$77,500;
 32. Marvida Drainage Phase I Grading; Pay Estimate No. 22 in the amount of \$8,113.41 payable to Paskey;
 33. Marvida Drainage Phase I; Pay Estimate No. 19 in the amount of \$67,816, payable to Paskey;
 34. Marvida Drainage Phase 2 North; Pay Estimate No. 9 in the amount of \$6,860, payable to Paskey;
 35. Marvida Drainage Phase 2 South; Change Order No. 4 increasing the District's contract with Allgood Construction in the amount of \$140,322.56;
 36. Westgreen, Section 6, water, sewer, and drainage; Pay Estimate No. 4 in the amount of \$702,350.88, Pay Estimate No. 5 in the amount of 450,193.25

- and Pay Estimate No. 6 in the amount of \$27,919.06, all payable to Clearwater Utilities (“Clearwater”);
37. Westgreen, Section 6, paving; Pay Estimate No. 6 in the amount of \$635,042.70, all payable to Allgood;
 38. Traffic signal at Morrison Grove and Fry Road; Pay Estimate No. 6 in the amount of \$19,710.98, payable to Traf-Tex, Inc.;
 39. Morrison Grove Drive, Phase I paving; Pay Estimate No. 6 in the amount of \$101,517.10 and Pay Estimate No. 7 and Final in the amount of \$25,695.35, both payable to Beyer;
 40. West Road, Section 1; Pay Estimate No. 6 in the amount of \$5,510, payable to Lindsey Construction (“Lindsey”);
 41. West Road, Section 2 paving; Pay Estimate no. 9 in the amount of \$42,242.27, payable to Lindsey;
 42. West Road from Highway 99 to Mason Road Drainage; Pay Estimate No. 3 and Final in the amount of \$137,364.49, payable to Hurtado;
 43. Longenbaugh; Pay Estimate No. 3 in the amount of \$309,088.08, payable to Rebel Contractors;
 44. Expansion of wastewater treatment plant no. 1; Pay Estimate No. 20 in the amount of \$133,372.16, payable to R.P. Constructors;
 45. Wastewater treatment plant no. 2; Pay Estimate No. 18 in the amount of \$258,111, payable to ALLCO Constructors;
 46. Force main and Waterline to serve Wastewater Treatment Plant No. 2; Pay Estimate No. 8 in the amount of \$10,000, payable to Sequiera; and
 47. Remington Grove Stormwater Box Culvert Repair; Pay Estimate No. 1 in the amount of \$92,925, payable to Infrastructure Construction Services.

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) based upon the recommendation of Quiddity, 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, Quiddity’s and DAC’s recommendations; (4) based upon the recommendation of BGE and DAC, award the contracts for construction of construction of water, sewer, and drainage in Avalon Landing Street Dedication 1 to Sequiera in the amount of \$2,892,469, 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) based upon the recommendation of BGE and DAC, award the contracts for construction of paving in Avalon Landing Street Dedication 1 to Sequiera in the amount of \$1,660,996.14, 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.

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

The Board next considered offsite easements to serve Avalon at Cypress West Sections 1 & 2.

Ms. Holoubek discussed Mr. Crouch's request to acquire District surplus property to install parking for his business at the intersection of Longenbaugh Road and Fry Road.

Following review and discussion, Director Molina moved to accept the offsite easements and authorize conveyance of surplus property as requested by Mr. Crouch subject to approval of the engineering plan for relocation of detention. 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 nor action taken on 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


At 7:46 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 8:06 p.m.

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




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

tax assessor/collector's report and delinquent tax report	3
Management and operations report.....	3
park and landscape management report.....	4
landscape architect report.....	4
landscape architect report.....	5
Engineer's report.....	6