

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

February 2, 2023

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 February 2023, 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 Lester Lee, District resident; Lori Buckner of Myrtle Cruz, Inc. ("MCI"); 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"); Robert Oliver of SWA Group ("SWA"); David Beyer of Storm Water Solutions, LLC ("Storm Water"); Darrin Fentress of BGE, Inc.; Kelly Gard of KGA/DeForest Design, LLC ("KGA"); 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.

Mr. Lee commented regarding customer service issues when trying to remove his wife's name on his water bill and add his. Mr. Hoffman said he would follow up to investigate Mr. Lee's complaint further and send an email to Mr. Lee with next steps to transfer the account into Mrs. Lee's name.

There being no other members of the public requesting to make public comment, Director Bentson moved to the next agenda item.

SECURITY REPORT

There was no discussion for this agenda item. Ms. Miller said she would forward the security reports when received.

MINUTES

The Board considered approving the minutes of the January 5, 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 WINTER CONFERENCE AND SUMMER CONFERENCE

The Board discussed seminars and issues discussed at the Association of Water Board Directors winter conference and payment of per diems for Directors who attended the conference. Upon a motion made by Director Molina and seconded by Director Barr, the Board voted unanimously to authorize attendance by the directors at the AWBD summer conference.

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. Copies of the bookkeeper's report, investment report, budgets, and a list of bills presented for payment are attached.

Following review and discussion, Director Molina moved to accept the bookkeeper's report and payment of the bills. Director Barr seconded the motion, which passed unanimously.

DISTRICT FACILITIES REPORT

The Board also reviewed a District facility report for renewal of District insurance coverage. Following review and discussion, Director Molina moved to approve the facilities and parks values reported. Director Barr seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS, DELINQUENT TAX COLLECTION AND AMENDMENT TO TAX ASSESSOR COLLECTOR'S CONTRACT

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 taxable 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.

Ms. Rodriguez also reviewed a proposed fourth amendment to the District's contract for tax assessment and collection services with BLICO, Inc. dba Bob Leared Interests, a Texas corporation ("BLI") adding fees and services related to assessments and collections in the District's defined areas.

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) approve a fourth amendment to the District's contract with BLI. Director Barr seconded the motion, which passed unanimously.

There was no discussion or action taken regarding a Resolution Concerning Exemptions from Taxation.

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 January 2023. Mr. Hoffman reported 42 new residential taps and one commercial tap installed during the month of January 2023. He also reviewed routine maintenance and repairs within the District completed and ongoing during the month of January 2023, and recommended the following repairs and maintenance:

1. Installation of a liquid chlorine bleach feeder system for an estimated amount of \$49,747.36;
2. Replace the check valve at booster pump no. 1 at water plant no. 2 for an estimated amount of \$4,500; and
3. Replace the check valve at lift station no. 1 for an estimated amount of \$3,500;

Mr. Hoffman discussed a request from Wood Master Homes to serve 2 addresses located outside the boundary of the District and reviewed a proposed tap statement for each. Following review and discussion, the Board concurred to bill the tap expense at 110%.

Mr. Hoffman also reviewed a tap fee estimate for a new Taylor Morrison project. Following discussion, the Board concurred to approve a tap fee of \$366,200.

Discussion ensued regarding reports of localized flooding received during the most recent heavy rain event and options for improving area drainage.

Mr. Hoffman reviewed a customer appeal, a copy of which is attached, requesting adjustment for a water leak pursuant to the District's leak adjustment policy.

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 the District operator to offer leak adjustments to the customers making an appeal, as requested; (3) approve a tap fee statement to Wood Master Homes for 100% of the actual cost (time and material); (4) approve a tap fee statement to Taylor Morrison; and (5) 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.

REPORT FROM STORM WATER SOLUTIONS

Mr. Beyer reviewed a Storm Water Management Program report provided by Storm Water, a copy of which is attached, and presented a proposal in the amount of \$4,900 to repair and backfill beneath sidewalks in Canyon Lakes West.

Following review and discussion, Director Molina moved to (1) approve the Storm Water Management Report; and (2) upon the recommendation of SWS, approve a proposal in the amount of \$4,900 to repair and backfill beneath sidewalks in Canyon Lakes West. 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 discussed a proposal in the amount of \$635 to remove a concrete foundation in Remington Grove Park. Following review and discussion, Director Molina moved to approve the park and landscape management report. Director Barr seconded the motion, which passed unanimously.

Discussion ensued regarding wildlife damage to District facilities and wildlife management.

KGA/DEFOREST DESIGN, LLC REPORT

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

Mr. Gard discussed plans for landscaping improvements in the following projects and requested authorization to advertise for bids for construction:

1. Marvida, Sections 23 and 24;
2. Marvida, Sections 15 and 16; and
3. Marvida Terrace Drive Medians and FM 529 Entry Landscape Improvements.

Mr. Gard stated that bids were received for construction of landscape improvements in Marvida, Sections 17 and 20 and recommended that the Board award the contract to the low bidder, Triple E. Growers, Inc. d/b/a Triple E. Landscapes ("Triple E") in the amount of \$260,849. The Board concurred that, in its judgment, Triple E 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. Gard stated that bids were received for construction of landscape improvements in Marvida, Section 21 and recommended that the Board award the contract to the low bidder, Triple E in the amount of \$368,229. The Board concurred that, in its judgment, Triple E 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. Gard next reported the status of construction of landscape improvements to serve Marvida Phase I and recommended that the board approve Pay Application No. 9 in the amount of \$104,325.96, payable to Earth First. He also recommended that the Board approve Change Order No. 6 adding \$6,798 to the District's contract total. The Board determined that the change order is beneficial to the District.

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; (3) approve the pay estimates presented, as recommended by KGA; (4) approve the change order presented, upon the recommendation of KGA and finding that the change order is beneficial to the District; (5) award the contract for construction of Marvida, Sections 17 and 20 Landscape Improvements to Triple E in the amount of \$260,849, based upon KGA'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 ~~(6)~~ award the contract for construction of (9) award the contract for construction of Marvida, Section 21

Landscape Improvements to Triple E in the amount of \$368,229, based upon KGA'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.

SWA GROUP REPORT

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

Mr. Oliver reported the status of construction of the Avalon at Cypress Phase I Conveyance Channel and recommended that the Board approve Pay Estimate No. 11 in the amount of \$79,195.41, payable to Earth First Landscapes, LLC.

Mr. Oliver also discussed the status of construction of the public scope for the Avalon at Cypress Recreation Center and recommended that the Board approve Change Order No. 2 adding \$14,629.20 to the District's contract with Millis Development and Construction, LLC. The Board determined that the change order is beneficial to the District. He also recommended that the Board approve Pay Estimate No. 4 in the amount of \$275,375.03.

Mr. Oliver requested permission to coordinate with Harris County (the "County") to obtain an Interlocal Agreement for maintenance of non-standard maintenance items in the County's right-of-way. Ms. Holoubek said that the District will then enter into a maintenance agreement with the Avalon at Cypress Homeowner's Association (the "HOA") for the HOA to maintain all of the non-standard items.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from SWA; (2) approve the pay estimates presented, upon the recommendation of SWA; (3) approve the change order presented, upon the recommendation of SWA and finding that the change order is beneficial to the District; and (4) authorize SWA to obtain an interlocal agreement between the County and the District for maintenance of non-standard items in the County right-of-way. Director Barr 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 bids were received for Mason Road Bridge and Langham Creek and recommended that the Board award the contract to the lowest and most qualified bidder, Earth Builders, in the amount of \$1,678.1748. The Board concurred that, in its judgment, Earth Builders 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 paving of Avalon at Cypress West, Section 1 and, upon the recommendation of BGE, recommended that the Board award the contract to the lowest and most qualified bidder, Harris Construction, in the amount of \$929,906.15. The Board concurred that, in its judgment, Harris 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 stated that bids were received for water, sewer and drainage to serve Avalon at Cypress West, Section 1 and, upon the recommendation of BGE, recommended that the Board award the contract to the lowest and most qualified bidder, Gonzalez Construction ("Gonzalez"), in the amount of \$1,432,130.37. The Board concurred that, in its judgment, Gonzalez 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 stated that bids were received for water, sewer and drainage to serve Avalon at Cypress West, Section 2 and, upon the recommendation of BGE, recommended that the Board award the contract to the lowest and most qualified bidder, Bay Utilities, in the amount of \$832,365.30. The Board concurred that, in its judgment, Bay Utilities 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 paving of Avalon at Cypress West, Section 2 and, upon the recommendation of BGE, recommended that the Board award the contract to the lowest and most qualified bidder, D&J Construction, in the amount of \$629,848. The Board concurred that, in its judgment, D&J 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 stated that bids were received for installation of emergency generators at lift stations 7, 11, 12 and 16 and recommended that the Board award the contract to the lowest and most qualified bidder, McDonald Municipal & Industrial ("McDonald"), in the amount of \$496,169. The Board concurred that, in its judgment, McDonald 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 Channel Crossing; Pay Estimate No. 8 in the amount of \$22,638.50, payable to Lonnie Lischka Co. ("Lischka");

2. Avalon at Cypress, Avalon River Road Paving; Pay Estimate No. 5 and Final in the amount of \$7,746.43, payable to Harris Construction;
3. Avalon Landing Lane Street Dedication 1 water, sewer and drainage; Pay Estimate No. 4 in the amount of \$34,618.80, payable to Sequeira Civil Construction ("Sequeira");
4. Avalon Landing Lane Street Dedication 1 paving; Pay Estimate No. 2 in the amount of \$456,568.37, payable to Sequeira;
5. Bridge Creek Terrace Drive, Section 2 water and paving; Pay Estimate No. 4 in the amount of \$349,259.40, payable to Harris Construction;
6. Bridge Creek Terrace Drive, Section 3 water, sewer and drainage; Pay Estimate No. 5 and Final in the amount of \$49,787.50, payable to Fellers & Clark;
7. Bridge Creek Terrace Drive, Section 3 paving; Change Order No. 2 adding \$4,100 to the District's contract with Fellers & Clark;
8. Bridge Creek, Section 7 water, sewer and drainage; Pay Estimate No. 4 and Final in the amount of \$9,634.49, payable to Hurtado Construction Company ("Hurtado");
9. Bridge Creek, Section 8 and 9 paving; Pay Estimate No. 4 in the amount of \$160,181.59 and Pay Estimate No. 5 and Final in the amount of \$39,712.12, payable to Hassell Construction;
10. Bridge Creek Section 8 paving; Change Order No. 1 reducing the District's contract with Hassell Construction in the amount of \$2,650;
11. Bridge Creek Section 9 water, sewer and drainage; Change Order No. 1 reducing the District's contract with Fellers & Clark in the amount of \$9,050;
12. Bridge Creek Mason Road Phase 3, paving; Pay Estimate No. 6 and Final in the amount of \$32,668.42;
13. Bridge Creek West Lift Station; Pay Estimate No. 7 in the amount of \$28,382.50, payable to Peltier Brothers Construction LLC;
14. Marvida, Section 12 water, sewer and drainage; Change Order No. 3 reducing the District's contract with Fellers & Clark by \$800;
15. Marvida, Section 12 paving; Change Order No. 3 reducing the amount of the District's contract Durwood Greene Construction Co. by \$2,000;
16. Marvida, Section 15 water, sewer, drainage and paving; Pay Estimate No. 8 and Final in the amount of \$217,617.66, payable to Gonzalez Construction Enterprise, Inc.;
17. Marvida, Section 18 water, sewer and drainage; Change Order No. 2 adding \$68,038.20 to the District's contract with Principal Services;
18. Marvida, Section 20 paving; Pay Estimate No. 6 in the amount of \$2,972.16, payable to Beyer Construction; and Change Order No. 2 adding \$850 to the contract total;
19. Marvida, Section 24, water, sewer and drainage; Pay Estimate No. 2 in the amount of \$403,015.95, payable to Gonzalez;

20. Marvida Lift Station No. 3; Pay Estimate No. 3 in the amount of \$62,280, Pay Estimate No. 4 in the amount of \$76,500, Pay Estimate No. 5 in the amount of \$29,790 and Pay Estimate No. 6 in the amount of \$102,150, all payable to R&B Group;
21. West Road Interconnection; Pay Estimate No. 1 in the amount of \$319,288.87, payable to Sequeira; and Change Order No. 1 removing \$289,432 from the contract total;
22. Wastewater treatment plant no. 2; Pay Estimate No. 25 in the amount of \$221,155.42, payable to ALLCO Constructors;
23. Lift Station SCADA system; Pay Estimate No. 5 in the amount of \$82,974.05, payable to W-Industries;
24. Longenbaugh Road Dedication and Reserve water, sewer, drainage and paving; Change Order No. 4 adding \$13,765 to the District's contract with Fellers & Clark and Change Order No. 5 adding \$92,183.58;
25. Water Plant No. 6; Pay Estimate No. 6 in the amount of \$56,812.50, payable to Long & Son; and
26. Tealbrook and Amhurst cured-in-place-pipe sanitary sewer rehabilitation; Pay Estimate No. 2 in the amount of \$91,771.38, payable to Insituform.

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; and (4) award contracts listed above, based upon the recommendation of Quiddity, BGE and DAC, subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractors. Director Barr seconded the motion, which passed by unanimous vote.

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

There was no discussion for this agenda item.

DEVELOPER'S REPORT

Mr. Colunga reported regarding development in the District.

GARBAGE/RECYCLING COLLECTION

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.

ANNEXATION MATTERS

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

ADMINISTRATION BUILDING

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.





Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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