

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

July 6, 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 6<sup>th</sup> day of July 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 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"); David Colunga of Taylor Morrison of Texas, Inc. ("Taylor Morrison"); Wes Alvey, Donnice Hoffman and Chris Hoffman of H2O Consulting, Inc. ("H2O"); Josh Wailes of Mike Stone Associates, Inc. ("MSA"); Stephen Eustis of Robert W. Baird & Co. Incorporated ("Baird"); David Beyer of Storm Water Solutions, LLC ("Storm Water"); Tyler Lindgren of KGA/DeForest Design, LLC ("KGA"); Chris Prejean and Dave Ciarella of Enhanced Energy Services of America, LLC ("Enhanced Energy"); 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 the opportunity to make a public comment. There being no members of the public requesting to make public comment, Director Bentson moved to the next agenda item.

GARBAGE/RECYCLING COLLECTION

There was no discussion for this agenda item.

SECURITY REPORT

The Board reviewed a patrol report received from Harris County Constable Precinct 5 for the month of June 2023.

MANAGEMENT OF ELECTRICITY ACCOUNTS

Mr. Ciarella discussed services offered by Enhanced Energy, current energy markets and the District's contract with Reliant Energy for power to wastewater treatment plant no. 2. Following discussion, Director Molina moved to (1) confirm the District's contract with Reliant Energy for power to wastewater treatment plant no. 2; and (2) authorize Enhanced Energy to work with District consultants to conduct an inventory of District electricity meters. Director Barr seconded the motion, which passed unanimously.

MINUTES

The Board considered approving the minutes of June 1, 2023, regular meeting. Following review and discussion, Director Molina moved to approve the minutes, as amended. Director Barr seconded the motion, which passed unanimously.

SERIES 2023 UNLIMITED TAX BONDS

Mr. Eustis and Ms. Holoubek updated the Board regarding a proposed sale of Unlimited Tax Bonds in the amount of \$44,800,000 (the "Bonds").

Following review and discussion, the Board concurred to authorize the District's financial advisor to advertise the sale of the Bonds for July 30, 2023 at 4:00 p.m.

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 are in compliance with 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 and 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.

#### 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 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. Holoubek discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code. Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2023 tax year.

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; (2) authorize payment of the bills; and (3) establish that the District is a Developing district for the 2023 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution 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 reviewed the following proposals with the Board:

1. Proposal in the amount of \$19,810 for clearing small trees, brush and silt fence along the fence line of the Marvida Development East Property line;
2. Proposal in the amount of \$3,150 to revise the existing storm water quality management plan and submit to governmental agencies for approval;
3. Proposal in the amount of \$7,400 to remove the oil grit trash separator in

- Villas at Canyon Lakes West; and
4. Proposal in the amount of \$3,300 to remove a tree at 7703 Cypress Edge Drive.

Following review and discussion, Director Molina moved to (1) approve the Storm Water Management Report; and (2) approve the proposals listed above. 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 presented the following proposal:

1. Proposal for irrigation repairs in Remington Grove Park for an estimated amount of \$1,940;
2. Proposal in the amount of \$8,479 for fall surface replenishment in Cypress Springs Park;
3. Proposal in the amount of \$3,652 for fall surface replenishment in Tealbrook Park; and
4. Proposal in the amount of \$8,218.98 for fall surface replenishment in Remington Park.

Mr. Wailes also reviewed Federal Emergency Management Agency ("FEMA") closeout documents for reimbursement of project and administrative costs related to 2017 storm damage to Langham Creek.

Following review and discussion, Director Molina moved to (1) approve the park and landscape management report; (2) approve the proposals presented; and (3) authorize execution of FEMA closeout documents presented. Director Barr seconded the motion, which passed unanimously.

#### OPERATION OF DISTRICT FACILITIES

Mr. Hoffman distributed and reviewed a management and operations report, a copy of which is attached.

Mr. Hoffman reported 139 new residential taps installed during the month of June 2023 and requested authorization to complete the following:

1. Replacement of south fence at wastewater treatment plant no. 1 in the estimated amount of \$23,988; and
2. Repair of damaged wooden fence at lift station no. 8 for estimated amount of \$8,185.

Following discussion, the Board concurred to defer action on the proposals

above and requested proposals for masonry fencing at wastewater treatment plant no. 1, lift station no. 8 and lift station no. 2.

The Board discussed drought restrictions and concurred to authorize the District operator to put out voluntary restriction signage in the District.

The Board discussed sidewalk repairs and installations and asked the District operator to complete an inventory of repairs and installations needed.

Mr. Hoffman reviewed customer appeals, copies of which are attached. Following discussion, the Board concurred to authorize action, as recommended by the District operator.

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 and payment plans to customers making appeal, as recommended; and (3) authorize termination of delinquent accounts in accordance with the District's Rate Order, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Barr seconded the motion, which passed unanimously.

#### KGA/DEFOREST DESIGN, LLC REPORT

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

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

1. Marvida, Section 15 Landscape Improvements; Pay Application No. 1 in the amount of \$41,584.73, payable to Triple E. Grower, Inc. d/b/a Triple E Landscapes ("Triple E");
2. Bridge Creek Section 6 Landscape Improvements; Pay Application No. 6 in the amount of \$560.10, payable to Triple E;
3. Bridge Creek Section 7 Landscape Improvements; Pay Application No. 4 in the amount of \$134,123.13, payable to Triple E;

4. Bridge Creek Sections 8 and 9 Landscape Improvements; Pay Application No. 5 in the amount of \$45,488.71, payable to Earth First Landscapes, LLC ("Earth First");
5. Marvida Phase 1 Landscape Improvements; Pay Application No. 14 in the amount of \$89,042.75, payable to Earth First; Change Order No. 7 adding \$3,994.86 to the District's contract for installation of a water meter on Manta Ray Drive;
6. Marvida Recreation Center Facility; Pay Application No. 14 in the amount of \$254,086.61, payable to DL Meacham, LP ("DL Meacham"); Change Order No. 19 adding \$1,792.75 to the contract total for caps for pump enclosure walls; Change Order No. 20 adding \$4,462.50 to the contract total for interior Americans with Disabilities ("ADA") signage;
7. Marvida Pod A Landscape Improvements; Pay Application No. 4 in the amount of \$61,972.60, payable to Earth First;
8. Marvida, Section 9 Landscape Improvements; Pay Application No. 5 in the amount of \$5,040, payable to Greenyard Inc.;
9. Marvida, Sections 10 and 11 Landscape Improvements; Pay Application No. 6 in the amount of \$1,202.53, payable to Earth First; Change Order No. 2 adding \$2,433.38 for sod;
10. Marvida, Section 12 Landscape Improvements; Pay Estimate No. 6 in the amount of \$5,764.49 and Pay Estimate No. 7 in the amount of \$8,286.16, both payable Triple E;
11. Marvida, Section 13 Landscape Improvements; Pay Estimate No. 3 in the amount of \$44,508.78, payable to Triple E; Change Order No. 1 adding \$23,077 to import and grade out fill on both side of the sidewalk;
12. Marvida, Section 14 Landscape Improvements; Pay Estimate No. 6 in the amount of \$126,301.27 and Pay Estimate No. 7 in the amount of \$7,256.07, both payable to Triple E;
13. Marvida, Sections 18 and 19 Landscape Improvements; Pay Application No. 5 in the amount of \$8,307.90, payable to Triple E; Change Order No. 2 adding \$9,231 to the contract total for import and grading of fill;
14. Marvida, Sections 17 and 20 Landscape Improvements; Pay Application No. 2 in the amount of \$68,200.15, payable to Triple E;
15. Marvida, Section 21 Landscape Improvements; Pay Application No. 3 in the amount of \$19,437.47 and Pay Application No. 4 in the amount of \$1,665, both payable to Triple E;
16. Marvida, Sections 23 and 24 Landscape Improvements; Pay Application No. 1 in the amount of \$97,628.60 and Pay Application No. 2 in the amount of \$68,864.57, both payable to Earth First; and
17. Marvida Terrace Drive Medians and FM 529 Entry Landscaping Improvements; Pay Application No. 1 in the amount of \$4,987.35 and Pay Application No. 2 in the amount of \$53,900.37, both payable to Triple E.

The Board concurred that the change orders listed above 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; and (3) approve the change orders presented, upon the recommendation of KGA and finding that the change orders are beneficial to the District. Director Barr seconded the motion, which passed by unanimous vote.

Mr. Lindgren discussed a proposed median landscape project on West Road for an estimated amount of \$232,690.72. Discussion ensued regarding funding and maintenance of same.

### SWA GROUP REPORT

Ms. Milbauer reviewed a landscape architect report from SWA, a copy of which is attached. Following review and discussion, Director Green moved to (1) approve SWA's report; and (2) approve the pay estimates presented in the attached report. Director Barr seconded the motion, which passed unanimously.

### ENGINEERING MATTERS

Mr. Mullaly stated that bids were received for construction of water, sewer, drainage and paving to serve Marvida, Section 29 and recommended that the Board award the contract to Fellers & Clark in the amount of \$753,500 for water, sewer, and drainage. The Board concurred that, in its judgment, Fellers & Clark is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the projects.

Mr. Mullaly stated that bids were received for construction of water, sewer, drainage and paving to serve Marvida, Section 16 and recommended that the Board award the contract to Blazey Construction in the amount of \$628,828.29 for water, sewer, and drainage. The Board concurred that, in its judgment, Blazey Construction is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the projects.

Mr. Mullaly discussed the engineer's report, a copy of which is attached, and reviewed the status of construction projects in the District and presented the following pay applications and change orders:

1. Avalon at Cypress West, Section 1 water, sewer, and drainage; Change Order No. 2 adding \$29,800 the contract with AR Turnkee Construction ("AR Turnkee") for additional cost to move equipment on and offsite and to cover the increase in cost for cement stabilized sand;

2. Avalon Landing Lane Street Dedication 1 paving; Change Order No. 2 adding \$44,570.40 to the contract with Sequeira Civil Construction ("Sequeira") for adjustment of final quantities;
3. Bridge Creek Terrace Drive, Section 2 water, and paving; Pay Estimate No. 8 and Final in the amount of \$31,326.84, payable to Harris Construction;
4. Bridge Creek Westgreen; Change Order No. 2 deducting \$6,125 from the contract with Beyer Construction for final quantity adjustments;
5. Bridge Creek West Lift Station; Pay Estimate No. 9 in the amount of \$29,112.28 and Pay Estimate No. 10 in the amount of \$92,084.436, both payable to Peltier Brothers;
6. Marvida, Section 14 paving; Pay Estimate No. 5 and final in the amount of \$22,561.84, payable to Principal Paving Contractors;
7. Marvida, Section 17 water, sewer and drainage; Pay Estimate No. 4 and Final in the amount of \$23,859.95, payable to Fellers & Clark;
8. Marvida, Section 21 paving; Pay Estimate No. 5 in the amount of \$18,971.77, payable to Allgood Construction ("Allgood"); Change Order No. 3 adding \$342 to the District's contract for final quantity adjustments;
9. Mason Road Bridge at Langham Creek; Pay Estimate No. 2 in the amount of \$200,644.20, payable to Earth Builders; Change Order No. 2 adding \$14,269.03 to the contract total for rerouting fill dirt;
10. Traffic Signal at Marvida Terrace Drive and FM 529; Pay Estimate No. 4 in the amount of \$9,752.85 and Pay Estimate No. 5 in the amount of \$15,639.17, both payable to CityLynx, Inc.;
11. Wastewater Treatment Plant No. 2; Pay Estimate No. 31 in the amount of \$230,235.35, payable to ALLCO Constructors;
12. Water Plant No. 6; Pay Estimate No. 11 in the amount of \$1,368,255.25, payable to Long & Son;
13. Tealbrook and Amhurst cured-in-place-pipe sanitary sewer rehabilitation; Pay Estimate No. 5 in the amount of \$101,214.09, payable to Insituform;
14. Lancaster Water Line Replacement; Pay Estimate No. 4 in the amount of \$280,338.74, payable to Sequeira;
15. Emergency Generators at Lift Station Nos. 7, 11, 12 and 16; Pay Estimate No. 3 in the amount of \$130,500, payable to McDonald Municipal;
16. Marvida, Section 25 and 26 water, sewer and drainage; Change Order No. 1 adding \$12,700 to the District's contract with Fellers & Clark for excavation of right of way within Marvida, Section 26 necessary for proper grading and required excavated material; and
17. Avalon at Cypress West Drainage Channel; Pay Estimate No. 5 and Final in the amount of \$55,973.50, payable to Harris Construction.

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



The Board also considered executing a contract with AIMS Companies to complete the District's 2023 Sanitary Sewer Overflow Initiative.

Following review and discussion, Director Molina moved to (1) approve the engineering report; (2) award the contract for construction of water, sewer and drainage to serve Marvida, Section 29 in the amount of \$753,500 to Fellers & Clark, based upon Quiddity's recommendation and subject to receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractors; (2) award the contract for construction of water, sewer and drainage to serve Marvida, Section 16 in the amount of \$628,828.29 to Blazey Construction, based upon Quiddity's recommendation and subject to receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractors; (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; and (5) approve a Service Agreement with AIMS Companies to complete the District's 2023 Sanitary Sewer Overflow Initiative. Director Barr seconded the motion which passed unanimously.

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

The Board consider accepting and/or executing the following conveyances to the District:

1. Special Warranty Deed from M/I Homes of Houston, LLC for conveyance of Cypress Creek Overflow Tracts - 0.2370 Acre; 0.4957 Acre; and
2. Partial Abandonment of Storm Sewer and Sanitary Sewer Easement (0.0506 Acre).

Following review and discussion, Director Molina moved to authorize execution of the conveyances listed above. The motion was second by Director Barr and passed unanimously.

DEVELOPER'S REPORT

Mr. Colunga reported regarding development in the District.

DISTRICT WEBSITE

There was no discussion or action taken on this agenda item.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion or action taken on this agenda item.

ANNEXATION MATTERS

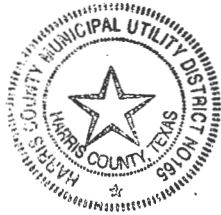
There was no discussion or action taken on this agenda item.

REPORT REGARDING LEGISLATIVE MATTERS

Ms. Milbauer discussed legislation passed during the 88<sup>th</sup> Texas Legislative Session.

Ms. Milbauer reviewed an Amendment to the District's Information Form, which she stated reflects the form changes made by House Bill 2816 and House Bill 2815 during the 88th Regular session. She added that amended information will be filed with the TCEQ and recorded in the official property records of the Harris County Clerk. Following review and discussion, Director Molina made a motion to approve the Amendment to the Information Form and direct that it be filed with the TCEQ and the official property records of the Harris County Clerk. Director Barr seconded the motion, which passed unanimously.

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



  
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

Minutes  
Page

bookkeeper's report, investment report, budgets, and a list of bills presented for payment.....	3
tax assessor/collector's report and delinquent tax report .....	3
park and landscape management report.....	4
Management and operations report.....	4
KGA landscape architect report.....	5
SWA landscape architect report .....	7
engineer's report .....	7