

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

August 3, 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 3<sup>rd</sup> day of August 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 except Directors Nilsson and Green, 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"); Blake Kridel of Storm Water Solutions, LLC ("Storm Water"); Tyler Lindgren of KGA/DeForest Design, LLC ("KGA"); Brian Krueger of FORVIS, LLP ("Forvis"); 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 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 July 2023.

## MINUTES

The Board considered approving the minutes of July 6, 2023, regular meeting, and the July 20, 2023, special meeting. Following review and discussion, Director Molina moved to approve the minutes. Director Barr seconded the motion, which passed unanimously.

## SERIES 2023 UNLIMITED TAX BONDS

Mr. Krueger reviewed a developer reimbursement report for the District's Series 2023 Unlimited Tax Bonds. Following review, Director Molina moved to approve the reimbursement report, subject to final review by the parties to be reimbursed and authorize disbursement of bond proceeds. Director Barr seconded the motion, which passed 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 and a draft budget for the fiscal year ending September 30, 2024. 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.

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.

### 2023 TAX RATE

There was no discussion for this agenda item.

### OPERATION OF DISTRICT FACILITIES

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

Mr. Hoffman reported 219 new residential taps, 2 new commercial taps and 2 new irrigation taps installed during the month of July 2023 and requested authorization to complete the following:

1. repair and seal leak on booster pump no. 4 at water plant no. 2 for an estimated cost of \$11,016; and
2. update cameras at water plant no. 1 for an estimated cost of \$1,400.

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. Holoubek reported that the District is required to review the District's Drought Contingency Plan annually. Mr. Hoffman said he does not recommend any changes to the Drought Contingency Plan.

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 repairs and updates, as requested above; (3) authorize the District operator to offer leak adjustments and payment plans to customers making appeal, as recommended; and (4) 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. Kridel 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 \$1,976 for jetting an inlet and drainage pipe to clear blockage and restore operation at Canyon Lakes West Section 2; and
2. proposal in the amount of \$3,900 to replace a type "e" inlet top at the Yaupon Ranch detention pond.

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.

## AMENDMENT NO. 1 TO MAINTENANCE AGREEMENT BETWEEN DISTRICT AND S-G II OWNERS ASSOCIATION, INC.

Ms. Holoubek reviewed a proposed amendment to the District's maintenance agreement with S-G II Owners Association, Inc. (the "HOA") wherein the District assigns maintenance of a conduit under Marvida Terrace Drive to the HOA (the "Amendment"). Following review and discussion, Director Molina moved to approve the Amendment. 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.

## KGA/DEFOREST DESIGN, LLC REPORT

Mr. Lindgren reviewed a landscape architect report from KGA, a copy of which is attached, and presented a proposal for design of landscape improvements in the West Road median, Phase 3.

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

1. Bridge Creek Section 6 Landscape Improvements; Pay Application No. 6 in the amount of \$1,680.30, payable to Triple E;
2. Bridge Creek Section 7 Landscape Improvements; Pay Application No. 5 in the amount of \$1,680.30, payable to Triple E;

3. Bridge Creek Sections 8 and 9 Landscape Improvements; Pay Application No. 6 in the amount of \$10,053, payable to Earth First Landscapes, LLC ("Earth First");
4. Marvida Phase 1 Landscape Improvements; Pay Application No. 15 in the amount of \$9,200.05, payable to Earth First;
5. Marvida Recreation Center Facility; Pay Application No. 15 in the amount of \$372,333.69, payable to DL Meacham, LP ("DL Meacham);
6. Marvida Pod A Landscape Improvements; Pay Application No. 5 in the amount of \$46,500.81, payable to Earth First;
7. Marvida, Section 9 Landscape Improvements; Pay Application No. 6 in the amount of \$4,633.20, payable to Greenyard Inc.;
8. Marvida, Section 12 Landscape Improvements; Pay Estimate No. 8 in the amount of \$1,890, payable Triple E;
9. Marvida, Section 13 Landscape Improvements; Pay Estimate No. 4 in the amount of \$71,218.44, payable to Triple E; Change Order No. 2 adding \$18,918 to add additional irrigation around the detention pond;
10. Marvida, Section 14 Landscape Improvements; Pay Estimate No. 8 in the amount of \$6,722.06, payable to Triple E;
11. Marvida, Section 15 Landscape Improvements; Pay Estimate No. 2 in the amount of \$48,743.10, payable to Triple E;
12. Marvida, Sections 18 and 19 Landscape Improvements; Change Order No. 3 adding \$41,430 to the contract total for additional irrigation around the detention pond;
13. Marvida, Sections 17 and 20 Landscape Improvements; Pay Application No. 3 in the amount of \$26,439.48, payable to Triple E;
14. Marvida, Section 21 Landscape Improvements; Pay Application No. 5 in the amount of \$12,609.18, payable to Triple E; Change Order No. 1 with no net change to the contract total adding 15 days the contract completion date;
15. Marvida, Sections 23 and 24 Landscape Improvements; Pay Application No. 3 in the amount of \$9,911.55, payable to Earth First; and
16. Marvida Terrace Drive Medians and FM 529 Entry Landscaping Improvements; Pay Application No. 3 in the amount of \$100,431.72 and Pay Application No. 4 in the amount of \$107,933.76, 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 design proposal presented by KGA; (3) approve the pay estimates presented, as recommended by KGA; and (4) 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.

### SWA GROUP REPORT

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

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

1. Avalon at Cypress Recreation Center - Public Scope; Change Order No. 4 deducting \$4,210.21 from the District's contract with Millis Development & Construction, LLC ("Millis"); Pay Estimate No. 10 in the amount of \$10,778.49 and Pay Estimate No. 11 in the amount of \$57,634.80, both payable to Millis;
2. Avalon at Cypress - West Road & Avalon River Road Landscape; Pay Estimate No. 1 in the amount of \$90,121.17, payable to Junction Landscape ("Junction"); Change Order No. 1 adding \$4,284.21 to the contract total; and
3. Avalon at Cypress - Avalon Landing Lane Phase I Landscape; Pay Estimate No. 1 in the amount of \$75,442.50, payable to Gulf Coast Landscape Services, Inc.

Following review and discussion, the Board determined that the change orders listed above are beneficial to the District.

Following review and discussion, Director Molina moved to (1) approve SWA's report; (2) approve the pay estimates presented in the attached report; and (3) approve the change orders presented, upon the recommendation of SWA and finding that the change orders are beneficial to the District. Director Barr seconded the motion, which passed 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 and presented the following pay applications and change orders:

1. Avalon at Cypress West, Section 1 water, sewer, and drainage; Pay Estimate No. 1 in the amount of \$867,114.74, payable to AR Turnkee Construction ("AR Turnkee");
2. Avalon at Cypress, Section 11 water, sewer, drainage and paving; Pay Estimate No. 1 in the amount of \$129,170.43, payable to Unitas

- Construction, Inc. ("Unitas"); Change Order No. 1 adding \$14,540 to the contract total for additional sanitary sewer materials and labor required to avoid existing Center Point Energy pole;
3. Avalon Landing Lane Street Dedication 1 water, sewer and drainage; Pay Estimate No. 9 in the amount of \$85,519.30, payable to Sequeira Civil Construction ("Sequeira") for adjustment of final quantities;
  4. Avalon Landing Lane Street Dedication 1 paving; Pay Estimate No. 8.1 in the amount of \$44,069.82 and Pay Estimate No. 8.2 in the amount of \$51,981.59, both payable to Sequeira;
  5. Marvida, Section 8 water, sewer, drainage and paving; Pay Estimate No. 5 and Final in the amount of \$141,603.94, payable to Bay Utilities, LLC ("Bay Utilities"); Change Order No. 2 adding \$14,936.20 to the contract total for final quantity adjustments;
  6. Marvida, Section 14 water, sewer and drainage; Pay Estimate No. 4 and Final in the amount of \$65,546.22, payable to Principal Paving Contractors ("Principal");
  7. Marvida, Section 14 paving; Change Order No. 3 deducting \$6,880 from the District's contract with Principal;
  8. Marvida, Section 20 paving; Pay Estimate No. 7 and Final in the amount of \$11,743.70, payable to Beyer Construction ("Beyer");
  9. Marvida, Section 21 paving; Pay Estimate No. 6 and Final in the amount of \$21,750.18, payable to Allgood Construction ("Allgood");
  10. Marvida Terrace Drive, Section 1 water, sewer and drainage; Change Order No. 5 deducting \$1,815 from the District's contract with Fellers & Clark ("Fellers");
  11. Marvida Terrace Drive, Sections 2 and 3; Change Order No. 7 adding \$6,850 to the District's contract with Fellers;
  12. Marvida Lift Station No. 1; Pay Estimate No. 11 and Final in the amount of \$79,222.24, payable to Reddico Construction Company, Inc. ("Reddico");
  13. Marvida Phase I Grading; Pay Estimate No. 28 in the amount of \$34,128.50 and Pay Estimate No. 29 in the amount of \$19,306, both payable to Paskey Incorporated ("Paskey");
  14. Marvida, Phase I; Change Order No. 4 adding \$77,346.80 to the District's contract with Paskey;
  15. Mason Road Bridge at Langham Creek; Pay Estimate No. 3 in the amount of \$143,865, payable to Earth Builders;
  16. Wastewater Treatment Plant No. 2; Pay Estimate No. 32 in the amount of \$147,620.73, payable to ALLCO Constructors ("ALLCO");
  17. Longenbaugh Road Dedication and Reserves water, sewer, drainage and paving; Change Order No. 6 adding \$67,108.29 to the District's contract with Fellers;
  18. Water Plant No. 6; Pay Estimate No. 12 in the amount of \$286,786, payable to Long & Son;



19. Tealbrook and Amhurst cured-in-place-pipe sanitary sewer rehabilitation; Pay Estimate No. 6 in the amount of \$31,125.60 and Pay Estimate No. 7 and Final in the amount of \$62,080.48, both payable to Insituform;
20. Lancaster Water Line Replacement; Pay Estimate No. 5 in the amount of \$235,834.84, payable to Sequeira;
21. Emergency Generators at Lift Station Nos. 7, 11, 12 and 16; Pay Estimate No. 4 and Final in the amount of \$45,847.80, payable to McDonald Municipal; and
22. Avalon at Cypress West, Section 5; Pay Estimate No. 4 and Final in the amount of \$18,548.05, payable to Park Construction Associates, LLC.

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

The Board also considered extending a commitment to Giro Realty Investments, Ltd. for capacity to serve a multifamily development.

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) extend the District's commitment for capacity to Giro Realty Investments, Ltd. Director Barr seconded the motion which passed unanimously.

#### 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.

#### 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.

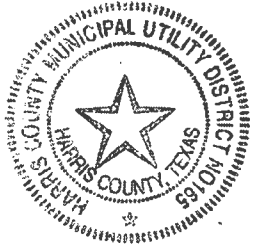


There being no additional business to consider, the meeting was adjourned.

*Wayne Green*

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Secretary, Board of Directors



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