

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

January 4, 2024

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 4<sup>th</sup> day of January 2024, 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 the above were present except, thus constituting a quorum.  
All present

Also attending the meeting were Lori Buckner of Myrtle Cruz, Inc. ("MCI"); Maurice Mullaly and David Keel 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"); David Beyer of Storm Water Solutions, LLC ("Storm Water"); Wendy Ramirez of FORVIS, LLP; Tyler Lindgren of KGA/DeForest Design, LLC ("KGA"); 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 and discussed a patrol report received from Harris County Constable Precinct 5 for the month of December 2023.

## MINUTES

The Board considered approving the minutes of December 7, 2023, regular meeting and the December 20, 2023, special Board meeting. Following review and discussion, Director Molina moved to approve the minutes. Director Barr seconded the motion, which passed unanimously.

## 2024 DIRECTORS ELECTION

Ms. Holoubek discussed procedures related to the 2024 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2024 Directors Election Period.

Ms. Holoubek reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2024 Directors Election.

Ms. Holoubek said that the District may contract with Harris County for the Election (the "Contract").

Following review and discussion, Director Molina moved to (1) adopt a Resolution Designating an Agent of the Secretary of the Board During the 2024 Directors Election Period appointing Jane Miller as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) authorize the Secretary's agent to post the notice as required; and (3) authorize execution of the Contract when received from Harris County. Director Barr seconded the motion, which was approved by unanimous vote.

## ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Holoubek reported on the District's compliance activities during the prior calendar year related to bond financings and stated that no corrective action is required at this time.

APPROVE AUDIT AND AUTHORIZE FILING WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ")

Ms Ramirez reviewed a draft audit of the District's financial information for the fiscal year end September 30, 2023, a copy of which is attached to these minutes. Upon a motion made by Director Green, seconded by Director Molina, the Board voted unanimously to (1) approve the audit and management letter subject to final review and comments; and (2) authorize ABHR to file the audit and filing affidavit with the TCEQ.

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.

Ms. Holoubek stated that, in accordance with the District's Investment Policy, Lori Buckner as the bookkeeper and Alan Bentson as the Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. She added that the disclosure statements will be filed with the Texas Ethics Commission and the District Records and updated whenever necessary.

Following review and discussion, Director Molina moved to (1) accept the bookkeeper's report and payment of the bills, included prorated tax bills for property conveyed to the District in 2023; and (2) accept the disclosure statements pursuant to the District's Investment Policy and the Public Funds Investment Act. 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, 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.

## OPERATION OF DISTRICT FACILITIES

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

Mr. Hoffman reported 66 new residential taps installed during the month of December 2023 and requested authorization for the following repair, replacements and maintenance:

1. Repair the worm gear drive on clarifier no. 1 at Wastewater Treatment Plant No. 1 for an estimated cost of \$12,000 and clean the step screen and replace the bearings for no additional cost;
2. repair booster pump no. 2 base at Water Plant No. 4 for an estimated amount of \$24,900;
3. an additional proposal related to ongoing rehabilitation of the well at Water Plant No. 1 at Water Plant No. 1 in the amount of \$73,500 for an additional cleaning; and
4. pressure wash and paint fire hydrants on FM 529 and Fry Road.

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 repairs and installation listed above, as recommended, including a revised proposal for rehabilitation of the well at Water Plant No. 1, subject to approval of the revised amount for an emergency repair pursuant to Section 49.274 of the Texas Water Code by the Texas Commission on Environmental Quality (the "TCEQ"); 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.

## REPORT FROM STORM WATER SOLUTIONS

Mr. Beyer reviewed a Storm Water Management Program report provided by

Storm Water, a copy of which is attached.

### 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 landscape management report. The motion was seconded by Director Barr and passed unanimously.

### KGA/DEFOREST DESIGN, LLC REPORT

Mr. Lindgren reviewed a landscape architect report from KGA, a copy of which is attached, and requested authorization to advertise for bids for construction of West Road Section 3 Landscape Improvements .

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

1. Bridge Creek Sections 8 and 9 Landscape Improvements; Pay Application No. 10, in the amount of \$14,821.65, and payable to Earth First; and Change Order No. 2 adding \$324.45 to the contract total for solar irrigation power and Change Order No. 3 adding \$11,598.83 for irrigation, fine grading, hydromulch and mowing;
2. Marvida Recreation Center Facility; Pay Application No. 21 in the amount of \$4,274, payable to DL Meacham, LP ("DL Meacham");
3. Marvida Pod A Landscape Improvements; Pay Application No. 9 in the amount of \$0.0, payable to Earth First;
4. Marvida, Sections 10 and 11 Landscape Improvements; Pay Estimate no. 10 in the amount of \$1,965.50, payable to Earth First;
5. Marvida, Section 14 Landscape Improvements; Pay Estimate No. 11 and Final in the amount of \$1,680.30, payable to Triple E; and
6. Marvida, Section 15 Landscape Improvements; Pay Estimate No. 6 in the amount of \$1,260 and Pay Application No. 7 and Final in the amount of \$19,843.70, both payable to Triple E; and Change Order No. 2 deducting \$1,820 from the contract total for overseeding.

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

Ms. Holoubek reviewed a Services Agreement with KGA with a fee schedule attached.

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

West Road Section 3 Landscape Improvements; (3) approve the pay estimates presented, as recommended by KGA; (4) approve the change orders presented, upon the recommendation of KGA and finding that the change orders are beneficial to the District; and (5) approve a Services Agreement with KGA. Director Barr seconded the motion, which was passed by unanimous vote.

### SWA GROUP REPORT

The Board reviewed a landscape architect report from SWA, a copy of which is attached, requesting authorization to advertise for bids for construction of Avalon at Cypress West - Avalon Landing Lane Phase 2 Landscape Improvements, reporting the status of the following projects, and recommending and requesting approval of the following pay applications:

1. Avalon at Cypress - Mason Road Phase 2 Landscape; Pay Estimate No. 5 in the amount of \$1,782, payable to Gulf Coast Landscape Services, Inc.; and
2. Avalon at Cypress West - Avalon Landing Lane Phase I Landscape; Pay Estimate No. 4 in the amount of \$83,691.53, payable to Junction.

Following review and discussion, Director Molina moved to (1) approve SWA's report; (2) authorize SWA to advertise for bids for construction of Avalon at Cypress West - Avalon Landing Lane Phase 2 Landscape Improvements; and (3) approve the pay estimates presented in the attached report, upon the recommendation of SWA. 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. Marvida, Section 29 paving; Pay Estimate No. 1 in the amount of \$673,912.53, Pay Estimate No. 2 in the amount of \$69,879.23 and Pay Estimate No. 3 in the amount of \$11,514, all payable to Durwood Greene Construction Company;
2. Avalon at Cypress West, Section 2, paving; Pay Estimate No. 1 in the amount of \$528,167.70, payable to D&J Construction;
3. Avalon at Cypress, Section 11, paving; Pay Estimate No. 4 and Final in the amount of \$28,446.74, payable to Bay Utilities;
4. Bridge Creek Westgreen Phase 2; Pay Estimate No. 2 in the amount of \$230,233.86, payable to Park Construction Associates, LLC;
5. Wastewater Treatment Plant No. 2; Pay Estimate No. 36 in the amount of \$45,017.65, payable to ALLCO Constructors;

6. Water Plant No. 6; Pay Estimate No. 17 in the amount of \$63,246.25, payable to Long & Son;
7. Lancaster Water Line Replacement; Pay Estimate No. 10 in the amount of \$9,136.14, payable to Sequeira;
8. Expansion of Wastewater Treatment Plant No. 1; Pay Estimate No. 25 in the amount of \$100,000, payable to R.P. Constructor; and
9. Final certificate of Substantial Completion for water, drainage and paving facilities in West Road Extension and Reserve Replat No. 1.

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; and (3) approve a Final certificate of Substantial Completion for water, drainage and paving facilities in West Road Extension and Reserve Replat No. 1. Director Barr seconded the motion, which was passed by unanimous vote.

#### WEST ROAD PRECINCT REIMBURSEMENT APPLICATION

Ms. Holoubek reviewed a Certificate of Substantial Completion for construction of a Conspan and MSE Retaining Walls in West Road Extension and Reserve Replat No. 1, reviewed an analysis of costs and amounts to be reimbursed to the District pursuant to the District's agreement with Harris County Precinct 3 and requested authorization to submit correspondence to Harris County requesting reimbursement. Following review and discussion, Director Bentson moved to (1) accept the Certificate of Substantial Completion; and (2) authorize ABHR to submit correspondence to Harris County requesting reimbursement for improvements made. Director Barr seconded the motion, which passed unanimously.

#### DEEDS AND EASEMENTS

The Board considered approving the following conveyances:

1. Consent to Encroachment covering the existing encroachment of a brick wall installed within property owned by the District; and
2. Special Warranty Deed (Avalon at Cypress Rec Center - 1.046 Acres) from Taylor Morrison of Texas.

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

#### ANNEXATION MATTERS

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 for this agenda item.

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



A stylized, handwritten signature in black ink, consisting of several loops and flourishes.

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Secretary, Board of Directors



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