

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

April 5, 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 April 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, thus constituting a quorum.

Also attending the meeting were Lori Buckner and Lynn Kurtz of Myrtle Cruz, Inc. ("MCI"); 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, Chris Hoffman and Donnice Hoffman of H2O Consulting, Inc. ("H2O"); Josh Wailes of Mike Stone Associates, Inc. ("MSA"); David Beyer of Storm Water Solutions, LLC ("Storm Water"); Rob Oliver with SWA Group; Lacey Hamilton of KGA/DeForest Design, LLC ("KGA"); Sherri Greenwood of Forvis, LLP; 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.

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.

#### 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 March 2024.

#### MINUTES

The Board considered approving the minutes of March 7, 2024, regular meeting. Following review and discussion, Director Molina moved to approve the minutes. Director Barr seconded the motion, which passed unanimously.

#### SUPPLEMENTAL DEVELOPER REIMBURSEMENT AUDIT FOR DISTRICT'S SERIES 2022 AND 2022A UNLIMITED ROAD TAX BONDS

Ms. Greenwood reviewed a draft audit of a reimbursement report from the District's Series 2022 and 2022A Unlimited Road Tax Bonds, 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 reimbursement report, subject to the developer's review and confirmation of numbers; and (2) authorize ABHR to file the report with the TCEQ.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Buckner introduced Ms. Kurtz to the Board and 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, including distribution of bond funds from the District's Series 2022 and Series 2022A Unlimited Tax Road Bonds, payable to Taylor Morrison. Director Barr seconded the motion, which passed unanimously.

## OPERATION OF DISTRICT FACILITIES

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

Mr. Alvey reported 83 new residential taps installed during the month of March 2024 and requested authorization for the following repairs, installations, and maintenance:

1. Installation of curtain walls in the press and dichlorination area at Wastewater Treatment Plant No. 2 for an estimated cost of \$17,675;
2. Repair of the pump on the non-potable water system at Wastewater Treatment Plant No. 1 for an estimated cost of \$5,426;
3. Repairs to the generator at Wastewater Treatment Plant No. 1, including replacement of the fan bearing hub, belt and freeze plugs on the exhaust manifold for an estimated cost of \$7,423.89;
4. Repair of digester blower motor no. 2 at Wastewater Treatment Plant No. 1 for an estimated cost of \$7,973;
5. Repair of lift pump no. 1 at Lift Station No. 11 for an estimated cost of \$10,211; and
6. Repair of lift pump no. 1 at Lift Station No. 2 for an estimated cost of \$34,582.

Mr. Alvey presented and reviewed the annual report on the District's Identity Theft Prevention Program, a copy of which is included in the operator's report. Mr. Alvey stated that the annual report indicates no significant incidents of identity theft detection and recommended no changes to the program at this time.

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 installations listed above, as recommended; (3) authorize the District operator to respond to customer appeals, as directed by the Board; (4) accept the annual report on the Identity Theft Prevention Program, continue the program as currently operating, and direct that the report be filed appropriately and retained in the District's official records; and (5) authorize termination of delinquent accounts in accordance with the District's Rate Order, with

the exception of those customers who appeared to make arrangements with the Board for payment of delinquent accounts 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 Storm Water Management Program reports, copies of which are attached. Discussion ensued regarding maintenance of the Marvida North Detention Pond and scope of work necessary to bring the pond into full compliance. Following discussion, Mr. Beyer said that he would bring a proposal for the scope of work discussed to the May 2024 Board meeting. Following review and discussion, Director Molina moved to approve the reports. 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. He requested to make irrigation repairs in Amhurst Park for an estimated amount of \$1,050 and in Tealbrook Park for an estimated cost of \$245. 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

Ms. Hamilton reported the status of the following projects and presented proposals for the design of Bridge Creek Section 12 and Bridge Creek Section 13 landscaping improvements.

Ms. Hamilton also discussed the status of the following projects and recommended that the Board approve pay estimates and change orders listed below:

1. Marvida Pod A Phase 2 Landscape Improvements; Pay Application No. 2 in the amount of \$105,356.71, payable to Earth First;
2. Marvida, Section 13 Landscape Improvements; Pay Application No. 10 and Final in the amount of \$50,248.30, payable to Triple E;
3. Marvida, Section 16 Landscape Improvements; Pay Application No. 1 in the amount of \$83,153.70, payable to Triple E;
4. Marvida, Section 23 and 24 Landscape Improvements; Pay Application No. 6 in the amount of \$5,227.51, payable to Earth First; and
5. Marvida Terrace Drive Medians and FM 529 Entry Landscape Improvements; Pay Application No. 8 and Final in the amount of \$34,149.70, payable to Triple E.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from KGA; (2) approve the design proposals listed above; and (3) approve the pay estimates presented, as recommended by KGA. Director Barr seconded the motion, which was passed by unanimous vote.

### SWA GROUP REPORT

Mr. Oliver reviewed a landscape architect report , a copy of which is attached, and reported the status of the following projects, and recommended approval of the following pay applications:

1. Avalon at Cypress - West Road and Avalon River Road Landscape; Pay Estimate No. 6 in the amount of \$1,350, payable to Junction Landscape; and
2. Avalon at Cypress West - Avalon Landing Lane Phase I Landscape; Pay Estimate No. 6 in the amount of \$2,269.39, payable to Junction Landscape.

Following review and discussion, Director Molina moved to (1) approve SWA's report; and (2) 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. Keel reviewed an engineering report, a copy of which is attached, and reported the status of the following projects, and requested authorization to design (1) upgrades at Water Plant No. 1; and (2) the Amhurst waterline replacement.

Mr. Keel next reported that bids were received for construction of the Westgreen Boulevard Street Dedication Section 6 Kinder Morgan Crossing and recommended that the Board award the contract to Harris Construction in the amount of \$621,981.25. 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. Keel said that bids were received for construction of the Stream and Westland Restoration Langham Creek Channel and recommended that the Board reject all bids and authorize DAC to advertise for bids for construction.

Mr. Keel discussed the status of construction of water, sewer and drainage to serve Marvida, Section 30 and recommended that the Board authorize execution of an Owner's Ratification for platting purposes for reserves falling within the plat boundary of Section 30.

Mr. Keel 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, Section 8 paving; Pay Estimate No. 2 in the amount of \$393,081.70, payable to Harris Construction;
2. Marvida, Section 17 paving; Pay Estimate No. 7 and Final in the amount of \$61,828.51, payable to Fellers & Clark; and Change Order No. 1 adding \$5,000 to the contract for additional clearing and grubbing;
3. Marvida Lift Station No. 2; Pay Estimate No. 16 in the amount of \$3,960, payable to Putnam, Inc.;
4. Mason Road Bridge at Langham Creek; Pay Estimate No. 9 and Final in the amount of \$60,758.99, payable to Earth Builders;
5. Wastewater Treatment Plant No. 1 Fence Replacement; Pay Estimate No. 1 in the amount of \$114,170.63;
6. Wastewater Treatment Plant No. 2; Pay Estimate No. 39 in the amount of \$80,335.94, payable to Allco Constructors;
7. Water Plant No. 6; Pay Estimate No. 19 in the amount of \$109,582.50, payable to Long & Son;
8. Lancaster Water Line Replacement; Pay Estimate No. 13 in the amount of \$246,594.50, payable to Sequeira Civil; and Change Order No. 1 adding \$271,159.45 to the contract total for additional services required to supply existing lots; and
9. Emergency Generators at Lift Stations Nos. 7, 11, 12, and 16; Pay Estimate No. 8 in the amount of \$51,370.20 and Pay Estimate No. 9 and Final in the amount of \$48,814.90, both payable to McDonald Municipal.

Mr. Keel presented Certificates of Substantial Completion for the following projects:

1. Bridge Creek Westgreen, Phase 2; and
2. Bridge Creek, Section 13, water, sewer, drainage and paving.

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) accept projects for Certificates of Completion presented for execution above; (5) award the contracts for construction of water, sewer and drainage, paving and other facilities presented above, based upon the BGE's, DAC's and Quiddity's recommendations and receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any,

provided by the contractors; (6) authorize the engineer to advertise for bids for construction of (i) the Amhurst waterline replacement; and (ii) the Stream and Westland Restoration Langham Creek Channel; and (7) authorize execution of an Owner's Ratification for platting purposes for reserves falling within the plat boundary of Section 30. Director Barr seconded the motion, which was passed by unanimous vote.

### DEEDS AND EASEMENTS

The Board considering accepting the following deed and easements;

1. Sanitary Sewer Easement (1.174 Acres) conveyed by Landmark Industries, LLC and Landmark Industries Holdings, Ltd., collectively as grantor;
2. Sanitary Sewer Easement (0.531 Acre) conveyed by Landmark Industries Holdings, Ltd.;
3. Sanitary Sewer Easement (0.258 Acre; 0.416 Acre) conveyed by M/I Homes of Houston, LLC;
4. Sanitary Sewer Easement (0.047 Acre) conveyed by Cypress-Fairbanks Independent School District; and
5. Special Warranty Deed (Landscape Reserves - Marvida Sec 16) conveyed by KB Home Lone Star Inc.

Following review and discussion, Director Molina moved to accept the deed and easements listed above. Director Barr seconded the motion, which passed unanimously.

### DEVELOPER'S REPORT

Mr. Colunga reported regarding development in the District.

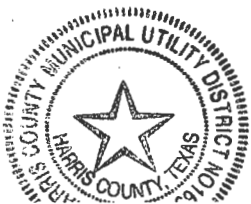
### AUDITING SERVICES


The Board discussed fiscal year end auditing and agreed upon procedure reporting. Following discussion, Director Molina moved to authorize ABHR to solicit requests for qualifications for auditing services for discussion at the District's July and August 2024 Board meetings. Director Barr seconded the motion, which passed unanimously.

### 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.





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Secretary, Board of Directors



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