

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

July 11, 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 11<sup>th</sup> day of July 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 Director Nilsson, thus constituting a quorum.

Also attending the meeting were David Keel and Maurice Mullaly of DAC Services, Inc. ("DAC"); Brenda McLaughlin of Bob Leared Interests, Inc. ("BLI"); Ryan Lesikar of BGE, Inc.; Daniel Gillham of Tri Pointe Homes Texas Inc.; David Colunga of Taylor Morrison of Texas, Inc. ("Taylor Morrison"); Chris Hoffman and Donnice Hoffman of H2O Consulting, Inc. ("H2O"); Josh Wailes of Mike Stone Associates, Inc. ("MSA"); Patrick Elliott and Jordan R. Griffith, P.E. of Storm Water Solutions, LLC ("Storm Water"); Rob Oliver with SWA Group ("SWA"); Tyler Mueller of KGA/DeForest Design, LLC ("KGA"); Stephen Eustis of Robert W. Baird & Co. Incorporated; Sherrie Greenwood of Forvis Mazars, LLP; 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

The Board discussed storm debris removal throughout the District. Following discussion, the Board concurred to authorize Director Bentson to work with the District's garbage contractor to continue collection of storm debris caused by Hurricane Beryl.

## SECURITY REPORT

The Board reviewed and discussed a patrol report received from Harris County Constable Precinct 5 for the month of June 2024 and considered approval of costs for a training class recommended by Sergeant Michael S. Bilbrey. Following review and discussion, Director Molina moved to authorize expenses for the training requested. Director Barr seconded the motion, which passed unanimously.

## MINUTES

The Board considered approving the minutes of June 6, 2024, regular meeting. Following review and discussion, Director Molina moved to approve the minutes. Director Barr seconded the motion, which passed unanimously.

## TRAVEL REIMBURSEMENT GUIDELINES AND ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

Ms. Holoubek discussed the District's Travel Reimbursement Guidelines (the "Guidelines") in connection with the upcoming AWBD summer conference, and discussion ensued regarding specific expenses eligible and ineligible for the conference. Following discussion, Director Molina made a motion to authorize up to four per diems, three hotel nights, and six meals for each director attending the AWBD summer conference, all to be submitted in accordance with the District's Guidelines. Director Barr seconded the motion, which passed unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

There was no report or discussion for this agenda item.

## TAX ASSESSMENT AND COLLECTIONS MATTERS AND DELINQUENT TAX COLLECTION

Ms. McLaughlin 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; (2) authorize payment of the bills; and (3) authorize the delinquent tax attorney to proceed with delinquent tax collection when appropriate. Director Barr seconded the motion, which passed unanimously.

## RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

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 2024 tax year.

Following discussion and review of the information provided by the District tax assessor collector, Director Molina moved to establish that the District is a Developing district for the 2024 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.

### SERIES 2024 UNLIMITED TAX BONDS, DEFINED AREA NO. 2 UNLIMITED TAX PARK BONDS, DEFINED AREA NO. 2 UNLIMITED TAX ROAD BONDS AND DEFINED AREA NO. 1 UNLIMITED TAX ROAD BONDS AND UPDATE ON SERIES 2024A DEFINED AREA NO. 2 UNLIMITED TAX PARK BONDS

Mr. Eustis reviewed an expected timeline for upcoming bond sales. He then distributed and reviewed drafts of Preliminary Official Statements and the Notices of Sale for the Series 2024 Unlimited Tax Bonds, Defined Area No. 2 Unlimited Tax Park Bonds, Defined Area No. 2 Unlimited Tax Road Bonds and Defined Area No. 1 Unlimited Tax Road Bonds (collectively, the “Bonds”).

Mr. Eustis discussed the duties of the paying agent/registrar for the Bonds and noted the financial advisor recommends that the Board appoint Zions Bancorporation, National Association as the District’s paying agent/registrar for the Bonds.

The Board considered authorizing the District’s financial advisor to advertise the sale of the Bonds and concurred to hold the bond sale on August 8, 2024.

Ms. Greenwood requested the Board authorize Forvis Mazars, LLP to prepare the developer reimbursement report for amounts to be reimbursed to the developers from the proceeds of the Bonds.

Ms. Holoubek reviewed a proposal from Quiddity, Inc. for preparation of a bond application for a Series 2024A Defined Area No. 2 Unlimited Tax Park Bonds.

Following review and discussion, Director Molina made the following motion: (1) to approve the Preliminary Official Statement and Notice of Sale; (2) to appoint Zions Bancorporation, National Association as the paying agent/registrar for the Bonds; (3) to authorize the District's financial advisor to advertise the sale of the Bonds; (4) to authorize the auditor to begin preparation of the developer reimbursement report; and (5) to approve a proposal from Quiddity, Inc. for preparation of a bond application for a Series 2024A Defined Area No. 2 Unlimited Tax Park Bonds. Director Barr seconded the motion, which passed unanimously.

## PROPOSAL FOR APPRAISAL OF ROAD RIGHT-OF-WAY WITHIN DEFINED AREA NO. 2

The Board next considered approving an appraisal for appraisal of road right-of-way within Defined Area No. 2. Following review and discussion, Director Molina moved to approve the motion. Director Green seconded the motion. All directors voted against the motion causing the motion to fail by unanimous vote.

## OPERATION OF DISTRICT FACILITIES

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

Mr. Hoffman reported 89 new residential taps installed during the month of June 2024 and requested authorization to make the following purchases, repairs, and replacements:

1. upgrade the alarm, camera, and service agreement at Wastewater Treatment Plant No. 1 for a total cost of \$47,203.76;
2. repair the curtain walls at Wastewater Treatment Plant No. 1 for an estimated cost of \$7,950;
3. install a high level cut off switch for the rotary press at Wastewater Treatment Plant No. 1 for an estimated cost of \$2,850;
4. pull and evaluate the main breaker at Water Plant No. 2 for an estimated cost of \$11,000;
5. repair the gate at Water Plant No. 2 for an estimated cost of \$4,250;
6. repair the gate at Water Plant No. 4 for an estimated cost of \$7,100; and
7. repair booster pump no. 2 at Water Plant No. 1 for an estimated cost of \$25,700.

Mr. Hoffman reviewed customer appeals.

Mr. 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.

The Board took no action to amend the District's Rate Order.

Following review and discussion, Director Molina moved to (1) approve the District operator's report; (2) authorize the installations and repairs listed above, as recommended; and (3) 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.

The Board took no action on the customer appeal presented.

#### REPORT FROM STORM WATER SOLUTIONS

Ms. Griffith reviewed Storm Water Management Program reports, copies of which are attached, and Mr. Elliott reviewed a Facility Asset Management Plan.

#### PARK MAINTENANCE

Mr. Wailes reviewed a park and landscape management report, a copy of which is attached. He requested to make the following repairs and replacements:

1. replace the light pole and fixtures in Remington Grove Park for an estimated amount of \$25,875;
2. install additional fall surface in Lancaster Park for an estimated amount of \$4,464;
3. make irrigation repairs in Lancaster Park for an estimated amount of \$4,680; and
4. restore the volleyball court site for an estimated amount of \$1,592.20.

The Board also reviewed photos of debris within District right-of-way at 7615 Sisterdale Drive.

Following review and discussion, Director Green moved to (1) approve MSA's report; (2) authorize the replacements, installations, and repairs, as recommended above; and (3) authorize ABHR to prepare and send a letter to the homeowner at 7615 Sisterdale Drive requiring removal of the fencing debris located on the District's property. Director Molina seconded the motion, which passed unanimously.

## KGA/DEFOREST DESIGN, LLC REPORT

Mr. Mueller reported the status of the following projects and requested authorization to advertise for bids for construction of Bridge Creek Sections 12 and 13 Landscape Improvements.

Mr. Mueller 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. 4 in the amount of \$4,194.68, payable to Earth First; and
2. West Road Section 3 Median Landscape Improvements; Pay Application No. 1 in the amount of \$113,316.11, payable to Platinum Grass.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from KGA; and (2) based upon the recommendation of KGA, approve pay estimates listed above. Director Green 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.

## ENGINEERING MATTERS

Mr. Mullaly reviewed an engineering report, a copy of which is attached.

Mr. Mullaly next reported that bids were received for construction of a Water Plant No. 6 Second Waterline Connection and recommended that the Board award the contract in the amount of \$236,154 to GM Vera's Construction. The Board concurred that, in its judgment, GM Vera's 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 projects.

Mr. Mullaly reported that bids were received for construction of water, sewer, and drainage to serve Avalon at Cypress West Mason Road North and recommended that the Board award the contract to Unitas Construction in the amount of \$827,107. The Board concurred that, in its judgment, Unitas 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 projects.

Mr. Mullaly then reviewed the status of construction projects in the District and presented the following pay applications and change orders:

1. Marvida, Section 30; Pay Estimate No. 2 in the amount of \$665,892.81 and Pay Estimate No. 3 in the amount of \$12,868.20, both payable to Blazey Construction;
2. Avalon at Cypress West, Section 8 water, sewer, and drainage; Pay Estimate No. 3 and Final in the amount of \$91,170.37, payable to Bay Utilities;
3. Avalon View Drive, water, sewer, drainage, and paving; Pay Estimate No. 1 in the amount of \$429,129.90, payable to Unitas Construction;
4. Bridge Creek Westgreen, Phase 2; Change Order No. 2 reducing the District's contract with Park Construction by \$200 for quantity adjustments;
5. Bridge Creek, Section 12 water, sewer, drainage, and paving; Pay Estimate No. 3 in the amount of \$98,451.38, payable to Gonzalez Construction; and Change Order No. 1 adding \$81,497.66 to the contract total for updated quantities to match the actual plans;
6. Westgreen, Section 6 water, sewer, and drainage; Pay Estimate No. 1 in the amount of \$45,822.94, payable to Clearwater Utilities;
7. Wastewater Treatment Plant No. 1 Fence Replacement; Pay Estimate No. 4 in the amount of \$5,671.17, payable to Perea Masonry;
8. Wastewater Treatment Plant No. 2; Pay Estimate No. 42 in the amount of \$2,137.50, payable to Allco Constructors; and revised Change Order No. 6 adding \$25,400 to the District's contract total for miscellaneous operational requirements;
9. Water Plant No. 6; Pay Estimate No. 23 in the amount of \$40,565, payable to Long & Son;
10. Tealbrook Sections 1, 2 and 3 Phase I, CIPP; Pay Estimate No. 3 and Final in the amount of \$78,582.65, payable to Insituform Technologies; and Pay Estimate No. 2 and Final in the amount of \$5,453.83, payable to SC2 for televising;
11. Lancaster Water Line Replacement; Pay Estimate No. 16 in the amount of \$78,862.46, payable to Sequeira Civil; and
12. Traffic Signal Installation for West Road Signals; Pay Estimate No. 1 in the amount of \$25,430.40, payable to Statewide Traffic Signal.

Mr. Mullaly presented a Final Certificate of Substantial Completion for water, sewer, drainage and paving in Bridge Creek, Section 13.

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) 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; (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) accept the project for Certificate of Completion presented for execution above. Director Barr seconded the motion, which was passed by unanimous vote.

### ANNEXATION OF LAND

Ms. Holoubek updated the Board regarding the annexation of a 459.224-acre tract of land. Ms. Holoubek then presented an Order Adding Land for a total of 459.224 acres to the District.

The Board also considered approving an Amendment to the District's Information Form, reflecting the District's addition of land.

Following review and discussion, Director Molina moved to (1) adopt the Order Adding Land; (2) approve the Amendment to Information Form and file it with the Texas Commission on Environmental Quality ("TCEQ") and in the Harris County Deed Records; and (3) accept and authorize execution of a Mutual Release of Claims by and among the District and the development parties releasing all claims among them. The motion was seconded by Director Barr and passed unanimously.

The Board reviewed a Resolution Adopting Designation Plan and Taxation Plan Relating to Designation of Defined Area No. 3 within the Boundaries of Harris County Municipal Utility District No. 165. After review and discussion, Director Molina moved to adopt the Resolution Adopting Designation Plan and Taxation Plan Relating to Designation of Defined Area No. 3 within Boundaries of Harris County Municipal Utility District No. 165 and direct it be filed appropriately and retained in the District's official records. Director Barr seconded the motion, which passed unanimously.

### DEEDS AND EASEMENTS

The Board considered accepting/approving the following conveyances:

1. a Water Line Easement (0.0266-Acre; 0.0275-Acre) from M/I Homes of Houston, LLC.;
2. an Abandonment of a District Drainage Easement (22.94-Acres);
3. a Water Line Easement (0.0095-Acre; 0.3416-Acre) from Taylor Morrison of Texas, Inc.;
4. a Sanitary Sewer Easement (0.0050-Acre; 0.0152-Acre) from Taylor Morrison of Texas, Inc.;
5. a Storm Sewer Easement (0.0075-Acre; 0.0079-Acre) from Taylor Morrison of Texas, Inc.; and



6. a Utility Easement (0.0166-Acre; 0.0961-Acre) from Taylor Morrison of Texas, Inc.; and
7. a Drainage Easement (5.791-Acres) from Taylor Morrison of Texas, Inc.; and
8. a Special Warranty Deed (1.724-acres) from Landmark Industries, LLC.

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

DEVELOPER'S REPORT

Mr. Colunga and Mr. Gillham reported regarding development in the District.

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.



/s/ Wayne Green  
Secretary, Board of Directors

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